



**DESERT HEALTHCARE DISTRICT  
PROGRAM COMMITTEE  
Program Committee Meeting  
July 9, 2019  
12:00 P.M.**

Henderson Community Center  
Palm Desert Chamber of Commerce  
Conference Room #1  
72-559 Highway 111  
Palm Desert, CA 92260

***This meeting is handicapped-accessible***

Page(s)	AGENDA	Item Type				
	I. Call to Order – Director Carole Rogers, RN Committee Chairperson					
1-2	II. Approval of Agenda	Action				
3-6	III. Meeting Minutes 1. June 11, 2019	Information				
	IV. Public Comments At this time, comments from the audience may be made on items <u>not</u> listed on the agenda that are of public interest and within the subject-matter jurisdiction of the District. The Committee has a policy of limiting speakers to not more than three minutes. The Committee cannot take action on items not listed on the agenda. Public input may be offered on an agenda item when it comes up for discussion and/or action					
7-13	V. Old Business 1. Grant Proposals Under Development	Information				
14-17	VI. New Business 1. Interview to consider a Volunteer Community Member is included on an Alternate List	Action				
	<table><tr><th>Candidate</th><th>City of Residence</th></tr><tr><td>1. Christine Anderson</td><td>Rancho Mirage</td></tr></table>	Candidate	City of Residence	1. Christine Anderson	Rancho Mirage	
Candidate	City of Residence					
1. Christine Anderson	Rancho Mirage					
18-24	2. Orientation – Volunteer Community Members a. Appointment & Duties for Committees – Policy BOD-3	Information				
25-29	b. Grant & Mini-Grant – Policy OP-5					
30-33	c. Current Grant Process					
34-37	d. Grant Application Scoring Rubric					
38-40	e. Conflict of Interest – Policy BOD-15					



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|---------------|--|
| <b>41-63</b>  | f. 2018/2019 Statement of Economic Interests –<br>Form 700         |
| <b>64-68</b>  | g. 2017-2020 Strategic Plan  |
| <b>69-114</b> | h. Local Agency Formation Commission<br>(LAFCO) – Plan of Services |

**VII. Committee Member Comments**

**VIII. Adjournment**

Next Scheduled Meeting September 10, 2019

**DESERT HEALTHCARE DISTRICT  
PROGRAM COMMITTEE MEETING  
MEETING MINUTES  
June 11, 2019**

<b>Directors Present</b>	<b>District Staff Present</b>	<b>Absent</b>
Chair, Carole Rogers, RN – <i>Video Conference</i> Director Evett PerezGil Vice-President Leticia De Lara Nicolas Behrman, Community Member Lucian Crespo, Community Member Thomas Smith, Community Member	Chris Christensen, Interim CEO, CFO Donna Craig, Senior Program Officer Alejandro Espinoza, Program Officer and Outreach Director Meghan Kane, Community Health Analyst Andrea S. Hayles, Clerk of the Board	Thomas Thetford, Community Member

<b>AGENDA ITEMS</b>	<b>DISCUSSION</b>	<b>ACTION</b>
<b>I. Call to Order</b>	The meeting was called to order at 12:06 p.m. by Chair Rogers.	
<b>II. Approval of Agenda</b>	Since Chair Rogers participated via video conference, she asked Vice-President De Lara to conduct the meeting.  Vice-President De Lara asked for a motion to approve the agenda.	<b>Moved and seconded by Director Rogers and Director PerezGil to approve the agenda. Motion passed unanimously.</b>
<b>III. Meeting Minutes</b> 1. May 16, 2019	Chair Rogers asked for a motion to approve the minutes.	<b>Moved and seconded by Director Rogers and Director PerezGil to approve the meeting minutes. Motion passed unanimously.</b>
<b>IV. Public Comment</b>	None	
<b>V. Old Business</b>  1. <b>Grant Proposals Under Development</b>	Donna Craig, Senior Program Officer, explained that the grant proposals under development are included in the packet for review, and inquired on any questions or concerns.	
<b>VI. New Business</b>  1. <b>Letter of Intent #1005 – Lift to Rise</b>	Vice-President De Lara recused herself and left the room since the Regional Access Project	



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	<p>(RAP) Foundation is a fiscal agent for Lift to Rise, and she is its CEO.</p> <p>Chris Christensen, Interim District CEO, described the discussions for a collaborative on the Homelessness Initiative and the Housing Community Action Network (CAN) to establish 10,000 affordable units over a 10-year period. Mr. Christensen explained that Lift to Rise withdrew the original request with the Homelessness Initiative, and Lift to Rise's Letter of Interest seeks funding to support the resident engagement, communications and staffing capacity. Staff recommends working with Lift to Rise on the Health Community Action Network (CAN) and the District's healthy eating and active living focus area that coincide with the strategic plan.</p> <p>Heather Vaikona, Executive Director, Lift to Rise, described the organization and support from the Desert Healthcare District. Ms. Vaikona explained the collaborations with Feeding America to support the ongoing work to build out the resident engagements, communications, and staffing capacity with a revised grant request.</p> <p>Director PerezGil recommends continuing with the District's grant policy for more measurables of action in the Coachella Valley and working</p>	
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	<p>toward the healthy eating and active living components.</p> <p>The committee directed staff to work with Lift to Rise on the next phase and provide a full grant application at the July Program Committee meeting.</p>	
<p><b>2. Grant #1006 - Desert Healthcare Foundation – Homelessness Initiative Collective Fund - \$1,000,000</b></p>	<p>Chris Christensen, Interim CEO, explained grant request #1006 for \$1M from the Desert Healthcare District describing the background of the 2017 Homelessness Initiative collective fund. Over the course of 2 years, the funds have been distributed as matching funds to Coachella Valley Association of Governments (CVAG) to assist with the CV Housing First program. Staff is proposing an ongoing process to fund the Foundation’s collective, which currently has a \$70k balance, and use the funds in the new fiscal year.</p>	<p><b>Moved and seconded by Director PerezGil and Vice-President De Lara to approve Grant #1006 – Desert Healthcare Foundation – Homelessness Initiative Collective Fund and forward to the Board for approval.</b></p> <p><b>Motion passed unanimously.</b></p>
<p><b>3. Census 2020 – Coachella Valley Regional Roundtable</b></p>	<p>Meghan Kane, Health Policy Analyst, provided an overview of the stakeholder convenings and preliminary strategies of Census 2020.</p>	
<p><b>4. Facility site visit of grant recipients</b></p>	<p>Chris Christensen, Interim CEO, described the site visits of potential grantees and continuing with the guidelines of AB2019.</p>	<p><b>Moved and seconded by Nicolas Behrman (Community Member) and Chair Rogers to approve Allen Howe’s volunteer community member appointment to the Program Committee and forward to the Board for approval.</b></p>

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<p><b>5. Interviews to consider the appointment of one additional Volunteer Community Member</b></p>	<p>Chair Rogers recommended a monthly tour of a grant-funded facility or on an as-needed basis.</p> <p>Director PerezGil exited the meeting at 1:42 p.m.</p> <p>Allen Howe, Palm Springs resident, provided an overview of his background in healthcare administration and city government.</p> <p>Christine Anderson, Rancho Mirage resident, was not available for a telephone interview due to a scheduling conflict. Ms. Anderson expressed interest in a future interview.</p> <p>The committee recommended Ms. Anderson interview at the July meeting for consideration of an appointment to an alternate list of community members since the current 5 positions have been filled.</p>	<p><b>Motion passed unanimously.</b></p>
<p><b>VII. Committee Member Comments</b></p>	<p>There were no committee member comments.</p>	
<p><b>V. Adjournment</b></p>	<p>Chair Rogers adjourned the meeting at 2:00 p.m.</p>	<p><b>Audio recording available on the website at <a href="http://dhcd.org/Agendas-and-Documents">http://dhcd.org/Agendas-and-Documents</a></b></p>

ATTEST: \_\_\_\_\_  
Carole Rogers, RN, Chair/Director  
Program Committee

*Minutes respectfully submitted by Andrea S. Hayles, Clerk of the Board*

## PROPOSALS UNDER DEVELOPMENT

Information only – status update of new and existing grants since last board report 6/25/19

Letters of Inquiry			
Agency	Staff Notes	Status	Funding Allocation
<b>Flying Doctors MINI GRANT</b>	LOI – Stage 1 received requesting \$25,000 for the expenses related to the September 28, 2019 clinic	Waiting for audited financials to be submitted before generating the application, Stage 2 <b>UPDATE: Flying Doctors do not have audited financials and have changed their request to a \$5,000 mini grant. Stage 2 Mini Grant application generated</b>	Foundation
<b>Desert Ability Center MINI GRANT</b>	LOI – Stage 1 received requesting \$5,000 towards the acquisition of adaptive equipment including, but not limited to, trainers upon which handcycles are placed, handcycles, wheelchair accessible rowing machines and strength trainers. Residents with spinal cord injuries, other neurological disorders and amputations will have the ability to train at Kirkfit. Initial training offerings will include indoor cycling, rowing and strength training.	Waiting for project budget to be submitted before generating Stage 2, the application.	District

<b>Alzheimer's Coachella Valley <span style="color: red;">MINI GRANT (revised request)</span></b>	LOI received requesting \$5,000 mini grant for Certified Dementia/Alzheimer's Caregiver Training.	<span style="color: red;">Stage 2 mini grant application generated –</span>	<span style="color: red;">District</span>
<b>California Partnership <span style="color: red;">MINI GRANT</span></b>	LOI Stage 1 received requesting \$5,000 to support CAP's efforts in collaborative outreach, education and enrollment campaign activities for the young adult population in full-scope Medi-Cal, between the ages of 19-25, and wrap-around medically indigent services programs in the CV	<span style="color: red;">Stage 2 mini grant application generated</span>	<span style="color: red;">Foundation</span>
<b>Desert AIDS Project</b>	<u>Emailed</u> LOI requesting \$459,006 for Get Tested Coachella Valley 2.0.	Site visit and meeting at DAP was completed April 2, 2019. The funding request was concentrating the new version 2.0 of Get Tested Coachella Valley (GTCV) specific to the residents of the East Valley. Other items included in the funding request were advertising dollars; support for the mobile testing van and Smart cars; salaries; event sponsorship; and support for the DOCK (the STD clinic) to offset lost revenue. DAP will provide its strategic plan <span style="color: red;">(received)</span> & Vision 2030 for review and compatibility with DHCD's strategic plan.	
<b>Hidden Harvest</b>	LOI received requesting \$50,000 for low-income senior markets.	<span style="color: red;">Grant request on hold (per grantee's decision) until more current audited financials are completed.</span>	<span style="color: red;">District – could increase grant request to cover senior markets in East Valley through Foundation</span>

<b>Coachella Valley Rescue Mission</b>	LOI received requesting \$270,000 for services for hospital-discharged homeless patients.	<b>SITE visit and application meeting with Program Director &amp; CEO on JULY 11th; awaiting data report from Desert Care Network re discrepancies in reported numbers of hospital-discharged patients.</b>	<b>District/Foundation</b>
<b>Jewish Family Service of the Desert</b>	LOI received requesting \$90,000 to support case management services due to a 45% increase in seniors and other low-income individuals requesting financial emergency assistance.	<b>Stage 2 – full application – has been generated</b>	<b>District</b>
<b>Palm Springs Cultural Center</b>	LOI received requesting \$50,000 to conduct a Mobile Farmers Market feasibility study.	<b>PS Cultural Center in the process of having their current audited financials accepted and approved by their board.</b>	<b>Foundation</b>
<b>Neurovitality Center</b>	LOI received requesting \$281,639 to cover a year of staffing (both New and Existing) start-up costs in the development of a Community Based Adult Services (CBAS) program and an Adult Day Health Care (ADHC) program. This is a collaborative effort with Regional Access Project Foundation, who is being requested to fund the gap in start-up costs.	<b>This request is not what had been originally proposed/requested - \$180,570 for NEW staffing positions only. These new positions are mandated by the State and County to be in place before licensure and certification can be conducted. DHCD staff and NVC are in conversations regarding the change in the request.</b>	<b>District</b>

Applications			
Grantee	Staff Notes	Status	
<b>Lift To Rise</b>	6/21/19 phone conversation with Heather – revising grant request to reflect the Health CAN & Healthy Eating/Active Living health outcomes	Stage 2 Application was generated after 6/11 Program Committee meeting. Waiting for revised submission which will be placed on September PC meeting agenda (of which LTR has been notified via email)	District
Progress Reports			
Applicant	Staff Notes	Status	
<b>Joslyn Senior Center #980:</b> <i>Joslyn Wellness Center Senior Behavioral Health Services Program</i>	<p><b>Grant term 11/1/18 – 10/31/19</b></p> <p><b>Original Approved Amount: \$112,500</b></p> <p>1<sup>st</sup> progress report covering the time period from 11/1/18 – 4/30/19</p> <p>For the most part, the program is on track and meeting or exceeding enrollment and completion goals. The Aging Mastery Program is one exception with respect to meeting enrollment goals, although it is meeting the expected completion goal number. In addition, individual clients served through the Problem-Solving Therapy program are somewhat below expectations at the half-way</p>	<p>The following shows client participation in the various classes and programs offered through The Joslyn Wellness Center: The following format is being utilized in this reporting: enrollment /completion.</p> <p>Aging Mastery: 100/60 (60% completion Goal) – Reporting Period: 35/30 (86% completion rate)</p> <p>Brain Boot Camp: 120/80 (67% completion goal) – Reporting Period: 71/63 (89% completion rate)</p> <p>Problem Solving Therapy: 70 participation Goal – Reporting Period: 24</p>	

	<p>point. One difficulty is the stigma that still exists around “therapy” for the population age that is our focus. For this reason, although utilizing Problem Solving Therapy techniques, we market the program as Problem Solving Strategies.</p> <p>Another “on-track” issue that has arisen is the recruitment of the second Associate/Intern. There were two reasons for this. The first was the initial slow growth of the client base and the second issue is our determination that we would like to recruit a Spanish speaking therapist in order to offer the Problem-Solving Strategies counseling to Spanish speaking individuals.</p>	<p>Go4Life: Goal 100 Clients Participate – Reporting Period (67 unduplicated)</p> <p>Total Unduplicated: 175/131</p>	
<p><b>Desert Cancer Foundation #960:</b>  <i>Patient Assistance &amp; SJBCF (Suzanne Jackson Breast Cancer Fund)</i></p>	<p><b>Grant term: 3/1/18 – 8/31/19</b>  <b>Original Approved Amount: \$200,000</b></p> <p>The SJBCF program is considered to be "on track" as its programmatic structure has ensured we serve patients in need as a safety net. However, the goals established in the</p>	<p><b>Suzanne Jackson Breast Cancer Fund:</b>  Due to the implementation of the Affordable Care Act, and the requirement of essential benefits, of which includes breast cancer screening services without cost, we have witnessed a drastic reduction in the need for our services to pay for breast cancer screening and diagnostic services over the past year by District residents.</p>	

	<p>grant proposal will not have been met specifically for expenditures of the dollars for screening and diagnostic services. Instead, we have been successful in leveraging existing programs and services in order to meet the breast health needs of District and remaining valley residents. This program serves as a safety net for patients with no insurance or are under-insured, and do not qualify for existing programs and services. We are significantly under budget for breast cancer screening and diagnostic services funded by Desert Healthcare District; however, the need for financial assistance for cancer treatment continues to increase.</p>	<p><b>Our Patient Assistance Program</b></p> <p>continues to grow, with more need from local residents battling a cancer they cannot afford. During the reporting period of 9/1/2018 to 2/28/2019, DCF has served a total of 738 services among a total of 73 unduplicated residents within the funded District area.</p>	
<p><b>SafeHouse of the Desert #927: “What’s Up”</b>  <i>SafeHouse a 24-hour Crisis Text App</i></p>	<p><b>Grant term: 1/1/17-12/31/19</b>  <b>Original Approved Amount: \$679,357</b>          What's Up SafeHouse Crisis Line and App continue to stay on track to meet the goals set forth. We are actually on track to exceed the projected numbers.</p>	<p>From January 1, 2019 through June 27, 2019 13,196 youth were directly outreached to. In addition to this, 568 school administrators, counselors, teachers, and school resource officers were directly outreached to.</p> <p>During the same reporting period, SafeHouse of the Desert's What's Up SafeHouse Crisis Line and App provided</p>	



		services to 675 unique texters, with a total of 9,546 texters exchanged with those unique texters.	
<b>Final Grant Reports</b>			
<b>Applicant</b>	<b>Staff Notes</b>	<b>5 things to be done differently</b>	
<i>No final reports at this time</i>			



Date: July 9, 2019

To: Program Committee

Subject: Interview to consider a Volunteer Community Member to be included  
on an Alternate List

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**Recommendation:** Consideration to include a volunteer community member of the Program Committee to an Alternate List.

**Background:**

- The Program Committee and Board of Directors has previously appointed five Volunteer Community Members to serve on the Program Committee.
- Christine Anderson will be interviewed at the July 9, 2019 Program Committee meeting to be considered for inclusion on an Alternate List of the Program Committee.
- Ms. Anderson's CV/resume is included in the packet for the Committee's review.

## **CHRISTINE J. ANDERSON, EdD**

52 Oakmont Drive  
Rancho Mirage, CA 92270

(714) 858-1645

### ***Professional Experience***

2/2017 to 6/2017	Interim Superintendent of Schools Coachella Valley Unified School District
2016 – present	Retired
2011 - 2016	Superintendent of Schools Palm Springs Unified School District
2007 – 2011	Asst. Superintendent of Educational Services Palm Springs Unified School District
2005 – 2007	Executive Director of Human Resources Santa Ana Unified School District
2003 – 2005	Educational Consultant Focus on Results Long Beach, CA
1993 – 2005	School Principal Santa Ana Unified School District
1989 – 1993	K-12 Principal Carl Harvey School for the Orthopedically Impaired and Teenage Parent Program Santa Ana Unified School District
1981 – 1989	Special Education Program Specialist North Orange County SELPA Orange County Department of Education
1979 – 1981	Program Specialist Fullerton School District
1975 – 1979	Teacher Fullerton School District

### ***Educational Preparation***

2007 – EdD <i>Valedictorian</i>	Organizational Leadership University of La Verne
1984 – Credential	Education: Administrative Services California State University, Fullerton
1978 – Credential	Education: Severely Handicapped California State University, Long Beach
1976 – M.A.	Communicative Disorders California State University, Long Beach
1975 – Credential	Speech and Language Pathologist California State University, Long Beach
1974 – B.A. <i>Cum Laude</i>	Communicative Disorders California State University, Long Beach

### ***Professional and Community Affiliations***

College of the Desert (COD) Foundation, Board secretary	2018 to present
Mission Hills Scholarship Education Fund (MHSEF) Board	2018 to present
Palm Springs Art Museum Western Art Council member	2018 to present
Desert Regional Medical Center Governing Board Member	2012 to 2018
Association of California School Administrators	retired
Coachella Valley Economic Partnership (CVEP) Board Member and Co Chair of Workforce Excellence	retired

### ***Awards***

Mayor's Award, Palm Spring's Women's Club, 2016

Regional Superintendent of the Year, ACSA, 2014

Women of the Year, Orion Award, Cathedral City Chamber of Commerce, 2013

Certificated Administrator of the Year, Riverside County, 2011

Certificated Administrator of the Year, Palm Springs Unified School District, 2011

Valedictorian, Organizational Leadership Doctoral Program, ULV, 2007

District Office Administrator of the Year, Santa Ana Educators Association, 2007

Principal of the Year, Santa Ana Educators Association, 2005

California State Distinguished School, Harvey Elementary, 2005

California Association of Bilingual Educators Distinguished School, 2002

***Personal Information:***

I served as an educator and educational administrator for 40 years in California K-12 public education. My husband Tony and I moved to the Coachella Valley from Orange County in 2007. We have two grown children, one educator and one Intellectual Property attorney. We have lived full time in Rancho Mirage for over 10 years. I retired from the Palm Springs Unified School District in June of 2016. In retirement we support organizations involved with education, health and the arts.

In the ten years I served in Palm Springs Unified School District (PSUSD), I had the opportunity to work with the Desert Health Care District. PSUSD applied and was approved for funding of two projects studying childhood diabetes and obesity. Following these studies PSUSD jointly funded a third grade student swim program with the City of Palm Springs and the Desert Healthcare District. I believe deeply in collaborative work to address health and education issues in the Coachella Valley.



**POLICY TITLE:** APPOINTMENT & DUTIES FOR COMMITTEES

**POLICY NUMBER:** BOD-3

**DRAFT DATE:** 03-22-16 -Revised at 4-23-19 BOD Mtg

**BOARD APPROVAL DATE:** 03-22-16 & Revision on 04-23-19

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**POLICY: APPOINTMENT TO COMMITTEES**

**Policy #BOD-3:** It shall be the policy of the Desert Healthcare District ("District") that the Board President shall appoint Board members to all committees and all committees shall be advisory only to the full Board of Directors unless otherwise specifically authorized to act by the Board.

**1. DISTRICT BOARD COMMITTEES:**

**1.1. Ad-hoc Committees.** Special Ad-hoc Committees of less than a quorum of the Board may be appointed by the Board President, for specific tasks or for a limited or a single purpose that is not perpetual. Ad hoc Committees shall not be created by formal action of the Board and shall be dissolved once the specific task is completed.

**1.2. Standing Committees.** The District Bylaws shall reference and list the Board Standing Committees which shall meet regularly to review reports from District staff, legal counsel, and consultants relating to the subject matter of the committee. Annually at the first Board meeting following the election of officers the Board President shall appoint three Board members to each Standing Committee and a chairperson. The Board Treasurer shall serve as the Chair of the Finance, Legal and Administrative Committee (F&A Committee). There shall be the following Standing Committees:

**1.2.1. Program Committee.** The Program Committee shall be responsible for oversight and for making recommendations to the Board on District matters related to grant-making and related programs. This committee may also include



community members (Volunteer Members) as outlined in the Volunteer Member Guidelines below. A student representative may also be added at the discretion of the committee.

**1.2.2. Finance, Legal, Administration, and Real Estate Committee (F&A).**

This committee shall be responsible for review of, and making recommendations to the Board where appropriate on, matters related to finance, administration, human resources, property management, legal affairs (including legislation), real estate, and information systems (IS). In addition to Volunteer Members, this committee may also include a student representative at the discretion of the committee.

**1.2.3. Strategic Planning Committee.** This committee shall meet quarterly or more often, if needed, and shall be responsible for monitoring the District's progress in achieving the goals and expectations outlined in the District's strategic plan.

**1.2.4. Hospital Lease Oversight Committee.** This committee shall meet quarterly or more often, if needed, and shall be charged with oversight responsibilities to ensure compliance with the terms of the current Lease of Desert Regional Medical Center.

**1.2.5. Volunteer Committee Members.** The Program Committee may include up to five (5) Volunteer Members, and the F&A Committee may include up to three (3) Volunteer Members. Volunteer Members shall be subject to the Volunteer Member Guidelines below.

**2. VOLUNTEER MEMBER GUIDELINES.** Volunteer Member guidelines outline the requirements for Volunteer Members to participate on District Standing Committees. Unless otherwise provided, the appointment process, and guidelines will be the same for all committees. Interviews for Volunteer Members shall be in the discretion of the committee. All Volunteer Members shall either reside or be primarily employed within or serve the District and shall be subject to approval of the full Board of Directors.



**2.1. Volunteer Member Term.** Volunteer Members shall serve one (1) three-year term. At the end of the three-year term, a Volunteer Member may provide a written request to the Board for consideration to continue to serve on the committee. Any openings or reappointments on the committee will be considered at the end of the term. Any Volunteer Member who is employed by or sits on the Board of Directors of a grantee, is ineligible to serve on the committee within one year of filing a grant proposal and will be required to resign from the committee. All Volunteer Members who are termed out or resign due to applying or receiving a grant must wait a minimum of one year before reapplying to become a Volunteer Member.

**2.2. Vacancies.** Volunteer Members who miss three consecutive unexcused meetings may be removed at the discretion of the Committee chairperson. In the event of the vacancy of a Volunteer Member, notice of the vacancy and application process shall be published on the District website for a minimum of 14 days. The committee chairperson shall also have the discretion to publish notice of the vacancy and application process in a local newspaper of general circulation. Community members shall submit applications to become a Volunteer Member and their qualifications in writing to the District office. The Committee shall conduct interviews of qualified applicants. The Committee selections will be recommended to the Board for approval.

**2.3. Meetings and Voting.** The Committees meet on a monthly basis as necessary prior to meetings of the full Board. Meetings are convened by the committee chairperson in coordination with District staff. In accordance with their responsibilities, Volunteer Members shall participate in the committee process including participating in voting at the committee meetings and making recommendations to the full Board. However, votes and recommendations of Volunteer Members while noted in the record shall be advisory in nature only. The votes of the District Board Representatives shall be the recommendation, which shall be forwarded to the full District Board of Directors for consideration.





**2.4. Conflicts of Interest.** Volunteer Members shall not make or influence a recommendation or decision related to any committee recommendation which will benefit the Volunteer Member's outside employment, business, or personal financial interest or benefit an immediate family member, such as a spouse, child or parent. A Volunteer Member shall not participate, discuss or vote on any issue, or recommendation which directly inures to his or her financial interest or with respect to which he or she has any other conflict of interest. Volunteer Members shall follow the adopted District Conflict of interest Code in accordance with California law.

**3. PROGRAM COMMITTEE.** In accordance with the District's mission and strategic plan, the grant program provides funds to qualified nonprofit and governmental grantees to make positive impacts on community health and improve access to health care. The Program Committee recommends grant making policy to the Board of Directors and guides and monitors District grant making functions and program-related activities through which the District carries out its strategic plan to improve the health of the District's residents. This committee may include up to five Volunteer Members, and may include a student representative.

**3.1. Responsibilities.** The responsibilities of the Program Committee include the following:

- To identify trends and healthcare needs that can be addressed by the District and provide input on needs assessments conducted by District staff.
- To provide vision and guidance on the development of the District's strategic plan.
- To provide advice, counsel and feedback to staff as needed during program development.
- To monitor implementation of the District's strategic plan and program-related activities to ensure programs are achieving the desired impact.
- To identify key program issues to be discussed at the Board level.
- To consider grant proposals and recommendations provided by staff and make recommendations of grants to approve to the District's Board of Directors.



**4. F&A COMMITTEE.** In accordance with the District Bylaws, this committee shall be responsible for oversight and for making recommendations to the Board where appropriate on matters related to finance, administration, human resources, property management, legal affairs, (including legislation) real estate and information systems (IS). This committee may include up to three Volunteer Members, and may include a student representative.

**4.1 Responsibilities.** The responsibilities of the F&A Committee include the following:

- To understand the financial needs and conditions of the District.
- To provide objective perspective regarding finances.
- To provide advice, counsel and feedback to the committee as requested during budget development.

**5. STRATEGIC PLANNING COMMITTEE.** In accordance with the District Bylaws, this committee shall meet quarterly and more often, if needed, and shall be responsible for monitoring the Districts' progress in achieving the expectations outlined in the District's strategic plan.

**5.1 Responsibilities.** The responsibilities of the Strategic Planning Committee include the following:

- Responsible for monitoring the District's progress in achieving the expectations outlined in its strategic plan.
- To monitor implementation of the District's strategic plan and program-related activities to ensure programs/initiatives are achieving the desired impact.

**6. HOSPITAL LEASE OVERSIGHT COMMITTEE.** In accordance with the District Bylaws, this committee shall meet quarterly or more often, if needed, and shall be responsible for oversight to ensure compliance with the terms of the current lease of



Desert Regional Medical Center.

**6.1 Responsibilities.** The responsibilities of the Hospital Lease Oversight Committee include the following:

- Review of all mandated Hospital operation scores and reports performed by independent third parties.
- Review of quarterly inspections of Hospital facilities.
- Provide updates to the Board of Directors.
- Provide reports on activities of the Hospital.
- Provide an annual report reflective of lease requirements from lessee.

**7. RESPONSIBILITIES AND VOLUNTEER AGREEMENT.** As a Volunteer Committee Member, I understand and agree that I am responsible, collectively with my fellow committee members, for guiding and monitoring District activities through which the Desert Healthcare District pursues its strategic plan to improve the health of the District's residents. I agree to the following responsibilities and criteria:

Volunteer Members of the District Committees are expected to, and agree to:

1. Make every effort to attend all Committee meetings, including any special scheduled meetings. If any member is absent for three or more meetings within a calendar year, that individual's appointment to this committee will be reviewed.
2. Thoroughly read and understand all the materials in the Committee Orientation Manual and attend any orientation or training sessions and be willing to be a "continual learner" about all matters of importance to philanthropy and to the District, and to take advantage of learning opportunities offered.
3. To participate in providing vision and guidance on the development of the District's strategic plan.



4. To participate in monitoring implementation of the District's strategic plan and program related activities to ensure programs are achieving the desired impact.
5. Review all respective committee packets, and any other materials provided by staff prior to each meeting.
6. Actively participate in committee discussions and deliberations and wisely consider each matter on which the committee is asked to vote.
7. Consider all matters brought before the committee objectively and "on the merits" and make decisions that best represent the interests of the District.
8. Be supportive of the decisions of the committee and the District.
9. Be willing to compromise, if necessary, in order to foster a cooperative atmosphere for all the people who participate in the work of the District.
10. Abide by the Conflict of interest Policy by disclosing any potential conflicts and abstaining from voting or advocating on issues related to conflicts of interest.

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Volunteer Name

Date

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Committee Chair Person

Date



**POLICY TITLE:** Grant & Mini-Grant Policy

**POLICY NUMBER:** OP-5

**BOARD APPROVAL DATE:** 05/28/2019 BOD Revised  
Board Approved Policy Procedure 05/24/2016 Revised  
02/20/2012

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**POLICY: GRANT & MINI-GRANT POLICY**

**Policy #OP-5:**

In accordance with Desert Healthcare District's mission and strategic plan it is the policy of the Desert Healthcare District to provide guidelines for Grants & Mini-Grants to provide health and wellness programs/projects for the benefit of the District residents and in alignment with the California Health and Safety Code requirements. Each year the Board of Directors will allocate a budget for both grants and mini grants.

The District Board may amend this policy as needed to be consistent with any state legislation regarding healthcare district grant programs.

**GUIDELINES:**

1. The District will administer the grant funds to assure responsible distribution of monies and to maximize the benefit to community members and fairness to grant recipients.
  - 1.a. All grants must align with the Desert Healthcare District's strategic plan. The strategic plan is available on our website, [www.dhcd.org](http://www.dhcd.org)
  - 1.b. The Board will adopt a grant budget allocation each fiscal year during the annual budget process. (July – June)
  - 1.c. Grant recipients should not assume there exists an entitlement to continued funding nor that similar funding will be available in future years.



1.d. Grant recipients must accept the District's standard grant/contract terms and conditions as a stipulation of any grant award. Grantee who is not in compliance as identified in the Grant Contract may become ineligible to apply for future grants for a period of up to two (2) years

1.e. The District will place a priority on collaboration with community agencies applying for grants, to maximize use of funds and impact while avoiding the fostering of competing programs that may make each such competing programs to become less effective.

Applicants who choose not to collaborate must demonstrate a distinction between their proposed services and those that may already be in place.

1.1 Grant requestors utilizing a fiscal agent may be considered; the application shall include a copy of a resolution adopted by the fiscal agent organization's board of directors approving of the action to act as an agent on behalf of the requestor.

1.2 Individual meetings regarding grants between an applicant and a District Board member, officer or staff outside of the established grant process is prohibited. Staff may provide technical assistance, upon request, from potential and current Grantees.

2. **Mini Grants** allow the Desert Healthcare District community to access support for small health initiatives that possibly do not have the capacity for a large program or project. The mini grant application is processed by the administration of DHCD. Consideration is contingent upon the availability of funds, community health priorities, and the ability of the applicant to effectively administer the project programmatically and financially. The mini grant provides up to \$5,000 per one request in a fiscal year. The request must align with the DHCD strategic goals and objectives.



### 3. Grant Application Process

#### a. Program Committee

The Program Committee shall be responsible for oversight and for making recommendations to the Board, where appropriate, on District matters related to grant-making and related programs.

#### b. Eligibility/Criteria

3.b.1 The District awards grants only to organizations exempt from federal taxation under Section 501(c) (3) of the Internal Revenue Code or equivalent exemption; such as a public/governmental agency, program or institution. Except for mini grant recipients, all organizations must have current audited financial statements.

3.b.2 Organizations must directly serve residents of the Desert Healthcare District. Agencies physically located outside [District boundaries](#) may be eligible for funds upon demonstration that the residents of the District will be proportionately served.

3.b.3 Grants are available to organizations whose activities improve residents' health within one or more focus areas of the District's [strategic plan](#). Through investment of its grant dollars, the District supports programs, organizations and community collaborations with potential for achieving measurable results. Through the use of a grant scoring structure, consideration is given to projects or organizations that:

- Have proven records of success and capacity
- Have potential to impact the greatest numbers of District residents in alignment with strategic goals
- Can demonstrate the greatest potential to positively change health-related behaviors
- Are based on research and/or best practices that demonstrate effectiveness
- Have data available to measure progress, outcomes and relevance
- Have strong fiscal and operational governance



#### **4. Funding Restrictions**

4.1 The District will NOT support the following:

- Individuals
- Endowment campaigns
- Retirement of debt
- Annual campaigns, fundraising events, or expenses related to fundraising
- Programs that proselytize or promote any religion or sect, or deny services to potential beneficiaries based upon religious beliefs
- Expenses related to lobbying public officials
- Political campaigns or other partisan political activities
- Unfunded government mandates
- Replacement funds to allow funding to be shifted to other programs or budget areas
- An organization cannot discriminate by race, color, creed, gender, sexual orientation or national origin.

4.2 Only one open grant per grant recipient is allowed.

4.3 Multiyear grant funding may be considered for approval. The total amount of funding for multi-year grants may not exceed 30% of the total aggregate amount of the annual approved Grant budget by the District Board.

#### **5. Online Application Process**

- STEP 1: Program Committee works with staff to assist with the development of proposed Outcomes/Goals/Objectives driven by the strategic plan focus areas, research and community engagement.
- STEP 2: Staff receives online Stage 1 Letter of Interest (LOI) and supporting documents from applicant.
- STEP 3: Staff Review and preliminary due diligence is performed on all LOIs and invites grantees, via email, authorization to move to Stage 2 - the grant application.





- STEP 4: Staff reviews full grant applications, performs full due diligence and brings forward to the Program Committee for consideration.
- STEP 5: Program Committee brings forward recommendations for review and consideration of approval by the Board of Directors.

## **6. No-Cost Grant Extension**

6.1 Under a No-Cost Extension, grantees may extend a grant's project period one time for up to 12 months. A No-Cost Extension may be requested when the following conditions are met:

- 6.1.1 No term of award specifically prohibits the extension
- 6.1.2 Project's originally approved scope will not change
- 6.1.3 The end of the project/grant period is approaching
- 6.1.4 There is a programmatic need to continue
- 6.1.5 There are sufficient funds remaining to cover the extended effort

6.2 The Desert Healthcare District always retains the right to decline the request. Examples of reasons to decline might include:

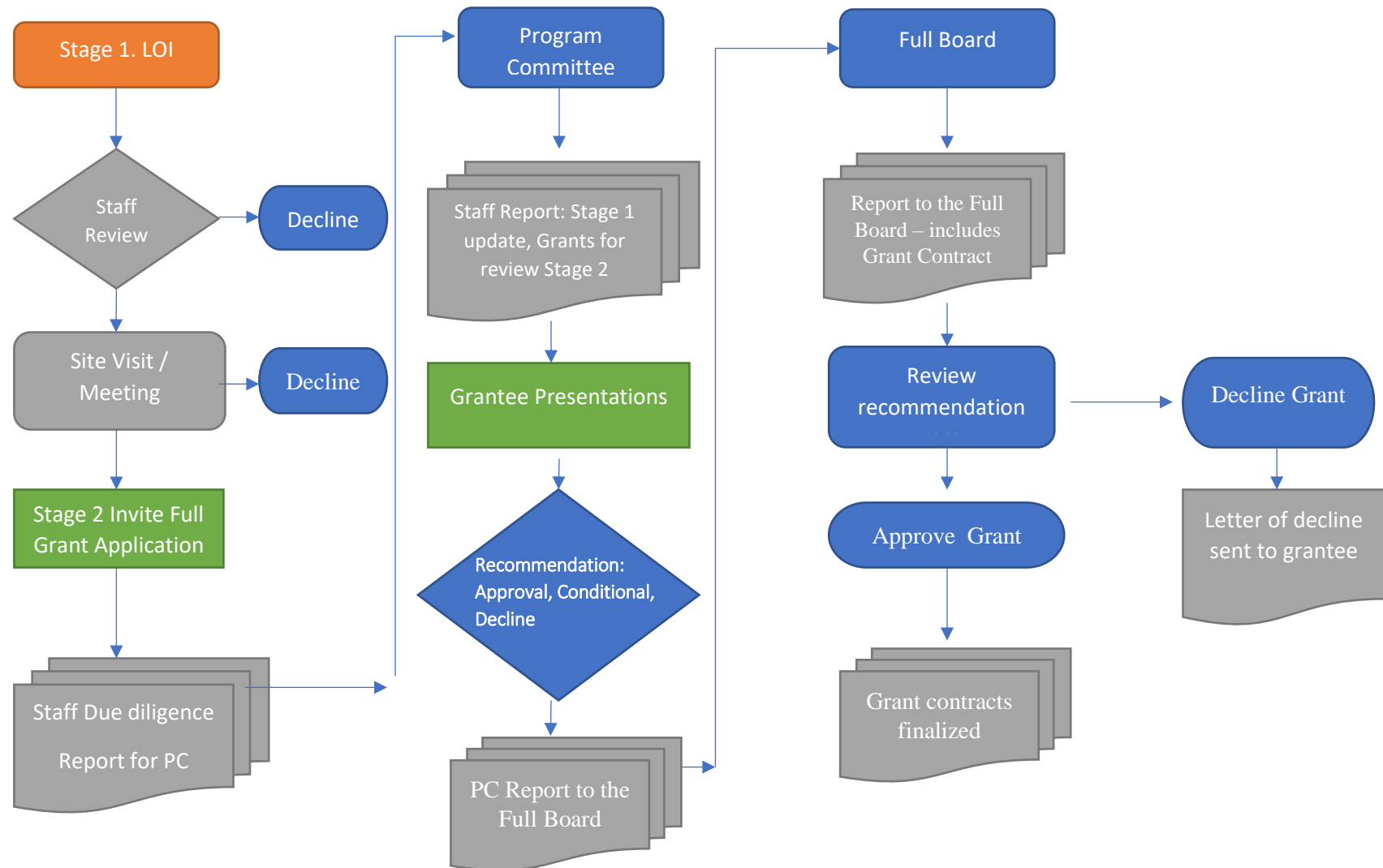
- a. An extension may not be granted solely because there is money left over. Programmatic benefit must be justified.
- b. Deliverables as outlined in Exhibit B (Payment Schedule, Requirements & Deliverables) have been met.

### **6.3 Process:**

Grantee must submit a written request to the DHCD at least 30 days before the end of the current project period. The request should be sent to the Grant Department and include the following information:

- 1. The amount of funds remaining, and an explanation for why they have not been spent
- 2. Rationale for continuing the project
- 3. An explanation of why the project has not been completed
- 4. Inclusion of a detailed work plan and how all unfinished activities will be completed by the proposed end date

## Current Grant Process



Note: Staff is available to grantees for technical support both before, during and after the grant process.

Step 1. Letter of Interest (LOI) – Stage 1 - accessed via the District website - documents are attached and letter is submitted via the web.

A. LOI is uploaded from the system

Step 2. Staff verify the LOI is complete and the attached required documents have been received. I.e. Audited financials.

A. Grant staff review the LOI and if the program and budget look reasonable, then audited financials are submitted to the CFO for review.

B. Upon grant staff acceptance and CFO approval to move forward – email sent via the grant software to grantee to invite for a full application – Stage 2

a. At this point if grantee does not meet baseline requirements Staff may decline or request clarity from the grantee if staff believe there is a misunderstanding of the grantee. This will be performed via the email system built into the grant software for tracking.

Step 3. Grantee submits application and all supporting documents via the grant software.

Step 4. Grant application is uploaded from the system

A. Staff verify all attachments are included as required. I.e. completed budget form – Completed Application etc.

a. If documents are missing or there are perceived concerns – staff will request further information from the grantee. This will be performed via the email system in the grant software – may also include the application being returned to the grantee for further completion. If there are minor changes, these can be made via the staff (with written consent from the grantee) or the application can be returned to the grantee for revisions.

b. Staff reviews and scores the application.

B. Grant packet prepared for review. – currently this is an internal process – it is recommended to bring on Readers in the future.

C. Staff sends the grant packet for review to each of the current staff readers (Donna and Alejandro) - CFO should be sent the full packet so he may review the financials, 990's, and budget narrative for comments/concerns/approval. (Audited financials already reviewed from Step 2 above)

D. Staff reviews independently the grant applications and supporting documents using the scoring structure.

E. Reviews are submitted into the system upon completion – note there is a deadline for this process and if the date is missed the application will no longer be available for review

F. Grant staff compiles the review information and establishes comments for the Program Committee (PC) Write-up. This is a template within the grant software. Once completed this will be used to bring together the PC packet materials, to include the full

grant application packet and scoring review sheets. Staff will not recommend grants, but will point out key areas of focus - both positive or concerning.

Step 5. PC Packet created for each grant and saved in PC meeting U drive file in PDF format to be included in the PC Packet. This is performed via the Grant software.

Step 6. Staff present each grant request to the committee for review. Staff will invite each grantee to be present to give the committee an opportunity to ask further clarifying questions regarding the grant.

- A. Staff will document the recommendations from the PC to be included in Board Packet Write up – (same as above for PC, but includes PC recommendations.)

Step 7. Staff to update Board Packet write up and create the grant contract based on PC recommendations to the Board.

- A. Exhibit B to be auto-populated by payment schedule set in the grant system.
  - a. Grants under \$250,000 will report out semiannually and final report
    - i. 1<sup>st</sup> Payment 45% of grant – fully executed contract received from grantee
    - ii. 2<sup>nd</sup> Payment 45% of grant - first Progress and Budget Progress reports are received and reviewed
    - iii. Last Payment 10% (retention) of grant - last 6-month Progress and Budget Progress reports and final grant report received and reviewed
  - b. Grants over \$250,000 will report out quarterly and final report
    - i. 1<sup>st</sup> Payment 22.5% of grant – fully executed contract received from grantee
    - ii. 2<sup>nd</sup> Payment 22.5% of grant - first Progress and Budget Progress reports are received and reviewed
    - iii. 3<sup>rd</sup> Payment 22.5% of grant - second Progress and Budget Progress reports are received and reviewed
    - iv. 4<sup>th</sup> Payment 22.5% of grant - third Progress and Budget Progress reports are received and reviewed
    - v. Last Payment 10% (retention) of grant - Last quarter Progress and Budget Progress reports and final grant report are received and reviewed.

Step 8. Staff to create packet of each grant to be included the Board Packet:

- 1. Staff write-up with PC Recommendations
- 2. Application
- 3. Exhibits B – Payment schedule, Requirements and Deliverables
- 4. Exhibit C – Line Item Budget

## 5. Grant History Summary

A. Packet saved into Board U drive file in pdf format to be included in Board packet.

Step 9. Staff to invite grantees to participate in Board meeting and to be present to answer further questions from the Board

A. Decision of the Board entered into the grant system – Contract generated

B. Grant contract signatures obtained and request for first payment submitted to Finance

Step 10. Staff sets up progress reports with email reminders

Step 11. Staff receives progress report, current budget progress report outlining expended funds with receipts - reviews – obtains clarity, if needed, from the grantee

A. Staff submits request for next payment from Finance

B. Staff updates Resources and Philanthropy for upcoming PC and Board meeting.

Step 12. Staff receives final report (narrative only) reviews / confirms grant dollars expended / determines final payout/possible no-cost grant extension (of which staff is to be notified, by request from grantee, 30 days before the end of the current project period).

A. Staff submits request for final payment of grant or/

B. Staff creates request for no-cost extension – presented to Board for approval.

Step 13. Staff closes out the grant on system with final narrative for internal use only.

Options: performance/compliance comments, rating or alerts

## Grant Application Scoring Rubric

Category	Exceeds expectations (7-10 points)	Meets expectations (3-6 points)	Does not meet expectations (0-2 points)
<b>Executive Summary</b> (10 points)	The applicant <b>includes and effectively describes</b> the project's mission and vision, the specific population the project will serve, the expected benefits to the community, the support for applicant's project in the community with evidence based proposed methods, approaches and strategies are realistic, reasonable, effective, outcome-oriented.	The applicant <b>includes and describes</b> the project's mission and vision, the population the project will serve, the expected benefits to the community, the support for applicant's project in the community with evidence based proposed methods, approaches and strategies are realistic, reasonable, effective, outcome-oriented.	The applicant is unclear or does not <b>include or describe</b> the project's mission and vision, the general population the project will serve, the expected benefits to the community, the support for applicant's project in the community with proposed methods, approaches and strategies are realistic, reasonable, effective, outcome-oriented.
<b>Need &amp; Alignment and Demonstrate</b> (10 points)	The applicant <b>explicitly defines a specific</b> need for the project within the identified community and <b>effectively describes</b> the alignment of that need to one of the Community Focus Areas of the District/Foundation's Strategic Plan by using data, case studies, interviews, focus group results, media attention, etc.	The applicant <b>identifies</b> a need within the identified community for the project and <b>describes</b> the alignment of that need to one of the Community Focus Areas of the District/Foundation's Strategic Plan by using data, case studies, interviews, focus group results, media attention, etc.	The applicant <b>does not clearly describe</b> a need for the project that its alignment to one of the Community Focus Areas of the District/Foundation's Strategic Plan by using data, and/or case studies, and/or interviews/focus group results, and/or media attention, etc.
<b>Goals</b> (10 points)	The applicant has provided SMART goals with an evaluation plan that is <b>fully developed</b> . The <b>SMART</b> goals are <b>specific, measurable, ambitious, realistic and time-bound</b> , and the evaluation plan will <b>accurately</b> measure the project's effectiveness.	The applicant has provided SMART goals with an evaluation plan. The <b>SMART</b> goals are <b>mostly specific, measurable, ambitious, realistic, and time-bound</b> , and the evaluation plan will measure <b>the aspects</b> of the project's effectiveness.	The applicant has provided very limited goals and evaluation plan. The goals are not specific, measurable, timebound and will weakly measure the project's effectiveness.

<b>Proposed Program/Project Evaluation Plan</b> (10 points)	The applicant describes a <b>specific detailed plan of action for</b> evaluation, that includes both qualitative and quantitative assessment of the project that is well-defined with data reporting mechanisms and narrative that are clear and transparent. Evaluation is in alignment with Goals of the project.	The applicant describes a <b>plan of action for evaluation</b> that includes both qualitative and/or quantitative assessment of the project that is well-defined with data reporting mechanisms and /or narrative that are clear and transparent. Evaluation is in alignment with the Goals of the project.	The applicant <b>does not describe, or vaguely describes a reasonable plan of action</b> that can be completed during the grant period, involves some identified partners appropriately, and might make the project a reality.
<b>% of Funding Requested – Leveraging of Outside Funds</b> (10 points)	<b>0-50%</b> Budget shows mostly committed funds, in-kind funds for professional services and balance is from proposed funds have been identified and in place	<b>51-70%</b> Budget shows some committed funds, in-kind funds for professional services and proposed funds making up the majority, have been identified.	<b>71 - 100%</b> Budget shows limited to no committed funds; balance is made up of mostly identified proposed funds
<b>Applicant Capacity and Infrastructure to Execute Proposal</b> (10 points)	<p>The applicant includes concrete examples that <b>strongly demonstrate</b> that the human resource allocation to this project is appropriate (internal staff expertise, use of external consultants, advisory committee, etc.)</p> <p>The <b>applicant strongly demonstrates</b> credibility for this kind of work (strength, name recognition, a history or track record of achievements, related mission and letters of support)</p>	<p>The applicant includes solid examples that <b>demonstrate</b> that the human resource allocation to this project is appropriate (internal staff expertise, use of external consultants, advisory committee, etc.).</p> <p>The <b>applicant demonstrates</b> credibility for this kind of work (strength, name recognition, a history or track record of achievements, related mission and letters of support)</p>	<p>The applicant <b>does not include</b> examples that would demonstrate the human resource allocation to this project is appropriate (internal staff expertise, use of external consultants, advisory committee, etc.).</p> <p>The <b>applicant is limited in its ability to demonstrate</b> credibility for this kind of work (strength, name recognition, a history or track record of achievements, related mission and letters of support).</p>

<b>Organizations Sustainability</b> (10 Points)	The applicant <b>strongly demonstrates that it</b> has a current strategic plan and/or business plan with measurable outcomes. Strong board engagement and governance. The proposed program is <b>identified within</b> the strategic plan.	The applicant <b>demonstrates</b> that it has a current strategic plan and/or business plan with measurable outcomes Shows Board engagement and governance. Applicant has clearly identified that the program is <b>supported by</b> the strategic plan	The applicant does not <b>demonstrate</b> that it has a strategic plan and/or business plan. The program only reflects the applicant's mission.
<b>Budget</b> (10 points)	The budget is <b>specific</b> and <b>reasonable</b> , and all items <b>strongly align</b> with the described project. The budget <b>strongly demonstrates</b> financial clarity/value and tells the same story as the proposal narrative. There are no unexplained amounts. The overall value of the project (the relationship of benefits and/or participants) to costs is <b>effective</b> . Additional leveraged funding sources and in-kind services are included. Staff FTE is identified clearly. Budget includes \$XXX amounts and how these ties to staff time.	The budget is clear and <b>reasonable</b> , with the items <b>aligned</b> with the described project. There are no unexplained amounts. The overall value of the project (the relationship of benefits and/or participants to costs) is <b>reasonable</b> and/or <b>some</b> additional funding sources and/or in-kind services are included.	The budget is <b>not specific</b> and/or <b>reasonable</b> , and the items are <b>somewhat aligned</b> with the described project. The budget somewhat <b>demonstrates</b> financial clarity. There are no unexplained amounts.
<b>Fiduciary Compliance</b> (10 Points)	The applicant <b>strongly demonstrates</b> a financial history that shows a continuous cycle of fiduciary responsibility of the Board through unmodified audited financials produced in a timely fashion, positive cash flow at the end of each fiscal year, asset ratio meets required debt load, and the Board reviews financials on a regular basis.	The applicant <b>demonstrates</b> a financial history that shows a continuous cycle of fiduciary responsibility of the Board through unmodified audited financials produced in a timely fashion, and the board reviews financials on a regular basis.	<b>The applicant demonstrates</b> a financial history that shows a continuous cycle of fiduciary responsibility of the Board through audited financials produced. A positive cash flow at the end of each fiscal year is not consistent. and the Board does not review financials on a regular basis.



<b>Financial Stability</b> (10 Points)	Funding sources for operations and programs are coming from multiple sources and is driven by a <b>strategic plan</b> for stability for both short- and long-term growth.	Source of funds for operations and programs are coming from multiple sources. There is a <b>limited plan</b> in place for stability for short term only.	Source of funds for operations and programs are coming from limited sources. There is <b>no plan</b> for stability in place currently.
<b>Key Partners / Collaboration</b> (10 points)	The applicant <b>strongly demonstrates</b> solid partnerships and collaborative approach with letters of commitment or an MOU that includes a scope of work.	The applicant <b>demonstrates</b> partnerships and collaborative approach with letters of commitment.	The applicant <b>demonstrates</b> limited or no partnerships and has not included any letters of commitment.
<b>Comments/Notes:</b>			

**Total Score:** \_\_\_\_ / 110 = \_\_\_\_%

**Exceeds expectations:** 77% or Higher

Fully Funded

**Meets expectations:** 50%- 76%

Full to Partial – Possible restrictions/conditions

**Does not meet expectations:** 49% or Lower

No funding to Partial funding with restrictions/conditions



<b>POLICY TITLE:</b>	<b>CONFLICT OF INTEREST CODE</b>
<b>POLICY NUMBER:</b>	BOD-15*
<b>REVISED DATE:</b>	01/23/2018
<b>BOARD APPROVAL DATE:</b>	01/23/2018 03/28/2017 12/16/2014
Resolution #14-03	

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**POLICY:** CONFLICT OF INTEREST CODE

**Policy #BOD-15:** It is the policy of the Desert Healthcare District (“District”) to ensure complete transparency and follow The Political Reform Act which require all public agencies to adopt and maintain a conflict of interest code establishing the rules for disclosure of personal assets and the disqualification from making or participating in the making of any decisions that may affect any personal asset. The California Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730, hereinafter “Regulation”) which contains the terms of a standard Conflict of Interest Code which can be incorporated by reference and may be amended by the Fair Political Practices Commission (“FPPC”) after public notice and hearings to conform to amendments in the Political Reform Act. The Regulation further provides that incorporation of its terms by reference along with the designation of employees and the formulation of disclosure categories by the District shall constitute the adoption and promulgation of a conflict of interest code within the meaning of Government Code Section 87300 or the amendment of a conflict of interest code within the meaning of Government Code Section 87307. Therefore, the terms of the Regulation and any amendments to it, duly adopted by the Fair Political Practices Commission, are hereby incorporated by reference, as augmented herein, as the Conflict of Interest Code of the District.

A public official at any level of state or local government has a prohibited conflict of interest and may not make, participate in making, or in any way use or attempt to use his or her official position to influence a governmental decision when he or she knows or has reason to know he or she has a disqualifying financial interest. A financial interest can exist when the decision impacts the official’s personal financial interests or the financial interests of a source of income to the official. A financial interest can also exist when the decision impacts an asset or investment of the public official’s, or a business entity in which the public official is associated by ownership, officer status, or employment. It is the responsibility of each Board member and officer of the District to identify any conflicts of interest, actual or potential, that they may have in a decision to

Policy #BOD-15 Page 1 of 3



be made or an action to be taken by the District. If a Board member or officer becomes aware of an actual or potential conflict of interest, he or she shall promptly disclose the conflict or potential conflict to the Board President, the District CEO, or legal counsel. The Board member shall not participate in the subject matter of the conflict, or shall have the matter assessed by legal counsel, or shall seek the advice of the FPPC.

## GUIDELINES:

1. The Board of Directors are mandated to file the California Fair Political Practices Commission Form 700 disclosure statements (Form 700) under Government Code Section 87200 et seq. (Regulations 18730(b)(3)).
2. The following designated staff positions and committee members are governed by the Conflict of Interest Code (Resolutions #14-03) and must file the Form 700 designated categories as listed for each position:

<u>Designated Positions</u>	<u>Disclosure Categories</u>
Chief Executive Officer	1, 2
Chief Financial Officer	1, 2
Chief Operating Officer	1, 2
Senior Program Officer	4, 5
Community Relations Director/Clerk of the Board	3
Controller	1, 2
Program Officer & Outreach Director	4, 5
General Counsel	1, 2
Program Manager	1, 2
Members of Board Committees & Consultants	
Program Committee & Finance Committee	5
Consultants and New Positions	See *

\*Individuals providing services as a Consultant defined in Regulation 18701 or in a new position created since this Code was last approved that makes or participates in making decisions shall disclose pursuant to the broadest disclosure category in this Code subject to the following limitation:

The Chief Executive Officer may determine that, due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734.) The Chief Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Sec. 81008.)

**2.1** The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which he or she is assigned.<sup>3</sup> Such economic interests are



reportable if they are either located in or doing business in the jurisdiction, are planning to do business in the jurisdiction, or have done business during the previous two years in the jurisdiction of the District.

Category 1: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, that do business in or own real property within the jurisdiction of the District.

Category 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of the District.

Category 3: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles, or equipment of a type purchased or leased by the District.

Category 4: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles, or equipment of a type purchased or leased by the designated position's department, unit or division.

Category 5: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, or income from a nonprofit organization" if the source is of the type to receive grants or other monies from or through the District.

**2.2** The Conflict of Interest Code does not require the reporting of gifts from outside the agency's jurisdiction if the source does not have some connection with or bearing upon the functions or duties of the position.

**3.** All officials and designated positions required to submit a statement of economic interests shall file their statements with the Special Assistant to the CEO/Board Relations Officer as the District's Filing Officer. The Special Assistant to the CEO/Board Relations Officer shall make and retain a copy of all statements filed by members of the Board of Directors and the Chief Executive Officer, and forward the originals of such statements to the Clerk of the Board of Supervisors of the County of Riverside. The Special Assistant to the CEO/Board Relations Officer shall retain the originals of the statements filed by all other officials and designated positions and make all statements available for public inspection and reproduction during regular business hours.

**4.** The Conflict of Interest Code will be amended when necessitated by changed circumstances which include the need to designate new positions or revise disclosure categories.

# 2018/2019 Statement of Economic Interests



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## Form 700

A Public Document

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### ***Helpful Resources***

- Video Tutorials
- Reference Pamphlet
- Excel Version
- FAQs
- Gift and Travel Fact Sheet for State and Local Officials

## **California Fair Political Practices Commission**

1102 Q Street, Suite 3000 • Sacramento, CA 95811

Email Advice: [advice@fppc.ca.gov](mailto:advice@fppc.ca.gov)

Toll-free advice line: 1 (866) ASK-FPPC • 1 (866) 275-3772

Telephone: (916)322-5660 • Website: [www.fppc.ca.gov](http://www.fppc.ca.gov)

December 2018

## Quick Start Guide

Detailed instructions begin on page 3.

### WHEN IS THE ANNUAL STATEMENT DUE?

- March 1 – Elected State Officers, Judges and Court Commissioners, State Board and Commission members listed in Government Code Section 87200
- April 2 – Most other filers

### WHERE DO I FILE?

Most people file the Form 700 with their agency. If you're not sure where to file your Form 700, contact your filing officer or the person who asked you to complete it.

### ITEMS TO NOTE!

- The Form 700 is a public document.
- Only filers serving in active military duty may receive an extension on the filing deadline.
- You must also report interests held by your spouse or registered domestic partner.
- Your agency's conflict of interest code will help you to complete the Form 700. You are encouraged to get your conflict of interest code from the person who asked you to complete the Form 700.

### NOTHING TO REPORT?

Mark the "No reportable interests" box on Part 4 of the Cover Page, and submit only the signed Cover Page. Be sure to review each schedule carefully!

Schedule	Common Reportable Interests	Common Non-Reportable Interests
A-1: Investments	Stocks, including those held in an IRA or 401K. Each stock must be listed.	Insurance policies, government bonds, diversified mutual funds, funds similar to diversified mutual funds.
A-2: Business Entities/Trusts	Business entities, sole proprietorships, partnerships, LLCs, corporations and trusts. (e.g., Form 1099 filers).	Savings and checking accounts, and annuities.
B: Real Property	Rental property in filer's jurisdiction, or within two miles of the boundaries of the jurisdiction.	A residence used exclusively as a personal residence (such as a home or vacation property).
C: Income	Non-governmental salaries. Note that filers are required to report only half of their spouse's or partner's salary.	Governmental salary (from school district, for example).
D: Gifts	Gifts from businesses, vendors, or other contractors (meals, tickets, etc.).	Gifts from family members.
E: Travel Payments	Travel payments from third parties (not your employer).	Travel paid by your government agency.

**Note:** Like reportable interests, non-reportable interests may also create conflicts of interest and could be grounds for disqualification from certain decisions.

### QUESTIONS?

- [advice@fppc.ca.gov](mailto:advice@fppc.ca.gov)
- (866) 275-3772 Mon-Thurs, 9-11:30 a.m.

### E-FILING ISSUES?

- If using your agency's system, please contact technical support at your agency.
- If using FPPC's e-filing system, write to [form700@fppc.ca.gov](mailto:form700@fppc.ca.gov).

## What's New

### Gift Limit Increase

The gift limit increased to \$500 for calendar years 2019 and 2020. The gift limit in 2018 was \$470.

### Who must file:

- Elected and appointed officials and candidates listed in Government Code Section 87200
- Employees, appointed officials, and consultants filing pursuant to a conflict of interest code ("code filers").  
**Obtain your disclosure categories, which describe the interests you must report, from your agency;** they are not part of the Form 700
- Candidates running for local elective offices that are designated in a conflict of interest code (e.g., county sheriffs, city clerks, school board trustees, and water board members)

**Exception:** Candidates for a county central committee are not required to file the Form 700.

- Members of newly created boards and commissions not yet covered under a conflict of interest code
- Employees in newly created positions of existing agencies

See Reference Pamphlet, page 3, at [www.fppc.ca.gov](http://www.fppc.ca.gov).

### Where to file:

#### 87200 Filers

State offices	➔	Your agency
Judicial offices	➔	The clerk of your court
Retired Judges	➔	Directly with FPPC
County offices	➔	Your county filing official
City offices	➔	Your city clerk
Multi-County offices	➔	Your agency

#### Code Filers — State and Local Officials, Employees, and Consultants Designated in a Conflict of Interest

**Code:** File with your agency, board, or commission unless otherwise specified in your agency's code (e.g., Legislative staff files directly with FPPC). In most cases, the agency, board, or commission will retain the statements.

#### Members of Boards and Commissions of Newly

**Created Agencies:** File with your newly created agency or with your agency's code reviewing body.

#### Employees in Newly Created Positions of Existing

**Agencies:** File with your agency or with your agency's code reviewing body. (See Reference Pamphlet, page 3.)

**Candidates:** File with your local elections office.

### How to file:

The Form 700 is available at [www.fppc.ca.gov](http://www.fppc.ca.gov). Form 700 schedules are also available in Excel format. All statements must have an original "wet" signature or be duly authorized by your filing officer to file electronically under Government Code Section 87500.2.

## When to file:

### Annual Statements

#### ➔ March 1, 2019

- Elected State Officers
- Judges and Court Commissioners
- State Board and State Commission Members listed in Government Code Section 87200

#### ➔ April 2, 2019

- Most other filers

Individuals filing under conflict of interest codes in city and county jurisdictions should verify the annual filing date with their local filing officers.

Statements postmarked by the filing deadline are considered filed on time.

Statements of 30 pages or less may be emailed or faxed by the deadline as long as the originally signed paper version is sent by first class mail to the filing official within 24 hours.

### Assuming Office and Leaving Office Statements

Most filers file within 30 days of assuming or leaving office or within 30 days of the effective date of a newly adopted or amended conflict of interest code.

#### Exception:

If you assumed office between October 1, 2018, and December 31, 2018, and filed an assuming office statement, you are not required to file an annual statement until March 2, 2020, or April 1, 2020, whichever is applicable. In that case, the annual statement will cover the day after you assumed office through December 31, 2019. (See Reference Pamphlet, page 6, for additional exceptions.)

### Candidate Statements

File no later than the final filing date for the declaration of candidacy or nomination documents. A candidate statement is not required if you filed an assuming office or annual statement for the same jurisdiction within 60 days before filing a declaration of candidacy or other nomination documents.

### Late Statements

There is no provision for filing deadline extensions unless the filer is serving in active military duty. (See page 19 for information on penalties and fines.)

### Amendments

Statements may be amended at any time. You are only required to amend the schedule that needs to be revised. It is not necessary to amend the entire filed form. Obtain amendment schedules at [www.fppc.ca.gov](http://www.fppc.ca.gov).



## Types of Statements

### Assuming Office Statement:

If you are a newly appointed official or are newly employed in a position designated, or that will be designated, in a state or local agency's conflict of interest code, your assuming office date is the date you were sworn in or otherwise authorized to serve in the position. If you are a newly elected official, your assuming office date is the date you were sworn in.

- Investments, interests in real property, and business positions held on the date you assumed the office or position must be reported. In addition, income (including loans, gifts, and travel payments) received during the 12 months prior to the date you assumed the office or position is reportable.

For positions subject to confirmation by the State Senate or the Commission on Judicial Performance, your assuming office date is the date you were appointed or nominated to the position.

#### Example:

Maria Lopez was nominated by the Governor to serve on a state agency board that is subject to state Senate confirmation. The assuming office date is the date Maria's nomination is submitted to the Senate. Maria must report investments, interests in real property, and business positions she holds on that date, and income (including loans, gifts, and travel payments) received during the 12 months prior to that date.

If your office or position has been added to a newly adopted or newly amended conflict of interest code, use the effective date of the code or amendment, whichever is applicable.

- Investments, interests in real property, and business positions held on the effective date of the code or amendment must be reported. In addition, income (including loans, gifts, and travel payments) received during the 12 months prior to the effective date of the code or amendment is reportable.

### Annual Statement:

Generally, the period covered is January 1, 2018, through December 31, 2018. If the period covered by the statement is different than January 1, 2018, through December 31, 2018, (for example, you assumed office between October 1, 2017, and December 31, 2017 or you are combining statements), you must specify the period covered.

- Investments, interests in real property, business positions held, and income (including loans, gifts, and travel payments) received during the period covered by the statement must be reported. Do not change the preprinted dates on Schedules A-1, A-2, and B unless you are required to report the acquisition or disposition of an interest that did not occur in 2018.

- If your disclosure category changes during a reporting period, disclose under the old category until the effective date of the conflict of interest code amendment and disclose under the new disclosure category through the end of the reporting period.

### Leaving Office Statement:

Generally, the period covered is January 1, 2018, through the date you stopped performing the duties of your position. If the period covered differs from January 1, 2018, through the date you stopped performing the duties of your position (for example, you assumed office between October 1, 2017, and December 31, 2017, or you are combining statements), the period covered must be specified. The reporting period can cover parts of two calendar years.

- Investments, interests in real property, business positions held, and income (including loans, gifts, and travel payments) received during the period covered by the statement must be reported. Do not change the preprinted dates on Schedules A-1, A-2, and B unless you are required to report the acquisition or disposition of an interest that did not occur in 2018.

### Candidate Statement:

If you are filing a statement in connection with your candidacy for state or local office, investments, interests in real property, and business positions held on the date of filing your declaration of candidacy must be reported. In addition, income (including loans, gifts, and travel payments) received during the 12 months prior to the date of filing your declaration of candidacy is reportable. Do not change the preprinted dates on Schedules A-1, A-2, and B.

Candidates running for local elective offices (e.g., county sheriffs, city clerks, school board trustees, or water district board members) must file candidate statements, as required by the conflict of interest code for the elected position. The code may be obtained from the agency of the elected position.

### Amendments:

If you discover errors or omissions on any statement, file an amendment as soon as possible. You are only required to amend the schedule that needs to be revised; it is not necessary to refile the entire form. Obtain amendment schedules from the FPPC website at [www.fppc.ca.gov](http://www.fppc.ca.gov).

Note that once you file your statement, you may not withdraw it. All changes must be noted on amendment schedules.



**COVER PAGE**

**A PUBLIC DOCUMENT**

Please type or print in ink.

NAME OF FILER (LAST) (FIRST) (MIDDLE)

**1. Office, Agency, or Court**

Agency Name (Do not use acronyms)

Division, Board, Department, District, if applicable

Your Position

► If filing for multiple positions, list below or on an attachment. (Do not use acronyms)

Agency: Position:

**2. Jurisdiction of Office (Check at least one box)**

- ☐ State ☐ Judge or Court Commissioner (Statewide Jurisdiction)
- ☐ Multi-County ☐ County of
- ☐ City of ☐ Other

**3. Type of Statement (Check at least one box)**

- ☐ **Annual:** The period covered is January 1, 2018, through December 31, 2018.  
-or- The period covered is / / , through December 31, 2018.
- ☐ **Assuming Office:** Date assumed / /
- ☐ **Candidate:** Date of Election and office sought, if different than Part 1:
- ☐ **Leaving Office:** Date Left / /  
(Check one circle.)
- ☐ The period covered is January 1, 2018, through the date of leaving office.
- ☐ The period covered is / / , through the date of leaving office.

**4. Schedule Summary (must complete) ► Total number of pages including this cover page: \_\_\_\_\_**

**Schedules attached**

- ☐ **Schedule A-1 - Investments** – schedule attached ☐ **Schedule C - Income, Loans, & Business Positions** – schedule attached
- ☐ **Schedule A-2 - Investments** – schedule attached ☐ **Schedule D - Income – Gifts** – schedule attached
- ☐ **Schedule B - Real Property** – schedule attached ☐ **Schedule E - Income – Gifts – Travel Payments** – schedule attached

-or- ☐ **None - No reportable interests on any schedule**

**5. Verification**

MAILING ADDRESS STREET CITY STATE ZIP CODE  
(Business or Agency Address Recommended - Public Document)

DAYTIME TELEPHONE NUMBER EMAIL ADDRESS  
( )

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed Signature  
(month, day, year) (File the originally signed paper statement with your filing official.)

# Instructions

## Cover Page

Enter your name, mailing address, and daytime telephone number in the spaces provided. **Because the Form 700 is a public document, you may list your business/office address instead of your home address.**

### Part 1. Office, Agency, or Court

- Enter the name of the office sought or held, or the agency or court. Consultants must enter the public agency name rather than their private firm's name. (Examples: State Assembly; Board of Supervisors; Office of the Mayor; Department of Finance; Hope County Superior Court)
- Indicate the name of your division, board, or district, if applicable. (Examples: Division of Waste Management; Board of Accountancy; District 45). **Do not use acronyms.**
- Enter your position title. (Examples: Director; Chief Counsel; City Council Member; Staff Services Analyst)
- If you hold multiple positions (i.e., a city council member who also is a member of a county board or commission), you may be required to file statements with each agency. To simplify your filing obligations, you may complete an expanded statement.
- To do this, enter the name of the other agency(ies) with which you are required to file and your position title(s) in the space provided. **Do not use acronyms.** Attach an additional sheet if necessary. Complete one statement covering the disclosure requirements for all positions. Each copy must contain an original signature. Therefore, before signing the statement, make a copy for each agency. Sign each copy with an original signature and file with each agency.

If you assume or leave a position after a filing deadline, you must complete a separate statement. For example, a city council member who assumes a position with a county special district after the April annual filing deadline must file a separate assuming office statement. In subsequent years, the city council member may expand his or her annual filing to include both positions.

#### Example:

Brian Bourne is a city council member for the City of Lincoln and a board member for the Camp Far West Irrigation District – a multi-county agency that covers Placer and Yuba counties. Brian will complete one Form 700 using full disclosure (as required for the city position) and covering interests in both Placer and Yuba counties (as required for the multi-county position) and list both positions on the Cover Page. Before signing the statement, Brian will make a copy and sign both statements. One statement will be filed with City of Lincoln and the other will be filed with Camp Far West Irrigation District. Both will contain an original signature.

### Part 2. Jurisdiction of Office

- Check the box indicating the jurisdiction of your agency and, if applicable, identify the jurisdiction. Judges, judicial candidates, and court commissioners have statewide jurisdiction. All other filers should review the Reference Pamphlet, page 13, to determine their jurisdiction.

- If your agency is a multi-county office, list each county in which your agency has jurisdiction.
- If your agency is not a state office, court, county office, city office, or multi-county office (e.g., school districts, special districts and JPAs), check the "other" box and enter the county or city in which the agency has jurisdiction.

#### Example:

This filer is a member of a water district board with jurisdiction in portions of Yuba and Sutter Counties.

<b>1. Office, Agency, or Court</b>	
Agency Name (Do not use acronyms) Feather River Irrigation District	
Division, Board, Department, District, if applicable N/A	Your Position Board Member
► If filing for multiple positions, list below or on an attachment. (Do not use acronyms)	
Agency: N/A	Position: _____
<b>2. Jurisdiction of Office (Check at least one box)</b>	
<input type="checkbox"/> State	<input type="checkbox"/> Judge or Court Commissioner (Statewide Jurisdiction)
<input checked="" type="checkbox"/> Multi-County Yuba & Sutter Counties	<input type="checkbox"/> County of _____
<input type="checkbox"/> City of _____	<input type="checkbox"/> Other _____

### Part 3. Type of Statement

Check at least one box. The period covered by a statement is determined by the type of statement you are filing. If you are completing a 2018 annual statement, **do not** change the pre-printed dates to reflect 2019. Your annual statement is used for reporting the **previous year's** economic interests. Economic interests for your annual filing covering January 1, 2019, through December 31, 2019, will be disclosed on your statement filed in 2020. See Reference Pamphlet, page 4.

Combining Statements: Certain types of statements may be combined. For example, if you leave office after January 1, but before the deadline for filing your annual statement, you may combine your annual and leaving office statements. File by the earliest deadline. Consult your filing officer or the FPPC.

### Part 4. Schedule Summary

- Complete the Schedule Summary after you have reviewed each schedule to determine if you have reportable interests.
- Enter the total number of completed pages including the cover page and either check the box for each schedule you use to disclose interests; **or** if you have nothing to disclose on any schedule, check the "No reportable interests" box. Please **do not** attach any blank schedules.

### Part 5. Verification

Complete the verification by signing the statement and entering the date signed. All statements must have an original "wet" signature or be duly authorized by your filing officer to file electronically under Government Code Section 87500.2.

**When you sign your statement, you are stating, under penalty of perjury, that it is true and correct.** Only the filer has authority to sign the statement. An unsigned statement is not considered filed and you may be subject to late filing penalties.

# SCHEDULE A-1

## Investments

### Stocks, Bonds, and Other Interests

(Ownership Interest is Less Than 10%)

Investments must be itemized.

Do not attach brokerage or financial statements.

CALIFORNIA FORM **700**

FAIR POLITICAL PRACTICES COMMISSION

Name \_\_\_\_\_

► NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF THIS BUSINESS

FAIR MARKET VALUE

- ☐ \$2,000 - \$10,000      ☐ \$10,001 - \$100,000  
☐ \$100,001 - \$1,000,000      ☐ Over \$1,000,000

NATURE OF INVESTMENT

- ☐ Stock      ☐ Other \_\_\_\_\_ (Describe)  
☐ Partnership      ☐ Income Received of \$0 - \$499  
                                 ☐ Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:

\_\_\_\_/\_\_\_\_/18      \_\_\_\_/\_\_\_\_/18  
ACQUIRED      DISPOSED

► NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF THIS BUSINESS

FAIR MARKET VALUE

- ☐ \$2,000 - \$10,000      ☐ \$10,001 - \$100,000  
☐ \$100,001 - \$1,000,000      ☐ Over \$1,000,000

NATURE OF INVESTMENT

- ☐ Stock      ☐ Other \_\_\_\_\_ (Describe)  
☐ Partnership      ☐ Income Received of \$0 - \$499  
                                 ☐ Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:

\_\_\_\_/\_\_\_\_/18      \_\_\_\_/\_\_\_\_/18  
ACQUIRED      DISPOSED

► NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF THIS BUSINESS

FAIR MARKET VALUE

- ☐ \$2,000 - \$10,000      ☐ \$10,001 - \$100,000  
☐ \$100,001 - \$1,000,000      ☐ Over \$1,000,000

NATURE OF INVESTMENT

- ☐ Stock      ☐ Other \_\_\_\_\_ (Describe)  
☐ Partnership      ☐ Income Received of \$0 - \$499  
                                 ☐ Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:

\_\_\_\_/\_\_\_\_/18      \_\_\_\_/\_\_\_\_/18  
ACQUIRED      DISPOSED

► NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF THIS BUSINESS

FAIR MARKET VALUE

- ☐ \$2,000 - \$10,000      ☐ \$10,001 - \$100,000  
☐ \$100,001 - \$1,000,000      ☐ Over \$1,000,000

NATURE OF INVESTMENT

- ☐ Stock      ☐ Other \_\_\_\_\_ (Describe)  
☐ Partnership      ☐ Income Received of \$0 - \$499  
                                 ☐ Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:

\_\_\_\_/\_\_\_\_/18      \_\_\_\_/\_\_\_\_/18  
ACQUIRED      DISPOSED

► NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF THIS BUSINESS

FAIR MARKET VALUE

- ☐ \$2,000 - \$10,000      ☐ \$10,001 - \$100,000  
☐ \$100,001 - \$1,000,000      ☐ Over \$1,000,000

NATURE OF INVESTMENT

- ☐ Stock      ☐ Other \_\_\_\_\_ (Describe)  
☐ Partnership      ☐ Income Received of \$0 - \$499  
                                 ☐ Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:

\_\_\_\_/\_\_\_\_/18      \_\_\_\_/\_\_\_\_/18  
ACQUIRED      DISPOSED

► NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF THIS BUSINESS

FAIR MARKET VALUE

- ☐ \$2,000 - \$10,000      ☐ \$10,001 - \$100,000  
☐ \$100,001 - \$1,000,000      ☐ Over \$1,000,000

NATURE OF INVESTMENT

- ☐ Stock      ☐ Other \_\_\_\_\_ (Describe)  
☐ Partnership      ☐ Income Received of \$0 - \$499  
                                 ☐ Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:

\_\_\_\_/\_\_\_\_/18      \_\_\_\_/\_\_\_\_/18  
ACQUIRED      DISPOSED

Comments: \_\_\_\_\_

## Instructions – Schedules A-1 and A-2 Investments

“Investment” means a financial interest in any business entity (including a consulting business or other independent contracting business) that is located in, doing business in, planning to do business in, or that has done business during the previous two years in your agency’s jurisdiction in which you, your spouse or registered domestic partner, or your dependent children had a direct, indirect, or beneficial interest totaling \$2,000 or more at any time during the reporting period. (See Reference Pamphlet, page 13.)

### Reportable investments include:

- Stocks, bonds, warrants, and options, including those held in margin or brokerage accounts and managed investment funds (See Reference Pamphlet, page 13.)
- Sole proprietorships
- Your own business or your spouse’s or registered domestic partner’s business (See Reference Pamphlet, page 8, for the definition of “business entity.”)
- Your spouse’s or registered domestic partner’s investments even if they are legally separate property
- Partnerships (e.g., a law firm or family farm)
- Investments in reportable business entities held in a retirement account (See Reference Pamphlet, page 15.)
- If you, your spouse or registered domestic partner, and dependent children together had a 10% or greater ownership interest in a business entity or trust (including a living trust), you must disclose investments held by the business entity or trust. (See Reference Pamphlet, page 16, for more information on disclosing trusts.)
- Business trusts

### You are not required to disclose:

- Government bonds, diversified mutual funds, certain funds similar to diversified mutual funds (such as exchange traded funds) and investments held in certain retirement accounts. (See Reference Pamphlet, page 13.) (Regulation 18237)
- Bank accounts, savings accounts, money market accounts and certificates of deposits
- Insurance policies
- Annuities
- Commodities
- Shares in a credit union
- Government bonds (including municipal bonds)
- Retirement accounts invested in non-reportable interests (e.g., insurance policies, mutual funds, or government bonds) (See Reference Pamphlet, page 15.)

- Government defined-benefit pension plans (such as CalPERS and CalSTRS plans)
- Certain interests held in a blind trust (See Reference Pamphlet, page 16.)

**Use Schedule A-1** to report ownership of less than 10% (e.g., stock). Schedule C (Income) may also be required if the investment is not a stock or corporate bond. (See second example below.)

**Use Schedule A-2** to report ownership of 10% or greater (e.g., a sole proprietorship).

### To Complete Schedule A-1:

Do not attach brokerage or financial statements.

- Disclose the name of the business entity.
- Provide a general description of the business activity of the entity (e.g., pharmaceuticals, computers, automobile manufacturing, or communications).
- Check the box indicating the highest fair market value of your investment during the reporting period. If you are filing a candidate or an assuming office statement, indicate the fair market value on the filing date or the date you took office, respectively. (See page 20 for more information.)
- Identify the nature of your investment (e.g., stocks, warrants, options, or bonds).
- An acquired or disposed of date is only required if you initially acquired or entirely disposed of the investment interest during the reporting period. The date of a stock dividend reinvestment or partial disposal is not required. Generally, these dates will not apply if you are filing a candidate or an assuming office statement.

### Examples:

Frank Byrd holds a state agency position. His conflict of interest code requires full disclosure of investments. Frank must disclose his stock holdings of \$2,000 or more in any company that is located in or does business in California, as well as those stocks held by his spouse or registered domestic partner and dependent children.

Alice Lance is a city council member. She has a 4% interest, worth \$5,000, in a limited partnership located in the city. Alice must disclose the partnership on Schedule A-1 and income of \$500 or more received from the partnership on Schedule C.

### Reminders

- Do you know your agency’s jurisdiction?
- Did you hold investments at any time during the period covered by this statement?
- Code filers – your disclosure categories may only require disclosure of specific investments.

**CALIFORNIA FORM**

**700**

**FAIR POLITICAL PRACTICES COMMISSION**

Name

**► 1. BUSINESS ENTITY OR TRUST**

---

Name \_\_\_\_\_

---

Address (*Business Address Acceptable*) \_\_\_\_\_

---

*Check one*

☐ Trust, go to 2      ☐ Business Entity, complete the box, then go to 2

---

**GENERAL DESCRIPTION OF THIS BUSINESS**

---

<b>FAIR MARKET VALUE</b> <input type="checkbox"/> \$0 - \$1,999 <input type="checkbox"/> \$2,000 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000	<b>IF APPLICABLE, LIST DATE:</b>  <div style="display: flex; justify-content: space-around;"> <span>_____/_____/ <b>18</b></span> <span>_____/_____/ <b>18</b></span> </div> <div style="display: flex; justify-content: space-around;"> <span>ACQUIRED</span> <span>DISPOSED</span> </div>
---	---

---

**NATURE OF INVESTMENT**

☐ Partnership   
 ☐ Sole Proprietorship   
 ☐ \_\_\_\_\_ Other

---

**YOUR BUSINESS POSITION** \_\_\_\_\_

**➤ 2. IDENTIFY THE GROSS INCOME RECEIVED (INCLUDE YOUR PRO RATA SHARE OF THE GROSS INCOME TO THE ENTITY/TRUST)**

<input type="checkbox"/> \$0 - \$499	<input type="checkbox"/> \$10,001 - \$100,000
<input type="checkbox"/> \$500 - \$1,000	<input type="checkbox"/> OVER \$100,000
<input type="checkbox"/> \$1,001 - \$10,000	

**▶ 3. LIST THE NAME OF EACH REPORTABLE SINGLE SOURCE OF INCOME OF \$10,000 OR MORE (Attach a separate sheet if necessary.)**

☐ None      or      ☐ Names listed below

\_\_\_\_\_

\_\_\_\_\_

**4. INVESTMENTS AND INTERESTS IN REAL PROPERTY HELD OR LEASED BY THE BUSINESS ENTITY OR TRUST**

Check one box:

☐ INVESTMENT      ☐ REAL PROPERTY

---

Name of Business Entity, if Investment, or  
Assessor's Parcel Number or Street Address of Real Property

---

Description of Business Activity or  
City or Other Precise Location of Real Property

---

FAIR MARKET VALUE      IF APPLICABLE, LIST DATE:

☐ \$2,000 - \$10,000      \_\_\_\_\_/\_\_\_\_\_/ **18**      \_\_\_\_\_/\_\_\_\_\_/ **18**

☐ \$10,001 - \$100,000      \_\_\_\_\_/\_\_\_\_\_/ **ACQUIRED**      \_\_\_\_\_/\_\_\_\_\_/ **DISPOSED**

☐ \$100,001 - \$1,000,000

☐ Over \$1,000,000

**NATURE OF INTEREST**

☐ Property Ownership/Deed of Trust      ☐ Stock      ☐ Partnership

☐ Leasehold \_\_\_\_\_ ☐ Other \_\_\_\_\_

Yrs. remaining

☐ Check box if additional schedules reporting investments or real property are attached

Page 49 of 114

## Instructions – Schedule A-2

### Investments, Income, and Assets of Business Entities/Trusts

---

Use Schedule A-2 to report investments in a business entity (including a consulting business or other independent contracting business) or trust (including a living trust) in which you, your spouse or registered domestic partner, and your dependent children, together or separately, had a 10% or greater interest, totaling \$2,000 or more, during the reporting period and which is located in, doing business in, planning to do business in, or which has done business during the previous two years in your agency's jurisdiction. (See Reference Pamphlet, page 13.) A trust located outside your agency's jurisdiction is reportable if it holds assets that are located in or doing business in the jurisdiction. Do not report a trust that contains non-reportable interests. For example, a trust containing only your personal residence not used in whole or in part as a business, your savings account, and some municipal bonds, is not reportable.

Also report on Schedule A-2 investments and real property held by that entity or trust if your pro rata share of the investment or real property interest was \$2,000 or more during the reporting period.

#### To Complete Schedule A-2:

**Part 1.** Disclose the name and address of the business entity or trust. If you are reporting an interest in a business entity, check "Business Entity" and complete the box as follows:

- Provide a general description of the business activity of the entity.
- Check the box indicating the highest fair market value of your investment during the reporting period.
- If you initially acquired or entirely disposed of this interest during the reporting period, enter the date acquired or disposed.
- Identify the nature of your investment.
- Disclose the job title or business position you held with the entity, if any (i.e., if you were a director, officer, partner, trustee, employee, or held any position of management). A business position held by your spouse is not reportable.

**Part 2.** Check the box indicating **your pro rata** share of the **gross** income received **by** the business entity or trust. This amount includes your pro rata share of the **gross** income **from** the business entity or trust, as well as your community property interest in your spouse's or registered domestic partner's share. Gross income is the total amount of income before deducting expenses, losses, or taxes.

**Part 3.** Disclose the name of each source of income that is located in, doing business in, planning to do business in, or that has done business during the previous two years in your agency's jurisdiction, as follows:

- Disclose each source of income and outstanding loan **to the business entity or trust** identified in Part 1 if your pro rata share of the **gross** income (including your community property interest in your spouse's or registered domestic partner's share) to the business entity or trust from that source was \$10,000 or more during the reporting

period. (See Reference Pamphlet, page 11, for examples.) Income from governmental sources may be reportable if not considered salary. See Regulation 18232. Loans from commercial lending institutions made in the lender's regular course of business on terms available to members of the public without regard to your official status are not reportable.

- Disclose each individual or entity that was a source of commission income of \$10,000 or more during the reporting period through the business entity identified in Part 1. (See Reference Pamphlet, page 8.)

You may be required to disclose sources of income located outside your jurisdiction. For example, you may have a client who resides outside your jurisdiction who does business on a regular basis with you. Such a client, if a reportable source of \$10,000 or more, must be disclosed.

Mark "None" if you do not have any reportable \$10,000 sources of income to disclose. Phrases such as "various clients" or "not disclosing sources pursuant to attorney-client privilege" are not adequate disclosure. (See Reference Pamphlet, page 14, for information on procedures to request an exemption from disclosing privileged information.)

**Part 4.** Report any investments or interests in real property held or leased **by the entity or trust** identified in Part 1 if your pro rata share of the interest held was \$2,000 or more during the reporting period. Attach additional schedules or use FPPC's Form 700 Excel spreadsheet if needed.

- Check the applicable box identifying the interest held as real property or an investment.
- If investment, provide the name and description of the business entity.
- If real property, report the precise location (e.g., an assessor's parcel number or address).
- Check the box indicating the highest fair market value of your interest in the real property or investment during the reporting period. (Report the fair market value of the portion of your residence claimed as a tax deduction if you are utilizing your residence for business purposes.)
- Identify the nature of your interest.
- Enter the date acquired or disposed only if you initially acquired or entirely disposed of your interest in the property or investment during the reporting period.

**SCHEDULE B**  
**Interests in Real Property**  
(Including Rental Income)

<b>CALIFORNIA FORM 700</b>
FAIR POLITICAL PRACTICES COMMISSION
Name _____

▶ ASSESSOR'S PARCEL NUMBER OR STREET ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_

FAIR MARKET VALUE IF APPLICABLE, LIST DATE:

<input type="checkbox"/> \$2,000 - \$10,000	____/____/18	____/____/18
<input type="checkbox"/> \$10,001 - \$100,000	ACQUIRED	DISPOSED
<input type="checkbox"/> \$100,001 - \$1,000,000		
<input type="checkbox"/> Over \$1,000,000		

NATURE OF INTEREST

<input type="checkbox"/> Ownership/Deed of Trust	<input type="checkbox"/> Easement
<input type="checkbox"/> Leasehold _____	<input type="checkbox"/> _____
Yrs. remaining	Other

IF RENTAL PROPERTY, GROSS INCOME RECEIVED

<input type="checkbox"/> \$0 - \$499	<input type="checkbox"/> \$500 - \$1,000	<input type="checkbox"/> \$1,001 - \$10,000
<input type="checkbox"/> \$10,001 - \$100,000	<input type="checkbox"/> OVER \$100,000	

SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.

☐ None

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

▶ ASSESSOR'S PARCEL NUMBER OR STREET ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_

FAIR MARKET VALUE IF APPLICABLE, LIST DATE:

<input type="checkbox"/> \$2,000 - \$10,000	____/____/18	____/____/18
<input type="checkbox"/> \$10,001 - \$100,000	ACQUIRED	DISPOSED
<input type="checkbox"/> \$100,001 - \$1,000,000		
<input type="checkbox"/> Over \$1,000,000		

NATURE OF INTEREST

<input type="checkbox"/> Ownership/Deed of Trust	<input type="checkbox"/> Easement
<input type="checkbox"/> Leasehold _____	<input type="checkbox"/> _____
Yrs. remaining	Other

IF RENTAL PROPERTY, GROSS INCOME RECEIVED

<input type="checkbox"/> \$0 - \$499	<input type="checkbox"/> \$500 - \$1,000	<input type="checkbox"/> \$1,001 - \$10,000
<input type="checkbox"/> \$10,001 - \$100,000	<input type="checkbox"/> OVER \$100,000	

SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.

☐ None

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\* You are not required to report loans from a commercial lending institution made in the lender's regular course of business on terms available to members of the public without regard to your official status. Personal loans and loans received not in a lender's regular course of business must be disclosed as follows:

NAME OF LENDER\* \_\_\_\_\_

ADDRESS (Business Address Acceptable) \_\_\_\_\_

BUSINESS ACTIVITY, IF ANY, OF LENDER \_\_\_\_\_

INTEREST RATE TERM (Months/Years)

\_\_\_\_\_% ☐ None \_\_\_\_\_

HIGHEST BALANCE DURING REPORTING PERIOD

<input type="checkbox"/> \$500 - \$1,000	<input type="checkbox"/> \$1,001 - \$10,000
<input type="checkbox"/> \$10,001 - \$100,000	<input type="checkbox"/> OVER \$100,000

☐ Guarantor, if applicable

\_\_\_\_\_

NAME OF LENDER\* \_\_\_\_\_

ADDRESS (Business Address Acceptable) \_\_\_\_\_

BUSINESS ACTIVITY, IF ANY, OF LENDER \_\_\_\_\_

INTEREST RATE TERM (Months/Years)

\_\_\_\_\_% ☐ None \_\_\_\_\_

HIGHEST BALANCE DURING REPORTING PERIOD

<input type="checkbox"/> \$500 - \$1,000	<input type="checkbox"/> \$1,001 - \$10,000
<input type="checkbox"/> \$10,001 - \$100,000	<input type="checkbox"/> OVER \$100,000

☐ Guarantor, if applicable

\_\_\_\_\_

Comments: \_\_\_\_\_

## Instructions – Schedule B Interests in Real Property

Report interests in real property located in your agency's jurisdiction in which you, your spouse or registered domestic partner, or your dependent children had a direct, indirect, or beneficial interest totaling \$2,000 or more any time during the reporting period. Real property is also considered to be "within the jurisdiction" of a local government agency if the property or any part of it is located within two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the local government agency. (See Reference Pamphlet, page 13.)

### Interests in real property include:

- An ownership interest (including a beneficial ownership interest)
- A deed of trust, easement, or option to acquire property
- A leasehold interest (See Reference Pamphlet, page 14.)
- A mining lease
- An interest in real property held in a retirement account (See Reference Pamphlet, page 15.)
- An interest in real property held by a business entity or trust in which you, your spouse or registered domestic partner, and your dependent children together had a 10% or greater ownership interest (Report on Schedule A-2.)
- Your spouse's or registered domestic partner's interests in real property that are legally held separately by him or her

### You are not required to report:

- A residence, such as a home or vacation cabin, used exclusively as a personal residence (However, a residence in which you rent out a room or for which you claim a business deduction may be reportable. If reportable, report the fair market value of the portion claimed as a tax deduction.)

**Please note:** A non-reportable residence can still be grounds for a conflict of interest and may be disqualifying.

- Interests in real property held through a blind trust (See Reference Pamphlet, page 16.)

### To Complete Schedule B:

- Report the precise location (e.g., an assessor's parcel number or address) of the real property.
- Check the box indicating the fair market value of your interest in the property (regardless of what you owe on the property).
- Enter the date acquired or disposed only if you initially acquired or entirely disposed of your interest in the property during the reporting period.
- Identify the nature of your interest. If it is a leasehold, disclose the number of years remaining on the lease.

### Reminders

- Income and loans already reported on Schedule B are not also required to be reported on Schedule C.
- Real property already reported on Schedule A-2, Part 4 is not also required to be reported on Schedule B.
- Code filers – do your disclosure categories require disclosure of real property?

- If you received rental income, check the box indicating the gross amount you received.
- If you had a 10% or greater interest in real property and received rental income, list the name of the source(s) if your pro rata share of the gross income from any single tenant was \$10,000 or more during the reporting period. If you received a total of \$10,000 or more from two or more tenants acting in concert (in most cases, this will apply to married couples), disclose the name of each tenant. Otherwise, mark "None."
- Loans from a private lender that total \$500 or more and are secured by real property may be reportable. **Loans from commercial lending institutions made in the lender's regular course of business on terms available to members of the public without regard to your official status are not reportable.**

When reporting a loan:

- Provide the name and address of the lender.
- Describe the lender's business activity.
- Disclose the interest rate and term of the loan. For variable interest rate loans, disclose the conditions of the loan (e.g., Prime + 2) or the average interest rate paid during the reporting period. The term of a loan is the total number of months or years given for repayment of the loan at the time the loan was established.
- Check the box indicating the highest balance of the loan during the reporting period.
- Identify a guarantor, if applicable.

If you have more than one reportable loan on a single piece of real property, report the additional loan(s) on Schedule C.

### Example:

Allison Gande is a city planning commissioner. During the reporting period, she received rental income of \$12,000, from a single tenant who rented property she owned in the city's jurisdiction. If Allison received \$6,000 each from two tenants, the tenants' names would not be required because no single tenant paid her \$10,000 or more. A married couple is considered a single tenant.

ASSESSOR'S PARCEL NUMBER OR STREET ADDRESS <b>4600 24th Street</b>	
CITY <b>Sacramento</b>	
FAIR MARKET VALUE <input type="checkbox"/> \$2,000 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input checked="" type="checkbox"/> \$100,001 - \$1,000,000 <input type="checkbox"/> Over \$1,000,000	IF APPLICABLE, LIST DATE: ____/____/18 ACQUIRED      DISPOSED
NATURE OF INTEREST <input type="checkbox"/> Ownership/Deed of Trust <input type="checkbox"/> Easement <input type="checkbox"/> Leasehold      Yrs. remaining: _____      Other: _____	
IF RENTAL PROPERTY, GROSS INCOME RECEIVED <input type="checkbox"/> \$0 - \$499 <input type="checkbox"/> \$500 - \$1,000 <input type="checkbox"/> \$1,001 - \$10,000 <input checked="" type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> OVER \$100,000	
SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more. <input type="checkbox"/> None <b>Henry Wells</b>	
NAME OF LENDER* <b>Sophia Petroillo</b>	
ADDRESS (Business Address Acceptable) <b>2121 Blue Sky Parkway, Sacramento</b>	
BUSINESS ACTIVITY, IF ANY, OF LENDER <b>Restaurant Owner</b>	
INTEREST RATE <b>8</b> % <input type="checkbox"/> None	TERM (Months/Years) <b>15 Years</b>
HIGHEST BALANCE DURING REPORTING PERIOD <input type="checkbox"/> \$500 - \$1,000 <input type="checkbox"/> \$1,001 - \$10,000 <input checked="" type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> OVER \$100,000	
<input type="checkbox"/> Guarantor, if applicable	
Comments: _____	



**SCHEDULE C**  
**Income, Loans, & Business**  
**Positions**  
(Other than Gifts and Travel Payments)

<b>CALIFORNIA FORM 700</b>
FAIR POLITICAL PRACTICES COMMISSION
Name _____

▶ 1. INCOME RECEIVED	▶ 1. INCOME RECEIVED
NAME OF SOURCE OF INCOME _____ ADDRESS (Business Address Acceptable) _____ BUSINESS ACTIVITY, IF ANY, OF SOURCE _____ YOUR BUSINESS POSITION _____	NAME OF SOURCE OF INCOME _____ ADDRESS (Business Address Acceptable) _____ BUSINESS ACTIVITY, IF ANY, OF SOURCE _____ YOUR BUSINESS POSITION _____
GROSS INCOME RECEIVED <input type="checkbox"/> No Income - Business Position Only <input type="checkbox"/> \$500 - \$1,000 <input type="checkbox"/> \$1,001 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> OVER \$100,000	GROSS INCOME RECEIVED <input type="checkbox"/> No Income - Business Position Only <input type="checkbox"/> \$500 - \$1,000 <input type="checkbox"/> \$1,001 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> OVER \$100,000
CONSIDERATION FOR WHICH INCOME WAS RECEIVED <input type="checkbox"/> Salary <input type="checkbox"/> Spouse's or registered domestic partner's income (For self-employed use Schedule A-2.) <input type="checkbox"/> Partnership (Less than 10% ownership. For 10% or greater use Schedule A-2.) <input type="checkbox"/> Sale of _____ (Real property, car, boat, etc.) <input type="checkbox"/> Loan repayment <input type="checkbox"/> Commission or <input type="checkbox"/> Rental Income, list each source of \$10,000 or more _____ (Describe) <input type="checkbox"/> Other _____ (Describe)	CONSIDERATION FOR WHICH INCOME WAS RECEIVED <input type="checkbox"/> Salary <input type="checkbox"/> Spouse's or registered domestic partner's income (For self-employed use Schedule A-2.) <input type="checkbox"/> Partnership (Less than 10% ownership. For 10% or greater use Schedule A-2.) <input type="checkbox"/> Sale of _____ (Real property, car, boat, etc.) <input type="checkbox"/> Loan repayment <input type="checkbox"/> Commission or <input type="checkbox"/> Rental Income, list each source of \$10,000 or more _____ (Describe) <input type="checkbox"/> Other _____ (Describe)

**▶ 2. LOANS RECEIVED OR OUTSTANDING DURING THE REPORTING PERIOD**

\* You are not required to report loans from a commercial lending institution, or any indebtedness created as part of a retail installment or credit card transaction, made in the lender's regular course of business on terms available to members of the public without regard to your official status. Personal loans and loans received not in a lender's regular course of business must be disclosed as follows:

NAME OF LENDER* _____ ADDRESS (Business Address Acceptable) _____ BUSINESS ACTIVITY, IF ANY, OF LENDER _____ HIGHEST BALANCE DURING REPORTING PERIOD <input type="checkbox"/> \$500 - \$1,000 <input type="checkbox"/> \$1,001 - \$10,000 <input type="checkbox"/> \$10,001 - \$100,000 <input type="checkbox"/> OVER \$100,000	INTEREST RATE _____% <input type="checkbox"/> None SECURITY FOR LOAN <input type="checkbox"/> None <input type="checkbox"/> Personal residence <input type="checkbox"/> Real Property _____ Street address _____ City <input type="checkbox"/> Guarantor _____ <input type="checkbox"/> Other _____ (Describe)
---	--

Comments: \_\_\_\_\_

# Instructions – Schedule C

## Income, Loans, & Business Positions

### (Income Other Than Gifts and Travel Payments)

#### Reporting Income:

Report the source and amount of gross income of \$500 or more you received during the reporting period. Gross income is the total amount of income before deducting expenses, losses, or taxes and includes loans other than loans from a commercial lending institution. (See Reference Pamphlet, page 11.) You must also report the source of income to your spouse or registered domestic partner if your community property share was \$500 or more during the reporting period.

The source and income must be reported only if the source is located in, doing business in, planning to do business in, or has done business during the previous two years in your agency's jurisdiction. (See Reference Pamphlet, page 13.) Reportable sources of income may be further limited by your disclosure category located in your agency's conflict of interest code.

#### Reporting Business Positions:

You must report your job title with each reportable business entity even if you received no income during the reporting period. Use the comments section to indicate that no income was received.

#### Commonly reportable income and loans include:

- Salary/wages, per diem, and reimbursement for expenses including travel payments provided by your employer
- Community property interest (50%) in your spouse's or registered domestic partner's income - **report the employer's name and all other required information**
- Income from investment interests, such as partnerships, reported on Schedule A-1
- Commission income not required to be reported on Schedule A-2 (See Reference Pamphlet, page 8.)
- Gross income from any sale, including the sale of a house or car (Report your pro rata share of the total sale price.)
- Rental income not required to be reported on Schedule B
- Prizes or awards not disclosed as gifts
- Payments received on loans you made to others
- An honorarium received prior to becoming a public official (See Reference Pamphlet, page 10.)
- Incentive compensation (See Reference Pamphlet, page 12.)

#### Reminders

- Code filers – your disclosure categories may not require disclosure of all sources of income.
- If you or your spouse or registered domestic partner are self-employed, report the business entity on Schedule A-2.
- Do not disclose on Schedule C income, loans, or business positions already reported on Schedules A-2 or B.

#### You are not required to report:

- Salary, reimbursement for expenses or per diem, or social security, disability, or other similar benefit payments received by you or your spouse or registered domestic partner from a federal, state, or local government agency.
- Stock dividends and income from the sale of stock unless the source can be identified.
- Income from a PERS retirement account.

(See Reference Pamphlet, page 12.)

#### To Complete Schedule C:

##### Part 1. Income Received/Business Position Disclosure

- Disclose the name and address of each source of income or each business entity with which you held a business position.
- Provide a general description of the business activity if the source is a business entity.
- Check the box indicating the amount of gross income received.
- Identify the consideration for which the income was received.
- For income from commission sales, check the box indicating the gross income received and list the name of each source of commission income of \$10,000 or more. (See Reference Pamphlet, page 8.) **Note: If you receive commission income on a regular basis or have an ownership interest of 10% or more, you must disclose the business entity and the income on Schedule A-2.**
- Disclose the job title or business position, if any, that you held with the business entity, even if you did not receive income during the reporting period.

##### Part 2. Loans Received or Outstanding During the Reporting Period

- Provide the name and address of the lender.
- Provide a general description of the business activity if the lender is a business entity.
- Check the box indicating the highest balance of the loan during the reporting period.
- Disclose the interest rate and the term of the loan.
  - For variable interest rate loans, disclose the conditions of the loan (e.g., Prime + 2) or the average interest rate paid during the reporting period.
  - The term of the loan is the total number of months or years given for repayment of the loan at the time the loan was entered into.
- Identify the security, if any, for the loan.

# SCHEDULE D Income – Gifts

CALIFORNIA FORM 700

FAIR POLITICAL PRACTICES COMMISSION

Name

<div>▶ NAME OF SOURCE <i>(Not an Acronym)</i></div> <div>ADDRESS <i>(Business Address Acceptable)</i></div> <div>BUSINESS ACTIVITY, IF ANY, OF SOURCE</div> <table> <tr> <th>DATE (mm/dd/yy)</th> <th>VALUE</th> <th>DESCRIPTION OF GIFT(S)</th> </tr> <tr> <td>____/____/____</td> <td>\$ _____</td> <td>_____</td> </tr> <tr> <td>____/____/____</td> <td>\$ _____</td> <td>_____</td> </tr> <tr> <td>____/____/____</td> <td>\$ _____</td> <td>_____</td> </tr> </table>	DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)	____/____/____	\$ _____	_____	____/____/____	\$ _____	_____	____/____/____	\$ _____	_____	<div>▶ NAME OF SOURCE <i>(Not an Acronym)</i></div> <div>ADDRESS <i>(Business Address Acceptable)</i></div> <div>BUSINESS ACTIVITY, IF ANY, OF SOURCE</div> <table> <tr> <th>DATE (mm/dd/yy)</th> <th>VALUE</th> <th>DESCRIPTION OF GIFT(S)</th> </tr> <tr> <td>____/____/____</td> <td>\$ _____</td> <td>_____</td> </tr> <tr> <td>____/____/____</td> <td>\$ _____</td> <td>_____</td> </tr> <tr> <td>____/____/____</td> <td>\$ _____</td> <td>_____</td> </tr> </table>	DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)	____/____/____	\$ _____	_____	____/____/____	\$ _____	_____	____/____/____	\$ _____	_____
DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)																							
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DATE (mm/dd/yy)	VALUE	DESCRIPTION OF GIFT(S)																							
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____/____/____	\$ _____	_____																							
____/____/____	\$ _____	_____																							

Comments: \_\_\_\_\_

\_\_\_\_\_

## Instructions – Schedule D

### Income – Gifts

A gift is anything of value for which you have not provided equal or greater consideration to the donor. A gift is reportable if its fair market value is \$50 or more. In addition, multiple gifts totaling \$50 or more received during the reporting period from a single source must be reported.

It is the acceptance of a gift, not the ultimate use to which it is put, that imposes your reporting obligation. Except as noted below, you must report a gift even if you never used it or if you gave it away to another person.

If the exact amount of a gift is unknown, you must make a good faith estimate of the item's fair market value. Listing the value of a gift as "over \$50" or "value unknown" is not adequate disclosure. In addition, if you received a gift through an intermediary, you must disclose the name, address, and business activity of both the donor and the intermediary. You may indicate an intermediary either in the "source" field after the name or in the "comments" section at the bottom of Schedule D.

#### Commonly reportable gifts include:

- Tickets/passes to sporting or entertainment events
- Tickets/passes to amusement parks
- Parking passes not used for official agency business
- Food, beverages, and accommodations, including those provided in direct connection with your attendance at a convention, conference, meeting, social event, meal, or like gathering
- Rebates/discounts not made in the regular course of business to members of the public without regard to official status
- Wedding gifts (See Reference Pamphlet, page 16)
- An honorarium received prior to assuming office (You may report an honorarium as income on Schedule C, rather than as a gift on Schedule D, if you provided services of equal or greater value than the payment received. See Reference Pamphlet, page 10.)
- Transportation and lodging (See Schedule E.)
- Forgiveness of a loan received by you

#### You are **not** required to disclose:

##### Reminders

- Gifts from a single source are subject to a \$500 limit in 2019. (See Reference Pamphlet, page 10.)
- Code filers – you only need to report gifts from reportable sources.

##### Gift Tracking Mobile Application

- FPPC has created a gift tracking app for mobile devices that helps filers track gifts and provides a quick and easy way to upload the information to the Form 700. Visit FPPC's website to download the app.

- Gifts that were not used and that, within 30 days after receipt, were returned to the donor or delivered to a charitable organization or government agency without being claimed by you as a charitable contribution for tax purposes
- Gifts from your spouse or registered domestic partner, child, parent, grandparent, grandchild, brother, sister, and certain other family members (See Regulation 18942 for a complete list.). The exception does not apply if the donor was acting as an agent or intermediary for a reportable source who was the true donor.
- Gifts of similar value exchanged between you and an individual, other than a lobbyist registered to lobby your state agency, on holidays, birthdays, or similar occasions
- Gifts of informational material provided to assist you in the performance of your official duties (e.g., books, pamphlets, reports, calendars, periodicals, or educational seminars)
- A monetary bequest or inheritance (However, inherited investments or real property may be reportable on other schedules.)
- Personalized plaques or trophies with an individual value of less than \$250
- Campaign contributions
- Up to two tickets, for your own use, to attend a fundraiser for a campaign committee or candidate, or to a fundraiser for an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. The ticket must be received from the organization or committee holding the fundraiser.
- Gifts given to members of your immediate family if the source has an established relationship with the family member and there is no evidence to suggest the donor had a purpose to influence you. (See Regulation 18943.)
- Free admission, food, and nominal items (such as a pen, pencil, mouse pad, note pad or similar item) available to all attendees, at the event at which the official makes a speech (as defined in Regulation 18950(b)(2)), so long as the admission is provided by the person who organizes the event.
- Any other payment not identified above, that would otherwise meet the definition of gift, where the payment is made by an individual who is not a lobbyist registered to lobby the official's state agency, where it is clear that the gift was made because of an existing personal or business relationship unrelated to the official's position and there is no evidence whatsoever at the time the gift is made to suggest the donor had a purpose to influence you.

#### To Complete Schedule D:

- Disclose the full name (not an acronym), address, and, if a business entity, the business activity of the source.
- Provide the date (month, day, and year) of receipt, and disclose the fair market value and description of the gift.

# SCHEDULE E

## Income – Gifts

### Travel Payments, Advances, and Reimbursements

**CALIFORNIA FORM**  
FAIR POLITICAL PRACTICES COMMISSION

700

Name \_\_\_\_\_

- Mark either the gift or income box.
- Mark the “501(c)(3)” box for a travel payment received from a nonprofit 501(c)(3) organization or the “Speech” box if you made a speech or participated in a panel. Per Government Code Section 89506, these payments may not be subject to the gift limit. However, they may result in a disqualifying conflict of interest.
- For gifts of travel, provide the travel destination.

<p>▶ NAME OF SOURCE <i>(Not an Acronym)</i></p> <p>_____  <small>ADDRESS (Business Address Acceptable)</small></p> <p>_____  <small>CITY AND STATE</small></p> <p><input type="checkbox"/> 501 (c)(3) or DESCRIBE BUSINESS ACTIVITY, IF ANY, OF SOURCE</p> <p>_____  <small>DATE(S): ____/____/____ - ____/____/____ AMT: \$_____          (If gift)</small></p> <p>▶ MUST CHECK ONE:    <input type="checkbox"/> Gift    <b>-or-</b>    <input type="checkbox"/> Income</p> <p><input type="radio"/> Made a Speech/Participated in a Panel</p> <p><input type="radio"/> Other - Provide Description _____</p> <p>▶ If Gift, Provide Travel Destination _____</p>	<p>▶ NAME OF SOURCE <i>(Not an Acronym)</i></p> <p>_____  <small>ADDRESS (Business Address Acceptable)</small></p> <p>_____  <small>CITY AND STATE</small></p> <p><input type="checkbox"/> 501 (c)(3) or DESCRIBE BUSINESS ACTIVITY, IF ANY, OF SOURCE</p> <p>_____  <small>DATE(S): ____/____/____ - ____/____/____ AMT: \$_____          (If gift)</small></p> <p>▶ MUST CHECK ONE:    <input type="checkbox"/> Gift    <b>-or-</b>    <input type="checkbox"/> Income</p> <p><input type="radio"/> Made a Speech/Participated in a Panel</p> <p><input type="radio"/> Other - Provide Description _____</p> <p>▶ If Gift, Provide Travel Destination _____</p>
<p>▶ NAME OF SOURCE <i>(Not an Acronym)</i></p> <p>_____  <small>ADDRESS (Business Address Acceptable)</small></p> <p>_____  <small>CITY AND STATE</small></p> <p><input type="checkbox"/> 501 (c)(3) or DESCRIBE BUSINESS ACTIVITY, IF ANY, OF SOURCE</p> <p>_____  <small>DATE(S): ____/____/____ - ____/____/____ AMT: \$_____          (If gift)</small></p> <p>▶ MUST CHECK ONE:    <input type="checkbox"/> Gift    <b>-or-</b>    <input type="checkbox"/> Income</p> <p><input type="radio"/> Made a Speech/Participated in a Panel</p> <p><input type="radio"/> Other - Provide Description _____</p> <p>▶ If Gift, Provide Travel Destination _____</p>	<p>▶ NAME OF SOURCE <i>(Not an Acronym)</i></p> <p>_____  <small>ADDRESS (Business Address Acceptable)</small></p> <p>_____  <small>CITY AND STATE</small></p> <p><input type="checkbox"/> 501 (c)(3) or DESCRIBE BUSINESS ACTIVITY, IF ANY, OF SOURCE</p> <p>_____  <small>DATE(S): ____/____/____ - ____/____/____ AMT: \$_____          (If gift)</small></p> <p>▶ MUST CHECK ONE:    <input type="checkbox"/> Gift    <b>-or-</b>    <input type="checkbox"/> Income</p> <p><input type="radio"/> Made a Speech/Participated in a Panel</p> <p><input type="radio"/> Other - Provide Description _____</p> <p>▶ If Gift, Provide Travel Destination _____</p>

**Comments:** \_\_\_\_\_

\_\_\_\_\_

## Instructions – Schedule E Travel Payments, Advances, and Reimbursements

Travel payments reportable on Schedule E include advances and reimbursements for travel and related expenses, including lodging and meals.

Gifts of travel may be subject to the gift limit. In addition, certain travel payments are reportable gifts, but are not subject to the gift limit. To avoid possible misinterpretation or the perception that you have received a gift in excess of the gift limit, you may wish to provide a specific description of the purpose of your travel. (See the FPPC fact sheet entitled "Limitations and Restrictions on Gifts, Honoraria, Travel, and Loans" to read about travel payments under section 89506(a).)

### You are not required to disclose:

- Travel payments received from any state, local, or federal government agency for which you provided services equal or greater in value than the payments received, such as reimbursement for travel on agency business from your government agency employer.
- A payment for travel from another local, state, or federal government agency and related per diem expenses when the travel is for education, training or other inter-agency programs or purposes.
- Travel payments received from your employer in the normal course of your employment that are included in the income reported on Schedule C.
- A travel payment that was received from a nonprofit entity exempt from taxation under Internal Revenue Code Section 501(c)(3) for which you provided equal or greater consideration, such as reimbursement for travel on business for a 501(c)(3) organization for which you are a board member.

**Note: Certain travel payments may not be reportable if reported via email on Form 801 by your agency.**

### To Complete Schedule E:

- Disclose the full name (not an acronym) and address of the source of the travel payment.
- Identify the business activity if the source is a business entity.
- Check the box to identify the payment as a gift or income, report the amount, and disclose the date(s).
  - **Travel payments are gifts** if you did not provide services that were equal to or greater in value than the payments received. You must disclose gifts totaling \$50 or more from a single source during the period covered by the statement.

When reporting travel payments that are gifts, you must provide a description of the gift, the **date(s)** received, and the **travel destination**.

- **Travel payments are income** if you provided services that were equal to or greater in value than the payments received. You must disclose income totaling

\$500 or more from a single source during the period covered by the statement. You have the burden of proving the payments are income rather than gifts. When reporting travel payments as income, you must describe the services you provided in exchange for the payment. You are not required to disclose the date(s) for travel payments that are income.

### Example:

City council member MaryClaire Chandler is the chair of a 501(c)(6) trade association, and the association pays for her travel to attend its meetings. Because MaryClaire is deemed to be providing equal or greater consideration for the travel payment by virtue of serving on the board, this payment may be reported as income.

Payments for MaryClaire to attend other events for which she is not providing services are likely considered gifts. Note that the same payment from a 501(c)(3) would NOT be reportable.

▶ NAME OF SOURCE (Not an Acronym)	
Health Services Trade Association	
ADDRESS (Business Address Acceptable)	
1230 K Street, Suite 610	
CITY AND STATE	
Sacramento, CA	
<input type="checkbox"/> 501 (c)(3) or DESCRIBE BUSINESS ACTIVITY, IF ANY, OF SOURCE	
Association of Healthcare Workers	
DATE(S):	AMT: \$ 150.00
(If gift)	
▶ MUST CHECK ONE: <input type="checkbox"/> Gift -or- <input checked="" type="checkbox"/> Income	
<input type="radio"/> Made a Speech/Participated in a Panel	
<input checked="" type="radio"/> Other - Provide Description Travel reimbursement for board meeting.	

### Example:

Mayor Kim travels to China on a trip organized by China Silicon Valley Business Development, a California nonprofit, 501(c)(6) organization. The Chengdu Municipal People's Government pays for Mayor Kim's airfare and travel costs, as well as his meals and lodging during the trip.

The trip's agenda shows that the trip's purpose is to promote job creation and economic activity in China and in Silicon Valley, so the trip is reasonably related to a governmental purpose. Thus, Mayor Kim must report the gift of travel, but the gift is exempt from the gift

limit. In this case, the travel payments are not subject to the gift limit because the source is a foreign government and because the travel is reasonably related to a governmental purpose. (Section 89506(a)(2).) Note that Mayor Kim could be disqualified from participating in or making decisions about The Chengdu Municipal People's Government for 12 months. Also note that if China Silicon Valley Business Development (a 501(c)(6) organization) paid for the travel costs rather than the governmental organization, the payments would be subject to the gift limits. (See the FPPC fact sheet, Limitations and Restrictions on Gifts, Honoraria, Travel and Loans, at [www.fppc.ca.gov](http://www.fppc.ca.gov).)

▶ NAME OF SOURCE (Not an Acronym)	
Chengdu Municipal People's Government	
ADDRESS (Business Address Acceptable)	
2 Caoshi St, CaoShiJie, Qingyang Qu, Chengdu Shi,	
CITY AND STATE	
Sichuan Sheng, China, 610000	
<input type="checkbox"/> 501 (c)(3) or DESCRIBE BUSINESS ACTIVITY, IF ANY, OF SOURCE	
DATE(S): 09 / 04 / XX - 09 / 08 / XX AMT: \$ 3,874.38	
(If gift)	
▶ MUST CHECK ONE: <input checked="" type="checkbox"/> Gift -or- <input type="checkbox"/> Income	
<input type="radio"/> Made a Speech/Participated in a Panel	
<input checked="" type="radio"/> Other - Provide Description Travel reimbursement for trip to China.	
▶ If Gift, Provide Travel Destination	
Sichuan Sheng, China	

## Restrictions and Prohibitions

The Political Reform Act (Gov. Code Sections 81000-91014) requires most state and local government officials and employees to publicly disclose their personal assets and income. They also must disqualify themselves from participating in decisions that may affect their personal economic interests. The Fair Political Practices Commission (FPPC) is the state agency responsible for issuing the attached Statement of Economic Interests, Form 700, and for interpreting the law's provisions.

### Gift Prohibition

Gifts received by most state and local officials, employees, and candidates are subject to a limit. In 2017 and 2018, the gift limit was \$470 from a single source during a calendar year. In 2019-2020, the gift limit increased to \$500 from a single source during a calendar year.

In addition, state officials, state candidates, and certain state employees are subject to a \$10 limit per calendar month on gifts from lobbyists and lobbying firms registered with the Secretary of State. See Reference Pamphlet, page 10.

State and local officials and employees should check with their agency to determine if other restrictions apply.

### Disqualification

Public officials are, under certain circumstances, required to disqualify themselves from making, participating in, or attempting to influence governmental decisions that will affect their economic interests. This may include interests they are not required to disclose. For example, a personal residence is often not reportable, but may be grounds for disqualification. Specific disqualification requirements apply to 87200 filers (e.g., city councilmembers, members of boards of supervisors, planning commissioners, etc.). These officials must publicly identify the economic interest that creates a conflict of interest and leave the room before a discussion or vote takes place at a public meeting. For more information, consult Government Code Section 87105, Regulation 18707, and the Guide to Recognizing Conflicts of Interest at [www.fppc.ca.gov](http://www.fppc.ca.gov).

### Honorarium Ban

Most state and local officials, employees, and candidates are prohibited from accepting an honorarium for any speech given, article published, or attendance at a conference, convention, meeting, or like gathering. (See Reference Pamphlet, page 10.)

### Loan Restrictions

Certain state and local officials are subject to restrictions on loans. (See Reference Pamphlet, page 14.)

### Post-Governmental Employment

There are restrictions on representing clients or employers before former agencies. The provisions apply to elected state officials, most state employees, local elected officials, county chief administrative officers, city managers, including the chief administrator of a city, and general managers or chief administrators of local special districts and JPAs. The FPPC website has fact sheets explaining the provisions.

### Late Filing

The filing officer who retains originally-signed or electronically filed statements of economic interests may impose on an individual a fine for any statement that is filed late. The fine is \$10 per day up to a maximum of \$100. Late filing penalties may be reduced or waived under certain circumstances.

Persons who fail to timely file their Form 700 may be referred to the FPPC's Enforcement Division (and, in some cases, to the Attorney General or district attorney) for investigation and possible prosecution. In addition to the late filing penalties, a fine of up to \$5,000 per violation may be imposed.

**For assistance** concerning reporting, prohibitions, and restrictions under the Act:

- Email questions to [advice@fppc.ca.gov](mailto:advice@fppc.ca.gov).
- Call the FPPC toll-free at (866) 275-3772.

### Form 700 is a Public Document Public Access Must Be Provided

Statements of Economic Interests are public documents. The filing officer must permit any member of the public to inspect and receive a copy of any statement.

- Statements must be available as soon as possible during the agency's regular business hours, but in any event not later than the second business day after the statement is received. Access to the Form 700 is not subject to the Public Records Act procedures.
- No conditions may be placed on persons seeking access to the forms.
- No information or identification may be required from persons seeking access.
- Reproduction fees of no more than 10 cents per page may be charged.

## Questions and Answers

### General

- Q. What is the reporting period for disclosing interests on an assuming office statement or a candidate statement?
- A. On an assuming office statement, disclose all reportable investments, interests in real property, and business positions held on the date you assumed office. In addition, you must disclose income (including loans, gifts and travel payments) received during the 12 months prior to the date you assumed office.
- On a candidate statement, disclose all reportable investments, interests in real property, and business positions held on the date you file your declaration of candidacy. You must also disclose income (including loans, gifts and travel payments) received during the 12 months prior to the date you file your declaration of candidacy.
- Q. I hold two other board positions in addition to my position with the county. Must I file three statements of economic interests?
- A. Yes, three are required. However, you may complete one statement listing the county and the two boards on the Cover Page or an attachment as the agencies for which you will be filing. Report your economic interests using the largest jurisdiction and highest disclosure requirements assigned to you by the three agencies. Make two copies of the entire statement before signing it, sign each copy with an original signature, and distribute one original to the county and to each of the two boards. Remember to complete separate statements for positions that you leave or assume during the year.
- Q. I am a department head who recently began acting as city manager. Should I file as the city manager?
- A. Yes. File an assuming office statement as city manager. Persons serving as “acting,” “interim,” or “alternate” must file as if they hold the position because they are or may be performing the duties of the position.
- Q. My spouse and I are currently separated and in the process of obtaining a divorce. Must I still report my spouse’s income, investments, and interests in real property?
- A. Yes. A public official must continue to report a spouse’s economic interests until such time as dissolution of marriage proceedings is final. However, if a separate property agreement has been reached prior to that time, your estranged spouse’s income may not have to be reported. Contact the FPPC for more information.

- Q. As a designated employee, I left one state agency to work for another state agency. Must I file a leaving office statement?
- A. Yes. You may also need to file an assuming office statement for the new agency.

### Investment Disclosure

- Q. I have an investment interest in shares of stock in a company that does not have an office in my jurisdiction. Must I still disclose my investment interest in this company?
- A. Probably. The definition of “doing business in the jurisdiction” is not limited to whether the business has an office or physical location in your jurisdiction. (See Reference Pamphlet, page 13.)
- Q. My spouse and I have a living trust. The trust holds rental property in my jurisdiction, our primary residence, and investments in diversified mutual funds. I have full disclosure. How is this trust disclosed?
- A. Disclose the name of the trust, the rental property and its income on Schedule A-2. Your primary residence and investments in diversified mutual funds registered with the SEC are not reportable.
- Q. I am required to report all investments. I have an IRA that contains stocks through an account managed by a brokerage firm. Must I disclose these stocks even though they are held in an IRA and I did not decide which stocks to purchase?
- A. Yes. Disclose on Schedule A-1 or A-2 any stock worth \$2,000 or more in a business entity located in or doing business in your jurisdiction.
- Q. The value of my stock changed during the reporting period. How do I report the value of the stock?
- A. You are required to report the highest value that the stock reached during the reporting period. You may use your monthly statements to determine the highest value. You may also use the entity’s website to determine the highest value. You are encouraged to keep a record of where you found the reported value. Note that for an assuming office statement, you must report the value of the stock on the date you assumed office.



## Questions and Answers

### Continued

Q. I am the sole owner of my business, an S-Corporation. I believe that the nature of the business is such that it cannot be said to have any "fair market value" because it has no assets. I operate the corporation under an agreement with a large insurance company. My contract does not have resale value because of its nature as a personal services contract. Must I report the fair market value for my business on Schedule A-2 of the Form 700?

A. Yes. Even if there are no *tangible* assets, intangible assets, such as relationships with companies and clients are commonly sold to qualified professionals. The "fair market value" is often quantified for other purposes, such as marital dissolutions or estate planning. In addition, the IRS presumes that "personal services corporations" have a fair market value. A professional "book of business" and the associated goodwill that generates income are not without a determinable value. The Form 700 does not require a precise fair market value; it is only necessary to check a box indicating the broad range within which the value falls.

Q. I own stock in IBM and must report this investment on Schedule A-1. I initially purchased this stock in the early 1990s; however, I am constantly buying and selling shares. Must I note these dates in the "Acquired" and "Disposed" fields?

A. No. You must only report dates in the "Acquired" or "Disposed" fields when, during the reporting period, you initially purchase a reportable investment worth \$2,000 or more or when you dispose of the entire investment. You are not required to track the partial trading of an investment.

Q. On last year's filing I reported stock in Encoe valued at \$2,000 - \$10,000. Late last year the value of this stock fell below and remains at less than \$2,000. How should this be reported on this year's statement?

A. You are not required to report an investment if the value was less than \$2,000 during the **entire** reporting period. However, because a disposed date is not required for stocks that fall below \$2,000, you may want to report the stock and note in the "comments" section that the value fell below \$2,000. This would be for informational purposes only; it is not a requirement.

Q. We have a Section 529 account set up to save money for our son's college education. Is this reportable?

A. If the Section 529 account contains reportable interests (e.g., common stock valued at \$2,000 or more), those interests are reportable (not the actual Section 529 account). If the account contains solely mutual funds, then nothing is reported.

### Income Disclosure

Q. I reported a business entity on Schedule A-2. Clients of my business are located in several states. Must I report all clients from whom my pro rata share of income is \$10,000 or more on Schedule A-2, Part 3?

A. No, only the clients located in or doing business on a regular basis in your jurisdiction must be disclosed.

Q. I believe I am not required to disclose the names of clients from whom my pro rata share of income is \$10,000 or more on Schedule A-2 because of their right to privacy. Is there an exception for reporting clients' names?

A. Regulation 18740 provides a procedure for requesting an exemption to allow a client's name not to be disclosed if disclosure of the name would violate a legally recognized privilege under California or Federal law. This regulation may be obtained from our website at [www.fppc.ca.gov](http://www.fppc.ca.gov). (See Reference Pamphlet, page 14.)

Q. I am sole owner of a private law practice that is not reportable based on my limited disclosure category. However, some of the sources of income to my law practice are from reportable sources. Do I have to disclose this income?

A. Yes, even though the law practice is not reportable, reportable sources of income to the law practice of \$10,000 or more must be disclosed. This information would be disclosed on Schedule C with a note in the "comments" section indicating that the business entity is not a reportable investment. The note would be for informational purposes only; it is not a requirement.

## Questions and Answers Continued

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Q. I am the sole owner of my business. Where do I disclose my income - on Schedule A-2 or Schedule C?

A. Sources of income to a business in which you have an ownership interest of 10% or greater are disclosed on Schedule A-2. (See Reference Pamphlet, page 8.)

Q. My husband is a partner in a four-person firm where all of his business is based on his own billings and collections from various clients. How do I report my community property interest in this business and the income generated in this manner?

A. If your husband's investment in the firm is 10% or greater, disclose 100% of his share of the business on Schedule A-2, Part 1 and 50% of his income on Schedule A-2, Parts 2 and 3. For example, a client of your husband's must be a source of at least \$20,000 during the reporting period before the client's name is reported.

Q. How do I disclose my spouse's or registered domestic partner's salary?

A. Report the name of the employer as a source of income on Schedule C.

Q. I am a doctor. For purposes of reporting \$10,000 sources of income on Schedule A-2, Part 3, are the patients or their insurance carriers considered sources of income?

A. If your patients exercise sufficient control by selecting you instead of other doctors, then your patients, rather than their insurance carriers, are sources of income to you. (See Reference Pamphlet, page 14.)

Q. I received a loan from my grandfather to purchase my home. Is this loan reportable?

A. No. Loans received from family members are not reportable.

Q. Many years ago, I loaned my parents several thousand dollars, which they paid back this year. Do I need to report this loan repayment on my Form 700?

A. No. Payments received on a loan made to a family member are not reportable.

### Real Property Disclosure

Q. During this reporting period we switched our principal place of residence into a rental. I have full disclosure and the property is located in my agency's jurisdiction, so it is now reportable. Because I have not reported this property before, do I need to show an "acquired" date?

A. No, you are not required to show an "acquired" date because you previously owned the property. However, you may want to note in the "comments" section that the property was not previously reported because it was used exclusively as your residence. This would be for informational purposes only; it is not a requirement.

Q. I am a city manager, and I own a rental property located in an adjacent city, but one mile from the city limit. Do I need to report this property interest?

A. Yes. You are required to report this property because it is located within 2 miles of the boundaries of the city you manage.

Q. Must I report a home that I own as a personal residence for my daughter?

A. You are not required to disclose a home used as a personal residence for a family member unless you receive income from it, such as rental income.

Q. I am a co-signer on a loan for a rental property owned by a friend. Since I am listed on the deed of trust, do I need to report my friend's property as an interest in real property on my Form 700?

A. No. Simply being a co-signer on a loan for property does not create a reportable interest in real property for you.

### Gift Disclosure

Q. If I received a reportable gift of two tickets to a concert valued at \$100 each, but gave the tickets to a friend because I could not attend the concert, do I have any reporting obligations?

A. Yes. Since you accepted the gift and exercised discretion and control of the use of the tickets, you must disclose the gift on Schedule D.

## Questions and Answers Continued

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- Q. Julia and Jared Benson, a married couple, want to give a piece of artwork to a county supervisor. Is each spouse considered a separate source for purposes of the gift limit and disclosure?
- A. Yes, each spouse may make a gift valued at the gift limit during a calendar year. For example, during 2018 the gift limit was \$470, so the Bensons may have given the supervisor artwork valued at no more than \$940. The supervisor must identify Jared and Julia Benson as the sources of the gift.
- Q. I received free admission to an educational conference related to my official duties. Part of the conference fees included a round of golf. Is the value of the golf considered informational material?
- A. No. The value of personal benefits, such as golf, attendance at a concert, or sporting event, are gifts subject to reporting and limits.
- Q. I am a Form 700 filer with full disclosure. Our agency holds a holiday raffle to raise funds for a local charity. I bought \$10 worth of raffle tickets and won a gift basket valued at \$120. The gift basket was donated by Doug Brewer, a citizen in our city. At the same event, I bought raffle tickets for, and won a quilt valued at \$70. The quilt was donated by a coworker. Are these reportable gifts?
- A. Because the gift basket was donated by an outside source (not an agency employee), you have received a reportable gift valued at \$110 (the value of the basket less the consideration paid). The source of the gift is Doug Brewer and the agency is disclosed as the intermediary. Because the quilt was donated by an employee of your agency, it is not a reportable gift.
- Q. My agency is responsible for disbursing grants. An applicant (501(c)(3) organization) met with agency employees to present its application. At this meeting, the applicant provided food and beverages. Would the food and beverages be considered gifts to the employees? These employees are designated in our agency's conflict of interest code and the applicant is a reportable source of income under the code.
- A. Yes. If the value of the food and beverages consumed by any one filer, plus any other gifts received from the same source during the reporting period total \$50 or more, the food and beverages would be reported using the fair market value and would be subject to the gift limit.

**DESERT HEALTHCARE DISTRICT / DESERT HEALTHCARE FOUNDATION**  
**Three (3) - YEAR STRATEGIC PLAN: FY17-18, FY18-19, FY19-20**  
*Adopted June 27, 2017*

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***Our Mission***

*“To achieve optimal health at all stages of life for all District residents.”*

***Our Organizational Vision***

*“Connecting Coachella Valley residents to health and wellness services and programs through resources and philanthropy, health facilities, information and community education, and public policy.”*

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***Strategic Plan Priorities: FY17-18, FY18-19, FY19-20***

*The Desert Healthcare District/Desert Healthcare Foundation has defined three over-arching **strategic plan priorities** for the next three years. The strategic plan priorities will advance a One Coachella Valley perspective and approach to community health by transforming the role, reach and impact of the Desert Healthcare District and Desert Healthcare Foundation.*

**PRIORITY 1. New Providers, Facilities, Programs, and Services.** Provide facility, provider and service initiatives that enhance delivery system capacity and promote stable, high-quality health services that respond to community needs.

**PRIORITY 2. One Coachella Valley.** Strengthen community health outcomes by implementing a District expansion that enhances and broadens community funding, considers the health needs of all residents, and effectively engages residents in the entire Coachella Valley.

**PRIORITY 3. Community Health and Wellness.** Demonstrably improve community health in the Coachella Valley leveraging District/Foundation investments and activities.

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***Our Community Health Focus Areas***

*To enhance our impact on community health, the Desert Healthcare District/Desert Healthcare Foundation has, in addition, identified four **Community Health Focus Areas**, which will serve as the focus for new initiatives, funding and other investments over the next three years. Each Strategic Plan Priority will incorporate these focus areas.*

- **Homelessness.** Participate in community efforts and support programs and services to address homelessness in the Coachella Valley.
- **Primary Care and Behavioral Health Access.** Support programs, services and workforce development efforts that increase access to primary care and behavioral health services for Coachella Valley residents.
- **Healthy Eating, Active Living.** Promote efforts that address diabetes, obesity, and other chronic conditions, nutrition, healthy lifestyles, food insecurity and healthy communities.
- **Quality, Safety, Accountability and Transparency.** Advance the provision of high quality health services and programs with clear accountability in District-owned facilities and in the delivery of District – sponsored services and program.

# DESERT HEALTHCARE DISTRICT / DESERT HEALTHCARE FOUNDATION

## Three (3) - YEAR STRATEGIC PLAN: FY17-18, FY18-19, FY19-20

### ***Our Mission***

*"To achieve optimal health at all stages of life for all District residents."*

### ***Our Organizational Vision***

*"Connecting Coachella Valley residents to health and wellness services and programs through resources and philanthropy, health facilities, information and community education, and public policy."*

### ***Strategic Plan Priorities***

*The strategic plan priorities will advance a One Coachella Valley perspective and approach to community health by transforming the role, reach and impact of the Desert Healthcare District and Desert Healthcare Foundation*

#### **PRIORITY 1**

#### **New Providers, Facilities, Programs, and Services**

*Provide facility, provider and service initiatives that enhance delivery system capacity and promote stable, high-quality health services that respond to community needs*

#### **PRIORITY 2**

#### **One Coachella Valley**

*Strengthen community health outcomes by implementing a District expansion that enhances and broadens community funding, considers the health needs of all residents, and effectively engages residents in the entire Coachella Valley.*

#### **PRIORITY 3**

#### **Community Health and Wellness**

*Demonstrably improve community health in the Coachella Valley leveraging District/Foundation investments and activities*

#### **Community Health Focus Areas**

Homelessness

Primary Care and Behavioral Health Access

Healthy Eating, Active Living

Quality, Safety, Accountability and Transparency

#### **Resources and Philanthropy**

*Focused investments to impact community health*

#### **Public Policy**

*Health-related public policy impact analysis, research and convening*

#### **Community Education**

*Education and information to link residents to health programs and services*

#### **Outreach and Collaboration**

*Collaboration with other community agencies, leaders and residents*

**Desert Healthcare District/Desert Healthcare Foundation**  
**Three (3) - YEAR STRATEGIC PLAN: FY17-18, FY18-19, FY19-20**

PRIORITIES

STRATEGIES

OUTCOMES

1

**New Providers, Facilities, Programs and Services**

*Provide new providers, facilities, programs, and service initiatives that enhance delivery system capacity and promote stable, high-quality health services that respond to community needs*

**Strategy 1.1 Existing Hospital Facility.** Reach a long-term hospital facility solution that meets the following criteria:

- Enforce standards for high quality services and facilities
- Scope of services respond to critical community needs
- Meet 2030 hospital seismic safety standards
- Generate continued stable funding for community services
- Align needs of District and hospital
- Long range facility planning

**Strategy 1.2 Facility and Service Initiatives.** Evaluate opportunities to support community health facility and service initiatives that address critical community needs, such as primary care access, homelessness, or inpatient/outpatient behavioral health services

- Board-directed strategy to secure a long-term facility and operating plan for hospital
- Plan to achieve seismically safe facilities
- Formal plan to guide other District/Foundation facility and service investments in community

2

**One Coachella Valley**

*Strengthen community health outcomes by implementing a District expansion that enhances and broadens community funding, considers the health needs of all residents, and effectively engages residents in the entire Coachella Valley.*

**Strategy 2.1 Expansion Funding.** Adopt a funding solution that provides greatly needed investments in the expanded region

**Strategy 2.2 Community Engagement.** Engage with community leaders and agencies, conduct outreach and public engagement to educate residents about District/Foundation expansion/role, and promote One Coachella Valley

**Strategy 2.3 Governance and Representation.** Ensure meaningful community representation in District/Foundation and greater effectiveness through the development and implementation of multiple strategies

**Strategy 2.4 East Valley Funding Initiatives.** Formally evaluate community health needs and implement a region-specific investment and philanthropy strategy to address critical needs

- LAFCO approval of annexation
- Voter approval of East Valley expansion in November 2018
- Develop new process for selecting new Directors by June 2018 and process to create 7-member districts by January 2019
- Appointment of 2 members to represent East Valley, if expansion approved, by January 2019
- 7-member Board of Directors seated
- Community health initiatives implemented

## Community Health and Wellness

*Demonstrably improve community health in the Coachella Valley leveraging District/Foundation investments and activities*

### Resources and Philanthropy

**Strategy 3.1 Philanthropy Infrastructure.** Develop the District/Foundation organizational structure, approach and capability to implement focused investment and philanthropy strategies that target critical community health needs

**Strategy 3.2 Targeted Community Health Initiatives.** Implement funding initiatives to meaningfully impact selected Community Health Focus Areas: Behavioral Health and Homelessness; Primary Care Access and Delivery System, and; Healthy Eating, Active Living

### Public Policy

**Strategy 3.3 Public Policy.** Provide policy monitoring and guidance to the Board. Conduct research & impact analysis to evaluate the impact of county, state and federal policies on the Coachella Valley

**Strategy 3.4 Community Partners.** Provide policy-related information, technical assistance and convening support to community partners on important local, regional, state and federal policy areas that impact the Coachella Valley

### Community Education

**Strategy 3.5 Resident Linkage to Services.** Connect residents to health and wellness services in the community through active support of CV HIP and other community education and engagement

**Strategy 3.6 District/Foundation Visibility and Transparency.** Establish new forums to promote District/Foundation transparency and implement a comprehensive marketing/communications strategy to increase visibility in the Coachella Valley for the District/Foundation funded services and programs.

### Outreach and Collaboration

**Strategy 3.7 Program and Service Collaboration.** Develop partnerships with other health and social service providers that leverage and build on existing initiatives that are underway in the community to build programs and services addressing the prioritized Community Health Focus Areas.

- Demonstrated progress on select community health indicators
- Demonstrable increase in resources and investments responding to community health needs
- District/Foundation recognized as the resource for community health information
- District/Foundation recognized as a community health leader
- Increased community partnerships and collaborations around community health and wellness

**How will the strategic plan address the Community Health Focus Areas?**

As stated, the Desert Healthcare District/Desert Healthcare Foundation identified 4 Community Health Focus Areas that it will seek to impact as part of its strategic plan activities over the next three years. The below chart highlights how the Desert Healthcare District/Desert Healthcare Foundation will address each of the Community Health Focus Areas through its Strategic Plan Priorities.

		<b><u>PRIORITY 1</u> New Providers, Facilities, Programs and Services</b>	<b><u>PRIORITY 2</u> One Coachella Valley</b>	<b><u>PRIORITY 3</u> Community Health and Wellness</b>			
				<b><i>Resources and Philanthropy</i></b>	<b><i>Public Policy</i></b>	<b><i>Community Education</i></b>	<b><i>Outreach and Collaboration</i></b>
<b>Community Health Focus Areas</b>	<b><i>Homelessness</i></b>	Evaluate opportunities to expand homeless and/or housing facilities and services in the community	One Coachella Valley approach inclusive of East Valley needs and opportunities	Implement targeted initiatives that address homelessness	Policy analysis, data and research evaluating the impact of policies on homelessness	Educate/connect residents to programs and services, and promote awareness of homelessness issues and potential solutions	Develop partnerships and relationships with homeless and housing service providers, other social service providers and non-traditional allies
	<b><i>Primary Care and Behavioral Health Access</i></b>	Evaluate targeted capital funding opportunities for primary care and behavioral health facilities and services in underserved areas	One Coachella Valley approach inclusive of East Valley needs and opportunities	Implement initiatives that build primary care and behavioral health workforce and increase sustainable primary care and behavioral health services for underserved Valley residents	Policy analysis, data and research evaluating the impact of policies on primary care and behavioral health workforces and strengthen sustainability and integration of the delivery system	Educate/connect residents to programs and services, and promote awareness of primary care and behavioral health access issues and potential solutions	Cultivate relationships with service providers, educational institutions and others reinforcing the delivery system and building the workforce
	<b><i>Healthy Eating, Active Living</i></b>	Potential support for facilities that provide diabetes, obesity, nutrition, education, lifestyle improvement or other related services and programs	One Coachella Valley approach inclusive of East Valley needs and opportunities	Implement targeted initiatives that address the social determinants of health, promote nutrition and healthy lifestyles, and/or treat diabetes and obesity in our communities	Policy analysis, data and research evaluating the impact of policies on community environments and healthy lifestyles	Educate/connect residents to programs and services, and promote awareness of key issues and potential solutions	Maintain provider relationships and participate in community initiatives
	<b><i>Quality, Safety, Accountability, Transparency</i></b>	Hospital lease with defined quality measures and benchmarks	One Coachella Valley approach inclusive of East Valley needs and opportunities	Program, services and facility investments include standards and expectations related to quality, safety and accountability	Evaluate and incorporate policies to promote quality, safety, accountability and transparency	Pro-active community forums to educate residents about spending, priorities, quality performance, etc.	Maintain relationships with providers, elected officials and other community leaders and organizations. Participate in community initiatives



## **DESERT HEALTHCARE DISTRICT**

### **Eastern Coachella Valley Expansion Plan Summary**

Assembly Bill 2414, authored by Assemblymember Eduardo Garcia and signed by the Governor in September 2016, requires Desert Healthcare District to file an application to expand its service area into the Eastern Coachella Valley.

An annexation would expand the District's service area, which now encompasses the cities of Palm Springs, Desert Hot Springs, Cathedral City, Rancho Mirage, part of Palm Desert, and unincorporated areas within the current District boundaries. The expansion would cover the remainder of Palm Desert, Indian Wells, La Quinta, Indio, Coachella, Bermuda Dunes, Mecca, Thermal, Oasis, North Shore and Vista Santa Rosa, as well as unincorporated areas of Riverside County.

Desert Healthcare District has prepared an annexation application that will be submitted to the Riverside County Local Agency Formation Commission (LAFCO) by Jan. 5, 2017. LAFCO will approve the application within 150 days and direct the Riverside County Board of Supervisors to place the issue on the November 2018 ballot. If voters in the annexation area approve the expansion and a funding source to support services, the District will be enlarged and two new members who reside in the annexation area will be added to the District board.

#### **WHAT DOES DESERT HEALTHCARE DISTRICT DO?**

- Ensures high-quality hospital services through its properties, Desert Regional Medical Center and Las Palmas Medical Plaza;
- Addresses community health and wellness through initiatives, grants and partnerships;
- Has invested more than \$66 million in community programs since 1998;
- Partners with local non-profit and community-based organizations, schools, government agencies and foundations;
- Subsidizes free and low-cost medical, dental and mental health services and clinics;
- Supports local food pantries and food distribution programs;
- Provides financial support and case management for families with special needs children;
- Funds free rehabilitation for stroke patients;
- Addresses a physician shortage by partnering with the UC Riverside School of Medicine to add doctors and residents.

# **DESERT HEALTHCARE DISTRICT**

## **Eastern Coachella Valley Expansion Plan Summary**

### **GOALS OF ANNEXATION**

- Address significant barriers preventing access to healthcare providers and services for 240,000 residents in the Eastern Coachella Valley.
- Secure sufficient funding to provide grants, programs and services comparable to those provided to residents within the current District boundaries.
- Narrow health disparities that exist between the eastern and western sides of the Valley.

### **FUNDING**

The District's operating revenue was \$7.2 million in fiscal year 2015-2016, which was generated from property taxes, medical office building leases and investments. With a current district population of 206,311, this equals about \$35 per person. Based on that same per-capita rate, the District would need approximately \$9 million in operating revenues in fiscal year 2018-2019 from the annexed area to generate a comparable level of services.

The District could utilize the following financing options to fund services in the annexed area:

- Voluntary Dedication of Existing General Fund Taxes by City/County, With Possible Voter Advisory Measure
- Community Facilities District
- Joint Powers Authority
- Parcel Tax
- Hospital Lease Income

Additional options, such as general obligation bonds, certificates of participation and user fees could be used to finance new or expanded facilities.

### **NEXT STEPS**

If approved by voters:

- The District Board of Directors will increase from five seats to seven, to include representatives of the annexed area;
- The District will review demographic, market and health needs assessments, and seek community input to determine health needs in the annexation area;
- The District will consider options, schedules and cost estimates for future facilities.

## **DESERT HEALTHCARE DISTRICT EASTERN COACHELLA VALLEY EXPANSION PLAN FREQUENTLY ASKED QUESTIONS**

### **Why is Desert Healthcare District trying to extend its programs and services to the Eastern Coachella Valley?**

The Desert Healthcare District is required under Assembly Bill 2414 to file a resolution of application with the Riverside County Local Agency Formation Commission (LAFCO) to initiate a comprehensive review and recommend new boundaries for the District that includes the Eastern Coachella Valley. The bill, AB 2414, authored by Assemblyman Eduardo Garcia to bring more healthcare resources to this chronically underserved region, passed the Legislature and was signed by the governor in September 2016.

### **What is the process for expanding the reach of the District?**

Under AB 2414, the District must file an annexation application with LAFCO by January 5, 2017, and LAFCO must approve the application within 150 days. Once LAFCO authorizes the annexation, the expansion and a funding mechanism must be approved by voters in the new coverage area, which has 240,000 residents in approximately 1,760 square miles and includes the cities of Indian Wells, La Quinta, Indio, Coachella, the remainder of Palm Desert (east of Cook Street), and unincorporated areas of the county. The question will appear on the ballot in the November 2018 election.

### **When can I expect to see District services in the Eastern Coachella Valley?**

Early 2019, if the annexation and funding are approved by voters in the November 2018 election.

### **How will an annexation affect people who live within the current District boundaries?**

Services will not change for residents within the current boundaries, a service area consisting of the Western Coachella Valley, encompassing approximately 515 square miles. This includes: the cities of Palm Springs, Desert Hot Springs, Cathedral City, Rancho Mirage, part of Palm Desert, and unincorporated areas within the District boundaries.

### **How will this benefit the residents of Eastern Coachella Valley?**

Services and programs comparable to those offered to current District residents will be made available to people who live in the annexed area. The goal is to improve access to healthcare providers and facilities through District funding and partnerships with other organizations, including free and low-cost medical and dental clinics, counseling services, drug and alcohol treatment, food distribution programs and expanded in-patient and out-patient facilities.

**DESERT HEALTHCARE DISTRICT  
EASTERN COACHELLA VALLEY EXPANSION PLAN  
FREQUENTLY ASKED QUESTIONS**

**Who will pay for the expansion?**

- Potential funding sources for the estimated \$9 million in operating revenues that will be needed by fiscal year 2018-2019 will be determined by the voters from the newly annexed areas of the Eastern Coachella Valley. Options could include, but are not limited to:
- Voluntary Dedication of Existing General Fund Taxes by City/County, With Possible Voter Advisory Measure
- Community Facilities District (CFD)
- Joint Powers Authority (JPA)
- Parcel Tax
- Tenet Hospital Lease Income

The current District's operations is funded by property tax collected by Riverside County and distributed by formula to the Desert Healthcare District.

# **DESERT HEALTHCARE DISTRICT PLAN OF SERVICES**

## **I. INTRODUCTION AND BACKGROUND**

This Plan of Services (Plan) is submitted by the Desert Healthcare District (District) as part of the Application to the Riverside County Local Agency Formation Commission (LAFCO) pursuant to AB 2414 (Garcia) Chapter 416 (2016) (AB 2414) for the annexation of approximately 1,760 square miles of the Eastern Coachella Valley into the District's current service area of the Western Coachella Valley that encompasses approximately 515 square miles. The District currently includes the cities of Palm Springs, Desert Hot Springs, Cathedral City, Rancho Mirage, part of Palm Desert, and unincorporated areas within the current District boundaries. The Annexation proposed by AB 2414 includes the remainder of Palm Desert, Indian Wells, La Quinta, Indio and Coachella, the communities of Bermuda Dunes, Mecca, Thermal, Oasis, North Shore and Vista Santa Rosa as well as unincorporated areas of the County of Riverside (Annexed Area).

### **1.1. AB 2414**

AB 2414, authored by Assemblymember Eduardo Garcia, was signed by the Governor on September 21, 2016. This special legislation is unique to Desert Healthcare District and would exempt the proposed annexation from a number of the requirements that govern the usual process under LAFCO for "district annexations." Among other mandates, AB 2414 requires:

- the District to file the proposed annexation Application with LAFCO by January 5, 2107;
- that LAFCO approve the Application within 150 days;
- the Application be exempt from a protest hearing;
- LAFCO to direct the Riverside County Board of Supervisors to place approval of the expansion of the District on the ballot at the next countywide election (November 2018);
- the expansion of the District upon voter approval, if a funding source sufficient to support the operations of the expanded District is also approved as specified.

As noted by the author, the clear intent of AB 2414 is to maximize and enhance the assets of the District, to address the significant barriers preventing access to health care providers and services for residents in the Eastern Coachella Valley. Expanding the District will help address these needs if sufficient revenue sources are included and the expansion is modeled after the success of the District in addressing various critical health needs of its current constituency.

A copy of the complete text of AB 2414 is attached as Exhibit 1.1 to this Application.

### **1.2. Desert Healthcare District and Foundation**

In 1948, the Desert Hospital District was formed with the mission to build a hospital to meet the healthcare needs of local residents in Palm Springs and surrounding areas. Since its inception, the District has been governed by a five-member board elected by the residents of the communities within its boundaries.

## **DESERT HEALTHCARE DISTRICT PLAN OF SERVICES**

A diagram of the existing District Boundaries is attached as Exhibit 1.2 to this Application.

Originally, Desert Hospital was constructed as a single building with 33 beds on 8 acres on the grounds of the El Mirador Hotel. The District purchased the entire hotel property in the early 1970s and over the next few decades transformed the hotel site into a modern, comprehensive healthcare facility - Desert Hospital, now known as Desert Regional Medical Center.

In 1986, the hospital was leased to Desert Hospital Corporation, a not-for-profit organization formed by local residents to operate the hospital. The Desert Hospital Foundation, founded in 1967, became a subsidiary of Desert Hospital Corporation and was governed by a community board. The Foundation operated a number of important local healthcare services including Hospice, Desert Health Car (free door-to-door transportation service to and from non-emergency medical and health appointments) and The Smile Factory (a mobile dental clinic offering free dental screenings and treatment to elementary schoolchildren), which were developed in 1997 after the hospital lease with Tenet.

In the 1990s, the hospital struggled financially in an increasingly complex and competitive healthcare environment. In 1997, after careful consideration and a lengthy public process, the District Board voted unanimously to enter into a lease of the hospital to Tenet Health Systems (Tenet) for 30 years. Desert Hospital District subsequently became Desert Healthcare District. Desert Healthcare Foundation was absorbed by the District and its programs were spun off in 2005 into existing community-based organizations.

Today, with an annual operating budget of roughly \$7.21 million, the District Board pursues its mission to promote good health for the District's residents through community health initiatives, providing grants of over \$3 million annually, and by serving as good stewards in protecting and enhancing the District's assets. The District's grant funding is linked to the fulfillment of a comprehensive strategic plan, which focuses on enhancing and optimizing the health of District residents. Additional income is derived from property taxes, medical office building leases, interest on investments, and grants and contributions from other public and private sources.

Oversight of the 1997 lease with Tenet of Desert Regional in Palm Springs is an essential component of the District's mission to protect and enhance its assets. Over the last 20 years, Tenet has invested over \$200 million in the hospital, including capital upgrades and improvements in technology and equipment. Because Tenet is a for-profit corporation, Desert Regional has paid over \$44 million in property and sales tax and invested \$7 million in sponsorships to various community organizations.

As a 385-bed, acute-care hospital, Desert Regional provides comprehensive medical care to residents throughout the Coachella Valley. The hospital has the only designated trauma center serving patients across an 8,000-square-mile region from the San Geronio Pass to the Arizona border, as well as the Coachella Valley's only neonatal intensive care unit. The Institute of Clinical Orthopedics and Neurosciences at Desert Regional features advanced brain and spine

## **DESERT HEALTHCARE DISTRICT PLAN OF SERVICES**

care treatment and rehabilitation. Also housed at Desert Regional is an expanded, Comprehensive Stroke Center, which includes new technology and a new medical fellowship program. Desert Regional also recently opened a new state-of-the-art Linear Accelerator for Radiation Therapy in Cancer Treatment and has the Coachella Valley's only Joint Commission-certified program in hip and knee replacement. Desert Regional's Advanced Congestive Heart Failure Program is the only robotic system for the treatment of atrial fibrillation and other heart disorders in the Coachella Valley.

Other serious health illnesses are addressed at Desert Regional through the Comprehensive Cancer Center, El Mirador Imaging Center, Pulmonary Laboratory and Center for Weight Management, as well as inpatient and outpatient rehabilitation services. An outpatient Surgery Center is also housed in the El Mirador Medical Plaza.

### **II. ANNEXED AREA, DEMOGRAPHICS, AND GROWTH PROJECTIONS**

In accordance with AB 2414, the area proposed to be annexed to the District (Annexed Area) includes the cities of Palm Desert, Indian Wells, La Quinta, Indio and Coachella, the communities of Bermuda Dunes, Mecca, Thermal, Oasis, North Shore and Vista Santa Rosa and unincorporated County areas. The District's Application proposes a 1,760 square-mile area that would extend the eastern boundary of the District. For simplicity, the Annexation Application is based on the boundaries of Desert Sands Unified School District and Coachella Valley Unified School District to the border between Riverside and Imperial Counties to the south. These currently existing and known geographic divides encompass all of the communities required by AB 2414 and provide an appropriate basis for the expanded District.

A diagram of the proposed Annexed Area, which includes the school district boundaries, is attached as Exhibits 2.1 & 2.2 to this Application.

A legal description of the proposed Annexed Area was prepared by MSA Consultants, Inc. on November 21, 2016, and has been converted to a PDF file for transmittal with this application.

#### **2.1 Demographics**

The Annexed Area has a population of approximately 240,000 residents, many of whom are low-income; some are undocumented. They face serious environmental hazards, such as drinking water contamination, pesticide exposure, inferior housing and poor air quality. The health disparities in the Eastern Coachella Valley compared to the Western area are significant, particularly when it comes to access to healthcare. The doctor-to-resident ratio is more than four times below the federally recommended level. Some Eastern Coachella Valley residents must travel 30 minutes for emergency medical care. Residents of this area are more likely to be uninsured compared with the rest of the state, have a higher incidence of obesity, diabetes and childhood asthma, and are less likely to receive dental care and routine medical screenings than those in the Western part of the Valley. A primary goal of AB 2414 in expanding the District is

## DESERT HEALTHCARE DISTRICT PLAN OF SERVICES

to improve access to health care programs and services in the Eastern Coachella Valley by narrowing the disparities that exist between the Eastern and Western sides of the Valley.

Demographic information relating to the current District territory and the proposed Annexed Area, which was generated from the GIS boundaries of the two areas prepared by the District's civil engineering consultant, is attached as **Exhibit 2.3** to this Application. The information is divided into Population and Households (Figure 1), Age Comparisons (Figure 2) and Income Bracket Comparisons (Figure 3). The source for this data is ESRI Business Analyst Online. The data reflects estimates of the 2010 Census, and estimates of the 2016 and 2021 resident population.

Figure 1 presents estimates of the permanent population and households in the two areas. Of particular note, despite having approximately 8 percent fewer households, the population of the Annexed Area is nearly 17 percent greater than the District territory due to larger household sizes.

Figure 2 illustrates that Annexed Area households are not only larger but significantly younger, with a median age of 35.6 compared to 47 in the current District boundaries, making the median age more than 24 percent lower than the current District territory. The Annexed Area includes significantly more residents under the age of 30.

Finally, the demographic data indicates that the Annexed Area is somewhat poorer than the current District resident population. As shown in Figure 3, the larger household sizes do indicate that the Annexed Area residents have higher wealth per household, but once adjusted for household size, the per capita income of Annexation Area residents is approximately 12 percent lower than the District territory. Still, the percentage of the population without medical insurance is nearly identical in the District territory and in the Annexed Area.

### 2.2 Growth Projections in the Annexed Area

The population for the District's proposed service area is projected to experience moderate growth over the next 10 years.

The Annexed Area's population age cohort 65 years and older is projected to grow at a rapid compound annual rate (2.4 percent). As the population ages, the community and its provider organizations are likely to experience an increased demand for services such as internal medicine, cardiovascular services, gastroenterology, neurosciences, oncology, orthopedics, pulmonary medicine and urology, and see a greater need for chronic disease management.

The population age cohort 15 to 44 years overall, and for those who are female, is projected to grow at moderate rates over the next 10 years. This implies that the demand for elective sub-specialty care and obstetrics will continue to grow in the Annexed Area for the duration of the projection period.



## **DESERT HEALTHCARE DISTRICT PLAN OF SERVICES**

The population age cohort 0 to 14 is projected to increase slowly over the next 10 years. As a result, demand for inpatient and outpatient pediatric services will continue to exist in the Annexed Area over the 10-year projection period.

A large portion of the service area population is Hispanic. Given the projected growth and the fact that statistically, Hispanics have a higher incidence of diabetes, heart disease and obesity, it is anticipated that there will be an increased demand for cardiovascular services, endocrinology, gastroenterology and orthopedics in the Annexed Area.

A large proportion of household incomes in the Annexed Area are estimated to be below \$50,000 in CY 2016 (52.6 percent). During this same time period, the service area is expected to have lower median and average household incomes compared to the State. It is likely that a large portion of the service area population is covered by Medi-Cal or the Affordable Care Act, providing free or subsidized health insurance for individuals and families earning up to 400 percent of the Federal Poverty Level.

The entire service area is located in Riverside County. In general, this geographic region has higher mortality rates from cancer, Alzheimer's disease, coronary heart disease, unintentional injuries, stroke, suicide, motor vehicle accidents, and for infants when compared to the State overall. Further, the service area also has higher rates of cancer (e.g. colorectal, lung and bronchus, prostate), obesity, diabetes, high blood pressure, smoking and low-birth-weight infants.

This implies an increased demand for services such as primary care, cardiovascular, neurosciences, oncology, general surgery, orthopedics, pulmonary medicine, urology, obstetrics and perinatology, neonatology, pediatrics and chronic disease management.

The Health Assessment Resource Center's 2013 "Coachella Valley Community Health Monitor Report" further illustrates that portions of the District's service area population are underserved, and opportunities exist to improve the overall health of the community with a focus on wellness and prevention through increased access to coordinated primary and specialty care services.

### **III. CURRENT FINANCIAL RESOURCES**

#### **3.1 Annual Revenue**

The District's operating revenue was \$7.21 million in fiscal year 2015-16. Based on an estimated district population of 206,311, this equals approximately \$35 per capita.

District revenue is generally comprised of:

- Property taxes received from the County of Riverside for the fiscal year ended June 30, 2016, were \$5,794,197. The property taxes are comprised of property taxes received

## **DESERT HEALTHCARE DISTRICT PLAN OF SERVICES**

from District residents and Redevelopment Apportionment Funds. Of the \$5,794,197 for the year ended June 30, 2016, the Redevelopment Apportionment Funds were \$2,121,562. It is presently unknown how long the Redevelopment Apportionment will continue.

- Rental income from the Las Palmas Medical Plaza, which is owned and managed by the District, generated \$1,141,312 for the fiscal year ended June 30, 2016.
- Other income from investments totaled \$278,566.

Total revenue for the fiscal year ended June 30, 2016, is \$7,214,075.

### **3.2. Assets**

The following facilities are owned by the District:

- Desert Regional Medical Center (including El Mirador Medical Plaza, with imaging, outpatient surgery and cancer centers)
- Las Palmas Medical Plaza
- Desert Healthcare District Wellness Park

### **3.3. Reserves**

Through the stewardship of the District Board, the District has been able to establish a Facility Replacement Reserve Fund with a current balance of almost \$58 million. This fund is committed to insuring that the District can meet its legal obligations to Tenet upon the expiration or earlier termination of the 1997 lease or in the event the District needs to take over operations of Desert Regional.

While the District is no longer responsible for operating the hospital, the hospital is still owned by the District, and is its most important asset serving the community. Pursuant to the 1997 lease, the District Board retains significant oversight responsibilities. In fact, two District Board members sit on the hospital's Governing Board. Further, the District must ensure that Tenet maintains the hospital in good condition and that the hospital has appropriate accreditations, valid licenses and adequate insurance. Keeping the hospital in good condition includes compliance with California's Hospital Seismic Safety Law (SB 1953).

Pursuant to the terms of the 1997 lease, Tenet has a number of options to terminate or abandon the Lease prior to expiration, including an option (Section 3.2 of the Lease) to terminate if seismic upgrades exceed \$12.5 million. In the event that Tenet elects to terminate or abandon the Lease, the District would be legally obligated to reimburse Tenet for prepaid rent (estimated to be \$12.2 million as of January 2017) and pay the fair market value of unamortized improvements that Tenet has made to the hospital, which are estimated to be \$47.7 million. To continue operations of Desert Regional, the District would need to finance a

## **DESERT HEALTHCARE DISTRICT PLAN OF SERVICES**

minimum of 90 days working capital (approximately \$90 million). In addition, significant capital improvements would be needed to comply with the 2030 seismic requirements. The hospital's North Wing and East Tower have been re-evaluated under HAZUS to SPC-2 ratings – giving the hospital until January 1, 2030, to be brought into compliance. It has been estimated that seismic compliance costs could exceed \$100 million.

Consequently, while the Replacement Facility Reserve Fund provides a significant and important safeguard, it would provide only a portion of the funds and financing needed if Tenant abandons or terminates the Lease.

### **IV. HEALTH CARE RELATED SERVICES, INITIATIVES AND PROGRAMS SUPPORTED BY THE DISTRICT AND FOUNDATION**

The District's primary mission and responsibility is to ensure that safe, high-quality hospital services are available and accessible to its residents. For the last year, the District has worked with Desert Regional to review its assessment of potential community need strategies and future facility plans. While the current hospital facility is compliant with seismic statutory requirements, by the end of the lease term in 2027, major renovations and/or replacement of some or all of the existing facilities may be required. Estimates have exceeded \$100 million.

As part of its strategic and facility planning process, the District is working with Desert Regional to complete a Facilities Conditions Assessment (FCA), which will provide the foundation from which to develop corresponding infrastructure recommendations. Concurrent with the FCA investigation, the District will conduct an assessment of the hospital's existing conditions and facility operations, and potential scenarios to address seismic retrofit requirements, facility repairs, renovation and potential for expansion.

In addition to working to ensure access to direct healthcare services, the District and Foundation also focus on addressing community health and wellness through initiatives, grants and partnerships with other health care providers. The District and Foundation work with local non-profit and community-based organizations, schools, government agencies and foundations to improve the health and wellness of individuals, families, neighborhoods and communities throughout the service area. The District has taken a leadership role in efforts to address access to healthcare, medically underserved populations, a shortage of healthcare workers, health disparities, socioeconomic determinants of health and other public health issues.

Since 1998, the District has invested more than \$66 million in initiatives, grants and programs serving and benefiting its residents.

One of the largest District initiatives in recent years has focused on improving access to primary care, particularly in underserved areas. The District was instrumental in helping make the UCR Medical School and Family Residency Program possible. The first group of family practice residents arrived at Desert Regional Medical Center in 2014.

## **DESERT HEALTHCARE DISTRICT PLAN OF SERVICES**

Today there are residency programs in Internal Medicine, Neurosurgery and Emergency Medicine, with more in development. Ten family medicine physicians are now in place. Sixteen medical students are serving clinical rotations through their rotations at hospitals and community health centers. And, thanks to the District, a new 13,000-square foot UCR primary care clinic is open with physicians seeing hundreds of patients, regardless of ability to pay.

District funding has also helped create a number of new and expanded clinics to increase access to care, including dental and family care clinics in Desert Hot Springs, Cathedral City and Palm Springs. The number of dental providers who accept Medi-Cal and new patients has doubled. The District has also provided funding to more than double the size of the Borrego family care clinic in Cathedral City and add mobile clinic outreach to remote areas to serve those most in need.

The Desert Healthcare Foundation is an important partner in implementing programs to promote access to care. The Foundation has been particularly successful in identifying gaps and working with community partners to develop programs and services to address community health needs and leverage resources to increase both reach and impact.

More than three decades ago, the Foundation launched a free breast screening program, now operated by the Desert Cancer Foundation. The Foundation also created the Smile Factory mobile dental clinic that visits local schools to provide free and reduced-cost dental screening and treatment, now operated by Borrego Health. With funding from The California Wellness Foundation, the Foundation created the Health Assessment Resource Center (HARC) to launch the triennial community health survey to identify health status and priority needs. The District continues as its major funder.

An overview of District- and Foundation-sponsored health initiatives and programs are included on the attached **Exhibit 4.1, Community Investment in Health and Well Being**.

### **V. POTENTIAL PROGRAM AND SERVICES TO BE PROVIDED**

While AB 2414 does not specify which types of services the District is to provide, the Local Health Care District Law allows significant flexibility for healthcare districts to provide and support a variety of health-related facilities, services and programs.

**Exhibit 5.1** features a series of maps including: portions of the geographic region that are designated by the Federal Government as a Health Professional Shortage Area (HPSA) or Medically Underserved Area (MUA), and healthcare facilities located within the region by facility type (e.g. hospitals, skilled nursing facilities, ambulatory surgery centers, imaging centers, health clinics and urgent care centers).

## **DESERT HEALTHCARE DISTRICT PLAN OF SERVICES**

Going forward, these baseline impressions from strategic, facilities, operational, demographic, and market analysis perspectives will continue to be reviewed and considered. Ongoing analysis, including utilization projections, will inform decisions regarding future facility needs and Strategic Facility Master Plan options and projects. As options are developed, high-level schedules and cost estimates will be prepared to assist in the evaluation of the options relative to capital availability. Determining the right size, location and configuration of future hospital services will be a key focus of District planning efforts.

Developing scenarios to ensure the right number and mix of medical/surgical beds, the number, type and location of outpatient clinics, and other facilities needed to serve District residents in the future will be critically important from a capital, efficiency and community need perspective. With healthcare reform impacting reimbursement models and overall incentive structures, the District must also plan for a greater number of non-urgent services located outside of the hospital for a more cost-effective environment.

In implementing the intent of AB 2414 to address the significant barriers preventing access to healthcare providers and services for the residents in the Eastern Coachella Valley, the District, with sufficient funding, could provide grants, programs and services to the residents in the Annexed Areas that are comparable to those being provided to the residents in its current boundaries.

Key components to making decisions for specific services for the annexation area will be assessment, planning, implementation and evaluation.

As a part of the District's ongoing strategic planning efforts, the District regularly reviews and utilizes a wide range of information about the communities it serves. The District is currently involved in a due diligence process which will include a series of workshops to review data, information and market analysis reports to assess, evaluate and plan for future health needs, including accommodating the Annexed Area in the assessment phase.

As a starting point in assessing needs for the Annexed Area, the District will review existing demographic, market and health needs assessment reports which have been conducted for the area. A sample of recent studies is included as Exhibit 5.2 to this Application. These recent studies will help inform the process for the District, working in consultation with providers and community stakeholders, to identify the precise scope, nature and level of healthcare services that may be provided in the Annexation Area.

Engaging the broader community in the process will be essential. Community input will help to determine the needs of the community and the community assets available to address those needs. Collecting community input on an ongoing basis will also allow the District to directly connect with specific populations in the Annexed Area, including disenfranchised, disadvantaged or minority and special needs populations. Community outreach and public engagement will not only inform and improve eventual plans and strategies, but will also lead to successful collaborations in implementation.

## **DESERT HEALTHCARE DISTRICT PLAN OF SERVICES**

Because services change depending on the finances available and priorities identified by the community and District Board, it is not possible to list exactly which programs and services will be available in the Annexed Area. However, in accordance with AB 2414, a successful annexation will have a newly constituted board including representatives from the Eastern Coachella Valley who will set priorities and oversee the District's budget. Development of a comprehensive needs analysis and priority setting with public input and participation will ensure resources are allocated for services and programs similar to those described in Article IV above. A few examples of future programs and services (pursuant to the California Health & Safety Code Section 32121) include, but are not limited to, the following:

- Strategic plan for health and wellness initiatives
- Free and low-cost medical and dental clinics
- Mental health counseling and related services
- Drug and alcohol treatment
- Food distribution programs
- Financial support and case management for families with special needs children
- Free rehabilitation for stroke patients
- Health assessment surveys that inform future programs and services
- New and expanded inpatient and outpatient facilities

Although use rates are projected to decrease for almost all inpatient medical and surgical service lines, total volume in the service area is expected to increase due to population growth and aging of the population.

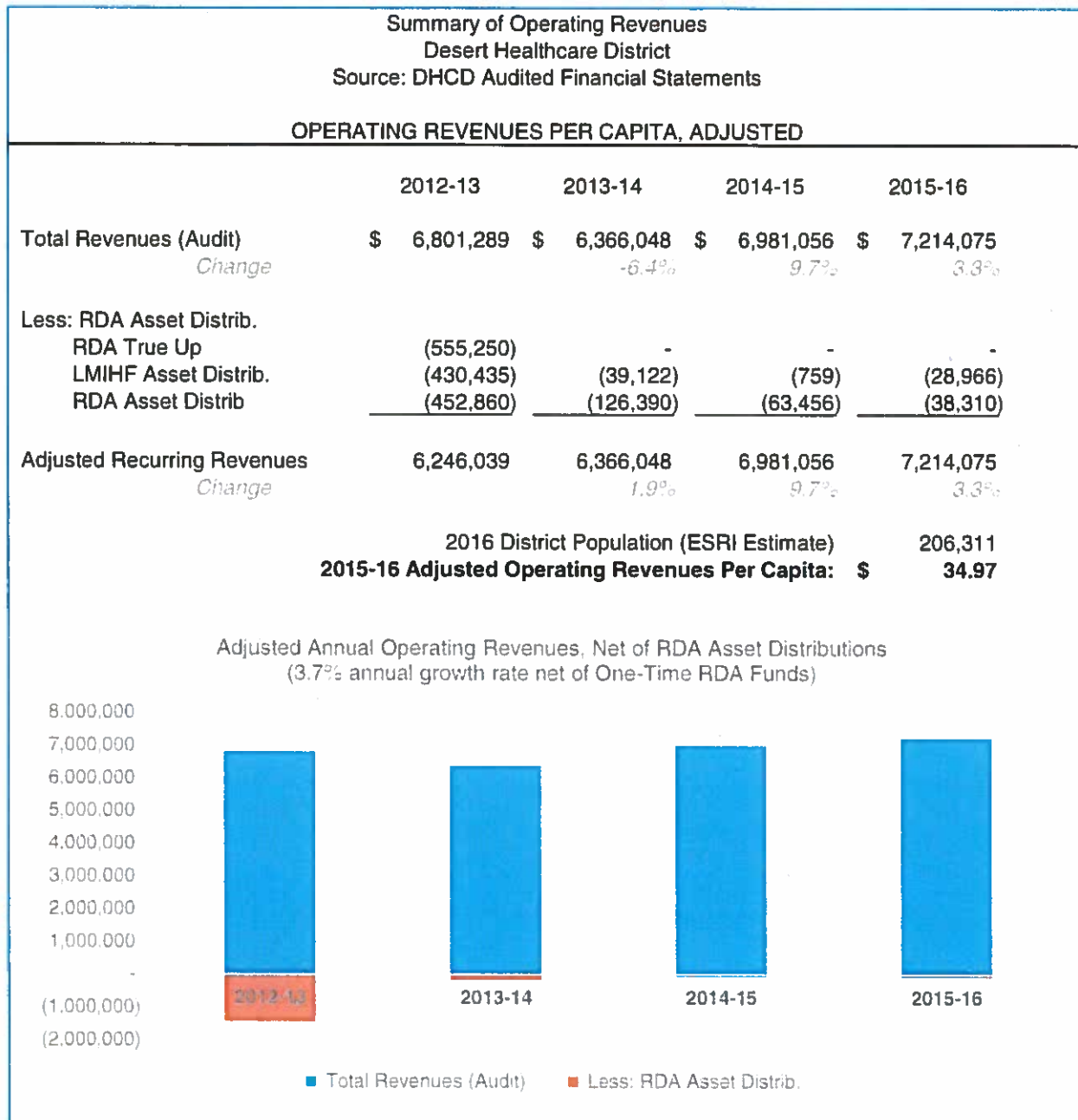
### **VI. FINANCING OPPORTUNITIES AND CONSTRAINTS**

This fiscal section explores the full extent of financing options and constraints that await an expanded district as it works to address future health needs for the entire district. None of the financing options are mutually exclusive and a combination of funding could be considered (e.g. some negotiated share of the current property tax in the expansion area redirected to the District, plus a parcel tax to make up the difference). The potential tax levels are generally based on the amount of funding which would be needed to and would be comparable to the programs and services provided in the current District boundaries.

Figure 6.1 (below) presents a forecast of Annexed Area revenue based on a presumption of 1.37 percent annual population growth rate and a 2.5 percent annual increase in costs. Based on the same per-capita rate in the current District boundaries of approximately \$35 per person, the District would need approximately \$9 million in operating revenues in fiscal year 2018-2019 from the Annexed Area to generate a comparable level of services given a population of 240,000 residents.

# DESERT HEALTHCARE DISTRICT PLAN OF SERVICES

Figure 6.1: Projected Annexation Area Healthcare Revenue Needs



At this time, the District is evaluating all options, consistent with AB 2414. As such, the operational revenue financing options considered, include, but are not limited to, the following:

- Voluntary Dedication of Existing General Fund Taxes by City/County, With Possible Voter Advisory Measure
- Community Facilities District (CFD)
- Joint Powers Authority (JPA)

## **DESERT HEALTHCARE DISTRICT PLAN OF SERVICES**

- Parcel Tax
- Tenet Hospital Lease Income

### **6.1 Voluntary Dedication of Existing General Fund Taxes by City/County, Including a Voter Advisory Measure**

The District currently receives approximately 80 percent of its operating revenues from property taxes collected within the District territory. There is no such levy in place in the Annexed Area.

To estimate the approximate amount of the general (1 percent) tax levy that would be necessary to generate approximately the same amount of revenue per capita in the Annexation Area compared to the current District territory. Figure 6.2 (below) illustrates that roughly 2.26 percent of the general property tax levy would need to be collected by the District to yield sufficient revenues based on the current \$37 billion net assessed value of the Annexation Area. Because assessed values can grow at rates different than population and District healthcare costs, Figure 6.2 also shows a potential shortfall of revenues if assessed values grow by 2 percent annually compared to the projected population and inflation growth rate of nearly 3.8 percent.

The purpose of the annexation proposed by AB 2414 and the District is an extension of new services, rather than an assumption of existing services by the District. This could be accomplished by a voluntary dedication/negotiation of a property tax transfer from the County and/or the affected cities in the Annexation Area (Indian Wells, La Quinta, Indio and Coachella, as well as possibly portions of Palm Desert). Should the District favor this approach, in order to capture and clearly communicate the support of the Annexed Area and the residents' dedication of property taxes, the annexation could be conditioned upon a favorable vote for an advisory measure to dedicate some of their taxes currently allocated to affected local agencies and the County to fund District-provided healthcare services in the Annexed Area.

In this instance, should negotiations on the voluntary contribution of taxes from these entities to the District for healthcare services in the Annexation Area not be successful, the District could pursue mediation with the cities and County to attempt a resolution and meet the conditions of expansion.



## DESERT HEALTHCARE DISTRICT PLAN OF SERVICES

*Figure 6.2: Share of Annexation Area Property Taxes for Extending Services*

Annexation Area Fiscal Model Desert Healthcare District					
POSSIBLE SHARE OF PROPERTY TAX LEVY					
2016-17 Assessed Value (AV) of Annexation Area		\$	37,139,267,453		
2016-17 Revenue Need of Annexation Area (if Annexed)			8,410,000		
Derived Share of 1% Property Tax Levy			2.26445%		
Projected Property Tax Revenues if Part of Basic 1% Levy					
Year	Projected AV @ 2%	1% General Levy	Revenue 2.26445% Tax Share	Costs Projected Needs (Costs)	Favorable/ (Unfavorable)
2016-17 \$	37,139,267,453	\$ 371,392,675			
2017-18	37,882,052,802	378,820,528			
1 2018-19	38,639,693,858	386,396,939	\$ 8,749,764	\$ 9,080,000	\$ (330,236)
2 2019-20	39,412,487,735	394,124,877	8,924,759	9,430,000	(505,241)
3 2020-21	40,200,737,490	402,007,375	9,103,254	9,800,000	(696,746)
4 2021-22	41,004,752,240	410,047,522	9,285,320	10,190,000	(904,680)
5 2022-23	41,824,847,285	418,248,473	9,471,026	10,580,000	(1,108,974)
6 2023-24	42,661,344,230	426,613,442	9,660,446	11,000,000	(1,339,554)
7 2024-25	43,514,571,115	435,145,711	9,853,655	11,430,000	(1,576,345)
8 2025-26	44,384,862,537	443,848,625	10,050,729	11,870,000	(1,819,271)
9 2026-27	45,272,559,788	452,725,598	10,251,743	12,330,000	(2,078,257)
10 2027-28	46,178,010,984	461,780,110	10,456,778	12,820,000	(2,363,222)

### 6.2 Community Facilities Districts (CFD)

Community facilities districts (also known as Mello-Roos districts) are a financing tool that allows for facilities and some services to be financed by the district. However, the law does not currently allow the provision of healthcare services, aside from ambulatory or paramedic services, to be financed with CFDs.

### 6.3 Joint Powers Authority (JPA)

Some healthcare districts have formed JPAs with other public agencies to expand or enhance services. In 1996, the City of Calexico and Heffernan Memorial Healthcare District created a joint powers authority which was funded by a portion of the city's sales tax revenues for a 10-year period. From a fiscal perspective, this sharing enhanced the funding available to Heffernan MHD for several years, but in 2006 the city's financial obligations terminated and the JPA was dissolved in 2016.

## DESERT HEALTHCARE DISTRICT PLAN OF SERVICES

Under a JPA model, the District could provide services throughout the Coachella Valley either by:

- 1) Creating a JPA with the Annexation Area member cities and County, or
- 2) Dissolving and reorganizing as a Valley-wide JPA with all Coachella Valley cities and the local unincorporated communities.
- 3) Partnering with an existing JPA (e.g., Coachella Valley Association of Governments), including the participation of tribal nations.

Under the first option, the District projected the approximate amount of additional revenue that would need to be raised, assuming a sales tax increase among only the four cities wholly within the Annexed Area<sup>1</sup> (Indian Wells, La Quinta, Indio and Coachella). The District would continue to collect property taxes from its existing share of the general tax levy within the District territory. It is noted that two of the four cities (La Quinta and Indio) just this November approved 1 percent increases in their local sales taxes for general purposes. A second approach would be more complex, wherein the JPA would replace the District, with all member cities (and the County) either agreeing to increase the sales tax rate at an overall lower rate and the District's share of the existing property tax levy being reapportioned to the respective cities and County within the District territory.

Both approaches may have several legal, governance and practical challenges which would need to be evaluated by the District. Setting aside these challenges, the District has estimated that a 0.50 increase in the Annexed Area may be necessary to reach sufficient funding for comparable health care services or a 0.25 increase in Valley-wide sales taxes if the entire District reorganized as a JPA reliant on these new taxes. Figure 6.3 (below) illustrates a hypothetical sales tax increase to extend services into the Annexed Area.

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<sup>1</sup> The unincorporated county areas were left out of our analysis because such taxable sales data for the Eastern Coachella Valley was not available.

## DESERT HEALTHCARE DISTRICT PLAN OF SERVICES

*Figure 6.3: Hypothetical Sales Tax Increase to Extend Services into Annexed Area*

Annexation Area Fiscal Model Desert Healthcare District					
POSSIBLE SALES TAX RATE WITH JOINT POWERS AUTHORITY					
Jurisdiction	2014 Taxable Sales (000's) /	Current Tax Rate /2	Illustrative Increase for JPA	Total Potential Rate w/ JPA	Increase in Rate
Cathedral City	753,153	9.000%	0.000%	9.000%	0%
<b>Coachella</b>	<b>330,324</b>	<b>9.000%</b>	<b>0.500%</b>	<b>9.500%</b>	<b>6%</b>
Desert Hot Springs	133,906	8.000%	0.000%	8.000%	0%
<b>Indian Wells</b>	<b>98,669</b>	<b>8.000%</b>	<b>0.500%</b>	<b>8.500%</b>	<b>6%</b>
<b>Indio</b>	<b>882,079</b>	<b>9.000%</b>	<b>0.500%</b>	<b>9.500%</b>	<b>6%</b>
<b>La Quinta</b>	<b>744,038</b>	<b>9.000%</b>	<b>0.500%</b>	<b>9.500%</b>	<b>6%</b>
Palm Desert	1,594,753	8.000%	0.000%	8.000%	0%
Palm Springs	1,036,541	9.000%	0.000%	9.000%	0%
Rancho Mirage	423,095	8.000%	0.000%	8.000%	0%
Unincorporated /3	n/a	n/a	n/a	n/a	n/a
Total with 0.50% Rate Increase in East Valley Cities			\$ 10,275,550		
Total with 0.25% Rate Increases in All Valley Cities /4			\$ 14,991,395		

1/ Source: State Board of Equalization, 2014  
 2/ Source: State Board of Equalization, Preliminary November 2016 election results  
 3/ Data for unincorporated areas of Coachella Valley not published by State Board of Equalization and is excluded from this forecast for illustrative purposes.  
 4/ Assumes District dissolved and forms JPA in entire Valley, with property taxes reverting to member cities/county in exchange for share of sales tax increase of 0.25% Valley-wide.

### 6.4 Parcel Tax

A number of healthcare districts rely on parcel taxes to generate funds when they do not collect sufficient property taxes and operating revenues. Parcel taxes are a type of special tax which require 2/3 voter approval and are then assessed on the property tax bills. Typically, tax exempt properties do not pay these taxes, but the measures can often create multiple types of exemptions and tiers based on land use and other factors.

Parcel taxes are levied by at least 12 healthcare districts in California to augment local funding, including the Palo Verde Healthcare District in Blythe (Riverside County) which levies a parcel tax of \$32 per parcel in perpetuity. Rates and terms can vary, as shown in some of the examples listed below in Figure 6.4.

## DESERT HEALTHCARE DISTRICT PLAN OF SERVICES

*Figure 6.4: Select Parcel Taxes Levied by Other Health Care Districts*

District	Bear Valley Community Healthcare District (San Bern. Co.)	San Bernardino Mountains Community Hospital District (San Bern. Co.)	Southern Humboldt Community Hospital District (Humboldt Co.)
Effective Date	July 1, 2015	1989	July 1, 2007
Sunset Date	June 30, 2025		June 30, 2018
Levy Rate(s)	\$20/ unimproved \$45/ improved	\$80 per home \$40 per vacant lot \$200 per business	\$125 per parcel

To illustrate the potential level of a parcel tax that could be assessed within the Annexed Area, the District prepared the following hypothetical estimate of a parcel tax in Figure 6.5 (below). The levy rate and term should be evaluated further to consider potential exemptions, but based on the estimated 117,932 parcels located within the Annexation Area, a parcel tax of approximately \$77 per parcel would be needed to meet initial operating revenue goals by 2018-19.

*Figure 6.5: Possible Parcel Tax Rates in Annexation Area*

Annexation Area Fiscal Model Desert Healthcare District				
POSSIBLE PARCEL TAX REVENUES				
Parcels by Land Use Category <sup>1/</sup>	Parcels	Potential Parcel Tax Rate/Parcel	Total Taxes	
Improved				
Agriculture	58	\$ -	\$ -	
Commercial	4,066	100	406,600	
Residential	81,174	100	8,117,400	
Miscellaneous	2,626	25	65,650	
Subtotal	87,924	98	8,589,650	
Unimproved				
Agriculture	4,099	-	-	
Commercial	1,357	25	33,925	
Residential	18,309	25	457,725	
Miscellaneous	1,993	-	-	
Subtotal	25,758	19	491,650	
Unknown	4,250	-	-	
Total	117,932	\$ 77	\$ 9,081,300	

<sup>1/</sup> Source: Riverside County Assessment Roll

## **DESERT HEALTHCARE DISTRICT PLAN OF SERVICES**

Parcel taxes are generally not designed with automatic inflationary adjustments, something that would need to be evaluated if the District were concerned about the ability to meet the increasing costs for services in the Annexation Area.

### **6.5 Tenet Hospital Lease Income**

The District has an existing 30-year lease with Tenet Health Systems (Tenet) of Desert Regional, which expires in May 2027. In 1997, Tenet paid the District prepaid rent of approximately \$110 million, which consisted of approximately \$95 million to defease and pay off outstanding hospital indebtedness and approximately \$15 million in cash.

While it could raise legal issues to use the existing Facilities Replacement Reserve Fund for health related programs and services in the Annexed Area, Tenet has recently expressed interest in entering into a new lease that would extend the term of the public/private partnership relationship for an additional 30 years. In such event, and depending upon the timing, the new lease would likely require a favorable vote of residents in the existing District and residents in the Annexed Area if the annexation is completed. Moreover, a new lease with Tenet could open a number of scenarios to address acute care needs in the entire Valley, including the possibility of building a new hospital facility that would be more convenient to serve the entire expanded District.

### **6.6 Other Options for Capital Improvements and Facilities**

This fiscal analysis was prepared for the purposes of determining how the District may fund immediate and recurring operational costs associated with providing grants for programs and services, and the administration of health care to the Annexed Area. Separate from these revenue needs, the District expects that annexation may impact Desert Regional Medical Center as well as trigger the need for additional healthcare facilities serving the Annexed Area. The revenue options outlined above focus primarily on potential means for funding recurring services. But there are additional options that could be available to the District, often in collaboration with other local agencies, to raise capital for expanded or new facilities both inside the District territory and serving the Annexation Area. In addition to the above financing tools for capital projects, other possible financing options include:

- General Obligation (GO) bonds - a type of capital financing issued by a government agency secured by any and all tax revenues.
- Enhanced Infrastructure Financing Districts and/or Community Revitalization Investment Areas - are two property tax increment financing tools to finance capital improvements by certain consenting public agencies, differing by where they may be employed.

## **DESERT HEALTHCARE DISTRICT PLAN OF SERVICES**

- Public lease revenue bonds - differ from GO bonds in that they are secured by a specific revenue pledge and therefore do not expose the entire revenue stream of the government agency at risk. Lease revenue bonds are one such type of specific revenue pledge, but there may be others, including tax allocation bonds.
- Financing leases and certificates of participation - are alternatives to bond financing for public agencies. Under a lease financing, a public agency enters into a lease-leaseback with another agency who provides a lump sum lease payment in exchange for recurring leaseback payments from the public agency. A COP is generally a type of lease financing, though often involving multiple investors who share in the lease income.
- Conduit revenue bonds - a type of pass through financing issued by a government agency but secured by revenues from another nongovernmental source, such as project-based income for an economic development project.
- User fees - With a 2/3 voter approval, local agencies can impose user fees or taxes which may in turn be pledged as security for a revenue bond or pay for services.
- Grants and donations – grants and donations received from external sources.

The District does not anticipate any changes to its capital needs with the application for annexation, so we have not explored the feasibility of these financing options in this fiscal analysis.

### **VII. FORMATION, GOVERNANCE, NEXT STEPS AND PROCESS**

Pursuant to AB 2414, governance for the entire expanded district is phased in if voters approve to expand the District. The interim phase will span 2018-2020. The permanent governance structure would become effective in 2020.

#### **7.1. Formation**

The District is required to file an annexation application with LAFCO on or before January 5, 2017. LAFCO is required to approve this application within 150 days. Thereafter, the funding for annexation will be presented to the voters of the Annexed Area at the next County-wide general election, which will be November 2018

#### **7.2 Interim Governance – 2018-2020**

If the voters approve expanding the District, 30 days after the expansion of the District (approximately December 2018), the then-existing Board of Directors of the District shall adopt a resolution to expand its board from five to seven members. This will be done without a petition or voter approval. The five-member Board of Directors is required to appoint two new

## **DESERT HEALTHCARE DISTRICT PLAN OF SERVICES**

board members. Both new board members are required to be registered voters within the Annexed Area.

### **7.3 Permanent Governance – 2020 and Beyond**

If the District is expanded, the District shall be divided into seven voting districts with representation in accordance with demographic, including population, and geographic factors of the entire area. The first district elections shall occur at the first election after January 1, 2020, which would be November 3, 2020.

### **7.4 Transition Considerations**

As Desert Healthcare District expands its service area, connecting with new communities and serving new constituents, the District is committed to proactively planning to ensure that its communications goals, public engagement mechanisms and outreach strategies align with its evolving identity. The District will undertake comprehensive transition planning to build a foundation of inclusion that encourages broad public involvement across and throughout the expanded service area.

Residents throughout the District, both in the original and annexed areas, will be presented with fair and proportionate outreach, engagement and representation. Efforts will be undertaken to provide effective community education, program support and public participation throughout the expanded District boundaries. Communication will be provided in a culturally and linguistically competent manner, with consideration given to the language, cultural and other needs of all residents so that no group or demographic is left behind. All the communities served will be able to see themselves represented in the District's identity and engagement methods.

Desert Healthcare District welcomes this transition because it offers the opportunity to inform residents within the Annexed Area of the programs and services newly available to support their overall health and wellness, while also increasing the visibility, participation and involvement of residents in the area currently being served by the District.

### **7.5 District Outreach**

The District benefits from an image that reflects its unique history of service, built and strengthened over nearly 70 years supporting health and wellness in the Coachella Valley. While the District's roles, responsibilities and assets have evolved over that time, its central commitment to promoting the good health of residents has not changed. The proposed annexation will be one of the most significant steps in the District's continued evolution, incorporating new communities with unique identities, strengths and needs.

## **DESERT HEALTHCARE DISTRICT PLAN OF SERVICES**

To promote inclusion and involvement throughout the expanded service area, the District will develop a process that allows ongoing outreach to evolve to more completely represent its entire constituency, both new and old.

Outreach evolution will accomplish the following objectives:

- Increased awareness, ensuring that the District is widely recognized and its services understood among those it serves and regional stakeholders.
- Broad inclusiveness, aligning the District more completely with all the communities it serves, allowing residents of all types to see themselves in the District's identity and connect with the benefits it provides.
- Internal guidance, using the District brand and what it represents as a set of guiding principles to connect staff and program partners with the District mission and guide positive and successful interaction with the public.

The outreach evolution, which would take place immediately following approval of expansion, will consist of an ongoing public process to incorporate wide-ranging community input and priorities, and channel them into a representative identity that embodies aspects of the entire service area.

An inclusive outreach process is the platform from which all successful communication will launch.

### **7.6 Communication Plan**

The District will develop and implement a strategic plan to align communications with the new identity of the District, the expanded communities it serves, and its providers and grantees. This plan will capitalize on the District's long legacy of success and further increase public awareness of its services, quality and value. The District recognizes the importance of lining up the communications strategy with the District's mission of promoting and improving health, ensuring that outreach efforts dovetail with and support broader District goals. The plan will focus and prioritize resource allocation by evaluating communication tools and efforts to maximize outreach efficiency and effectiveness.

A communications plan will include:

- Communication goals
- Key message identification
- Stakeholder analysis
- Brand deployment
- Internal communications strategies



## DESERT HEALTHCARE DISTRICT PLAN OF SERVICES

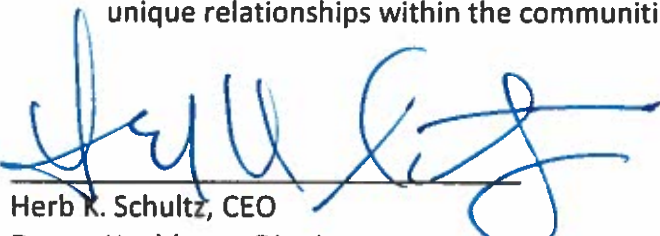
- External communications strategies
- Strategic resource allocation
- Long-term planning

### 7.7 Public Engagement

The District recognizes the importance of strong communication in meeting and exceeding expectations set by customers, community members and other stakeholders. The District is committed to proactively identifying and connecting with stakeholders and community groups. This is best done in presentations and forums that offer face-to-face communication with various groups and encourage feedback, in addition to other ways.

#### Other considerations:

- Ensure that messaging is presented in appropriate languages and tone for the audience. Inclusivity of all District residents should be the goal.
- Develop an annual advertising program and budget to support key initiatives and the District's role as a community partner.
- Create and strengthen partnerships with agencies that mutually support the District's goals, and ensure that these stories of shared success reach the general public and other partners.
- Design and implement targeted messaging strategies for the organization's many unique relationships within the communities it serves.

  
Herb K. Schultz, CEO  
Desert Healthcare District

1/5/17  
Date

## **Exhibit 1.1**

### **Assembly Bill No. 2414**

#### **CHAPTER 416**

**An act to add Chapter 10 (commencing with Section 32499) to Division 23 of the Health and Safety Code, relating to health care districts.**

**[ Approved by Governor September 21, 2016. Filed with Secretary of State September 21, 2016. ]**

#### **LEGISLATIVE COUNSEL'S DIGEST**

**AB 2414, Eduardo Garcia. Desert Healthcare District.**

Existing law, the Local Health Care District Law, authorizes the organization and incorporation of local health care districts and specifies the powers of those districts, including, among other things, the power to establish, maintain, and operate, or provide assistance in the operation of, one or more health facilities or health services, including, but not limited to, outpatient programs, services, and facilities; retirement programs, services, and facilities; chemical dependency programs, services, and facilities; or other health care programs, services, and facilities and activities at any location within or without the district for the benefit of the district and the people served by the district.

This bill would authorize the expansion of the Desert Healthcare District to include the eastern Coachella Valley region by requiring the district to submit a resolution of application to the Riverside County Local Agency Formation Commission to initiate proceedings to expand the district. The bill would require the commission to order the expansion of the district subject to a vote of the registered voters residing within the territory to be annexed at an election following the completion of those proceedings. The bill would require the Board of Supervisors of the County of Riverside, upon direction by the commission, to place approval of district expansion on the ballot at the next countywide election following the completion of commission proceedings, including a public hearing. The bill would provide for expansion of the district upon voter approval, if a funding source sufficient to support the operations of the expanded district is, if required, approved, as specified. The bill would require the district to pay for election costs, as specified. By imposing new duties on the County of Riverside, the bill would impose a state-mandated local program.

This bill would require the board of directors of the district, following expansion, to adopt a resolution to increase the number of members of the district's board of directors from 5 to 7, and to appoint 2 members who are residents of the territory annexed by the district to fill the vacant positions, as specified. Following the expansion of the board of directors, the bill would require the board of directors to adopt a resolution to divide the Desert Healthcare District into voting districts for the purpose of

electing members of the board of directors from and by the electors of those voting districts beginning with the next district election after January 1, 2020, as specified.

This bill would state the intent of the Legislature that the Desert Healthcare District maximize the use of its assets to provide direct health services to individuals within the district, as specified.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Coachella Valley region of Riverside County.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

## DIGEST KEY

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

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## BILL TEXT

### THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

#### SECTION 1.

Chapter 10 (commencing with Section 32499) is added to Division 23 of the Health and Safety Code, to read:

#### **CHAPTER 10. Desert Healthcare District Reorganization**

##### **32499.**

(a) The Desert Healthcare District may be expanded in accordance with this chapter. All other provisions of this division shall apply to the Desert Healthcare District following its reorganization, except as provided in this chapter.

(b) (1) On or before January 5, 2017, the Desert Healthcare District shall file a resolution of application with the Riverside County Local Agency Formation Commission, pursuant to subdivision (a) of Section 56654 of the Government Code, to initiate proceedings by the Riverside County Local Agency Formation Commission for the purpose of expanding the Desert Healthcare District to include the East Coachella Valley region. The expanded district shall include all communities served by the Desert Healthcare District as of the date of the filing of the resolution of application, and shall also include, but not be limited to, the communities of Indian Wells, La Quinta, Indio, and Coachella, and the unincorporated areas of Bermuda Dunes, Mecca, Thermal, Oasis, North Shore, and Vista Santa Rosa. The resolution of application shall comply with Section 56652 of the Government Code and shall specify the source of funding for the expanded district. The Desert Healthcare District shall pay any fees associated with the resolution of application.

(2) The Riverside County Local Agency Formation Commission proceeding shall be deemed initiated on the date the resolution of application is accepted for filing. Subsequent to initiation of the proceeding, the commission shall hold a hearing pursuant to Section 56666 of the Government Code. The commission shall comply with the notice requirements of Sections 56660 and 56661 of the Government Code in connection with the hearing.

(3) The Riverside County Local Agency Formation Commission shall complete its proceedings and direct the election required by paragraph (2) of subdivision (c) no later than 150 days following receipt of the completed resolution of application. Notwithstanding any other law, the Riverside County Local Agency Formation Commission shall not have the power to disapprove the resolution of application.

(4) Notwithstanding any other law, the resolution of application filed by the Desert Healthcare District pursuant to this subdivision shall not be subject to any protest proceedings.

(c) (1) The Riverside County Local Agency Formation Commission shall order the expansion of the district subject to a vote of the registered voters residing within the territory to be annexed at an election following the completion of proceedings pursuant to subdivision (b). The commission may condition the annexation on the district's imposition of sufficient revenues to provide services within the territory to be annexed, including, but not limited to, the concurrent approval of special taxes or benefit assessments that will generate those sufficient revenues.

(2) The Riverside County Local Agency Formation Commission shall direct the Board of Supervisors of the County of Riverside to direct county officials to conduct the necessary election for approval of district expansion by placing approval of district expansion, pursuant to subdivision (d) of Section 57118 of the Government Code, and approval of any necessary funding source for the expanded district that requires voter approval on the ballot at the next countywide election.

(3) If a majority of the voters within the territory ordered to be annexed vote in favor of the expanded district and if a number of voters required under applicable law to approve any necessary funding source that requires voter approval vote in favor of that funding source, the district shall be expanded in accordance with this chapter.

(4) The district shall pay to the county the actual cost of the services rendered in conducting the election.

(d) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Division 3 (commencing with Section 56000) of Title 5 of the Government Code) shall not apply to the expansion of the district pursuant to subdivisions (b) and (c), except as specified in this part. The act shall apply to any other change of organization or reorganization as defined in that act, following the reorganization of the district pursuant to this section.

(e) As used in this chapter, "district" means the Desert Healthcare District.

#### **32499.2.**

(a) Thirty days after the expansion of the district, and notwithstanding Sections 32100.01 and 32100.02, the Board of Directors of the Desert Healthcare District shall adopt a resolution to increase the number of members of its board of directors from five to seven without the necessity of a petition or approval thereof by voters residing within the district. The resolution shall become effective on the date of, and subject to any conditions specified in, the resolution.

(b) The additional vacancies created by the expansion shall be filled by appointment by the board of directors. A person appointed to fill a vacancy created by subdivision (a) shall be a registered voter and a resident of the territory annexed by the district pursuant to Section 32499.

(c) Upon appointment, the board shall, by lot, designate one member appointed pursuant to subdivision (a) who shall leave office when his or her successor takes office pursuant to Section 10554 of the Elections Code, and one member appointed pursuant to subdivision (a) who shall leave office two years thereafter.

(d) A vacancy in one or both of the board positions created by subdivision (a) after the first appointments to those positions pursuant to subdivision (b) shall be filled by the methods prescribed in Section 1780 of the Government Code, and, after January 1, 2020, shall be filled by the methods prescribed in Section 32499.3.

(e) This section shall only become operative if the Desert Healthcare District is expanded in accordance with Section 32499.

**32499.3.**

(a) Following the expansion of the Board of Directors of the Desert Healthcare District, and notwithstanding Section 32100.1, the board of directors shall adopt a resolution to divide the district into seven voting districts, number the voting districts consecutively, and elect members of the board of directors by voting district beginning with the first district election after January 1, 2020.

(b) In establishing the voting districts described in subdivision (a), the board of directors shall provide for representation in accordance with demographic, including population, and geographic factors of the entire area of the district. The board of directors shall fix the time and place and give public notice for a hearing on the proposed establishment of the voting districts, at which any elector of the district may present his or her views and plans in relation to the proposed division, but the board of directors shall not be bound thereby and their decision, in the resolution adopted, shall be final.

(c) The resolution adopted pursuant to subdivision (a) shall declare the voting districts and describe the boundaries of each voting district.

(d) The voting districts described in subdivision (a) and any necessary procedures for implementing the election of the board of directors by voting districts shall be established and implemented on or before January 1, 2020.

(e) The voting districts established pursuant to this section shall be effective for the next district election after January 1, 2020. At the expiration of the terms of office of the members of the board of directors then in office, and thereafter, these members of the board of directors shall be elected by voting districts. One member of the board of directors shall be elected by the electors of each of the voting districts. A person shall not be eligible to hold the office of member of the board of directors unless he or she has been a resident of the voting district from which he or she is elected for 30 days next preceding the date of the election.

(f) A vacancy upon the board that results in a voting district left unrepresented prior to the expiration of the term of that board position shall be filled by appointment of the remaining members of the board of directors. A member of the board of directors appointed pursuant to this subdivision shall be a resident of the voting district left unrepresented on the board of directors.

(g) This section shall become operative only if the Desert Healthcare District is expanded in accordance with Section 32499.

**32499.4.**

It is the intent of the Legislature that the Desert Healthcare District maximize the use of its assets to provide direct health services to individuals within the district through direct operation of or funding provided to organizations that own or operate hospitals, medical clinics, ambulance services, transportation programs for seniors or persons with disabilities, wellness centers, health education services, promotoras, mental health services, veterans' health services, and other similar services.

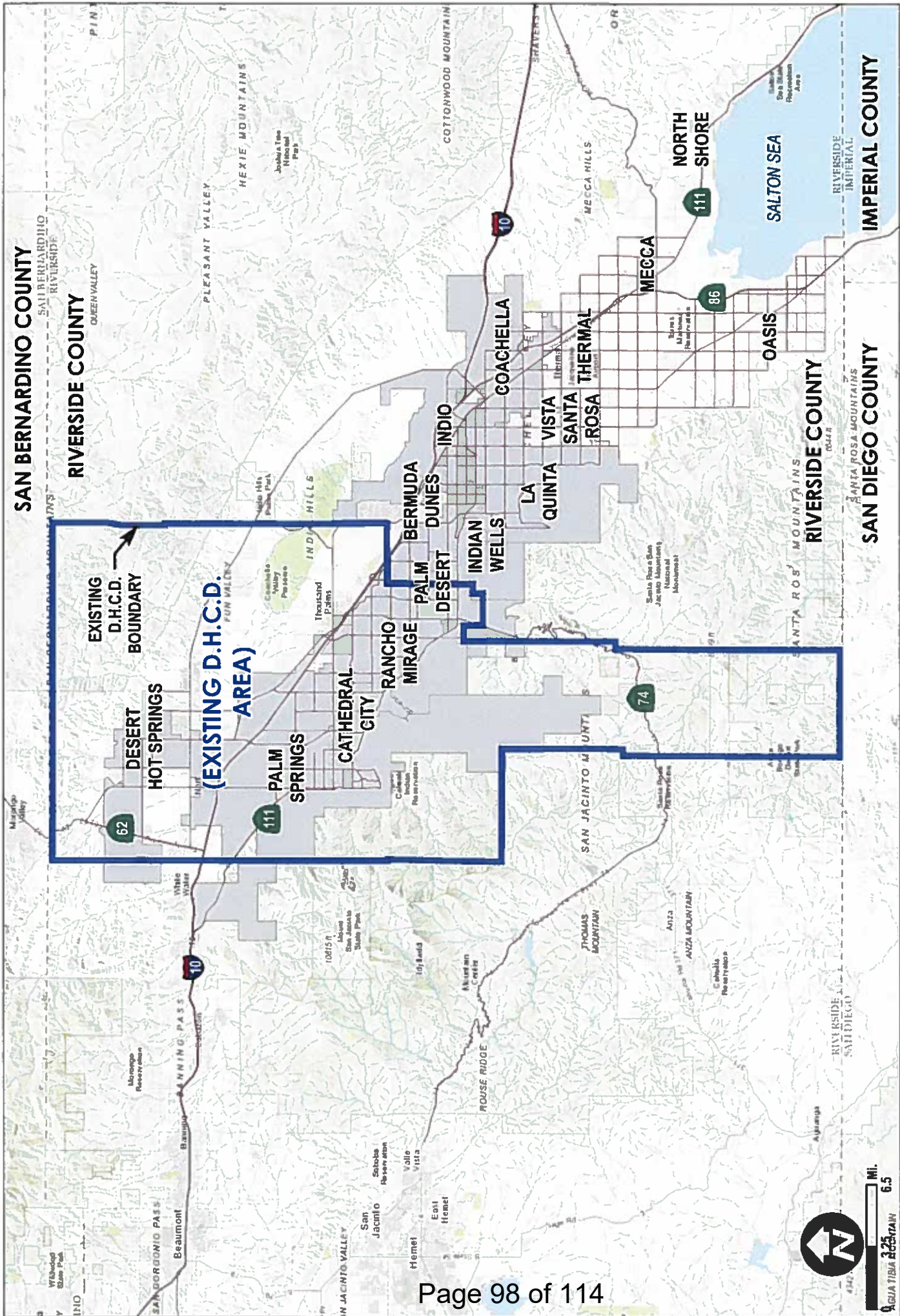
**SEC. 2.**

The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique community needs in Riverside County that would be served by the expansion of the Desert Healthcare District to include the entire Coachella Valley region, including limited access in the eastern Coachella Valley to health care services by an underserved population that suffers from a higher than average prevalence of preventable disease.

**SEC. 3.**

If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

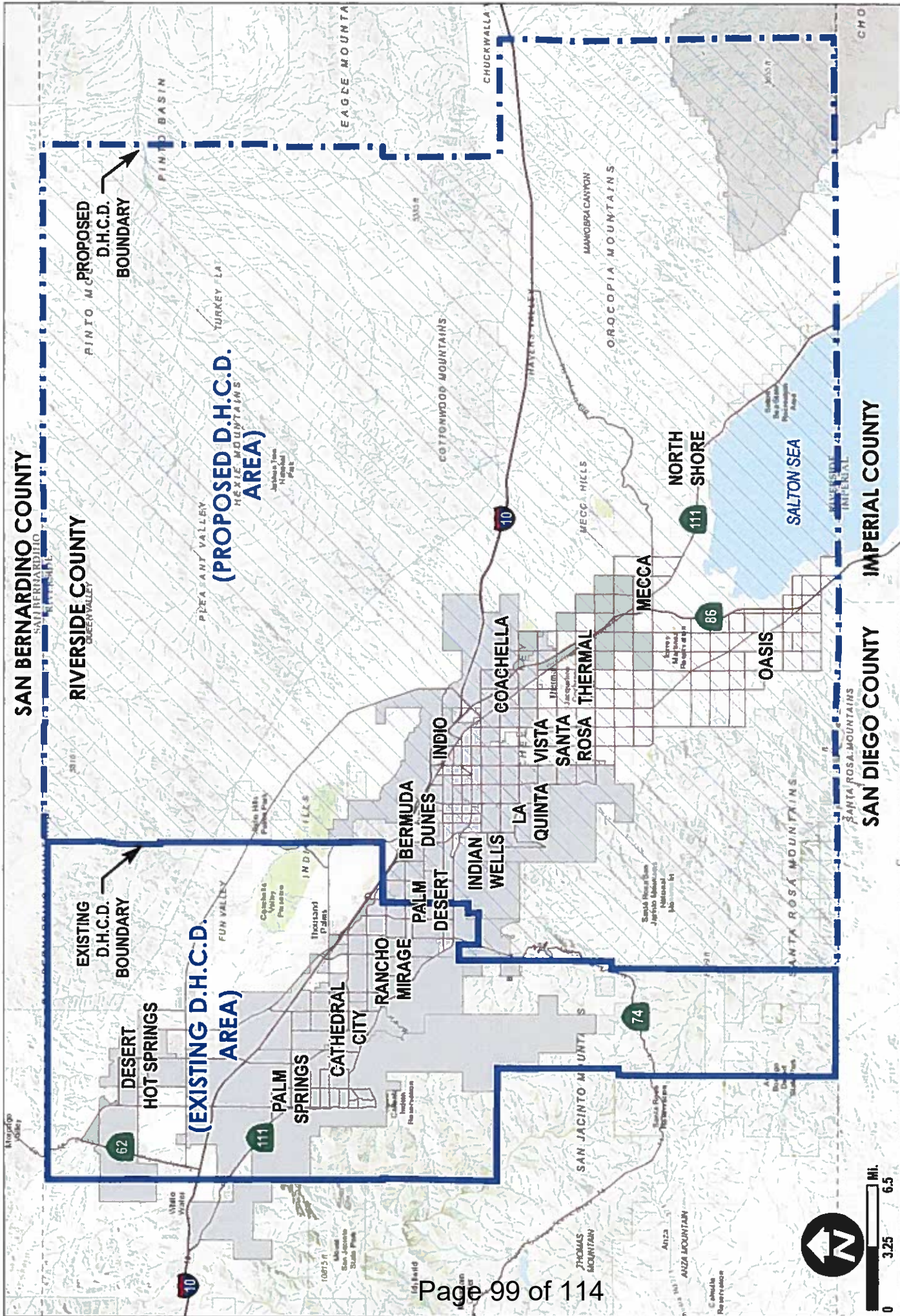




# EXISTING DESERT HEALTHCARE DISTRICT BOUNDARY

Exhibit 2.1





DATE: 12/12/2016

DATA SOURCES: RIVERSIDE  
COUNTY IT-GIS, DHCD,  
USGS, ESRI



# DESERT HEALTHCARE DISTRICT PROPOSED BOUNDARY EXPANSION

PURSUANT TO CALIFORNIA ASSEMBLY BILL 2414

Exhibit 2.2

## EXHIBIT 2.3

### (Demographic information)

Figure 1: Population and Households

Demographic Profiles - Existing and Proposed Annexation Areas Desert Healthcare District Source: ESRI Business Analyst, November 2016			
POPULATION AND HOUSEHOLD ESTIMATES			
	Existing	Annexation	Δ
<b>Population</b>			
2016 Estimates	206,311	240,515	16.6%
2021 Projection	219,239	257,442	
Growth Rate (2016 - 2021)	1.22%	1.37%	
<b>Households</b>			
2010 Census	82,133	73,572	
2016 Estimates	85,396	77,883	-8.8%
2021 Projection	90,151	82,852	
2016 Avg HH Size	2.4	3.07	27.9%



Figure 2: Age Comparison

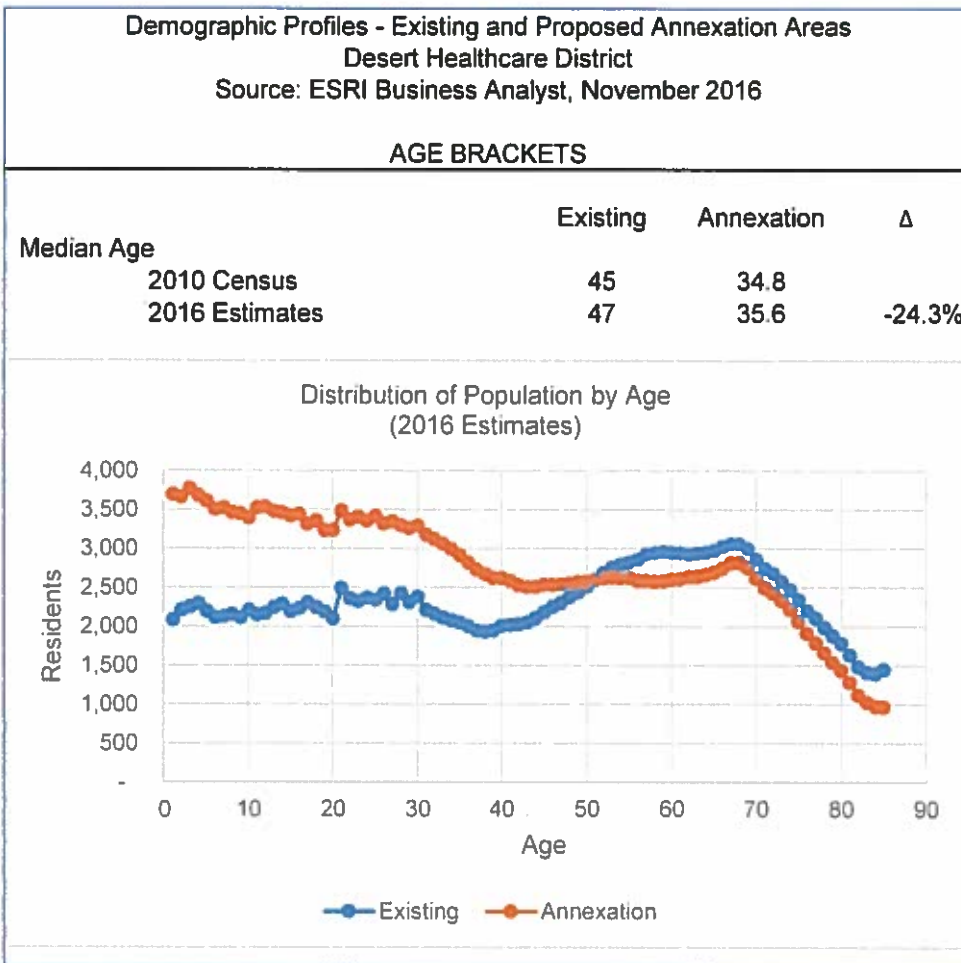
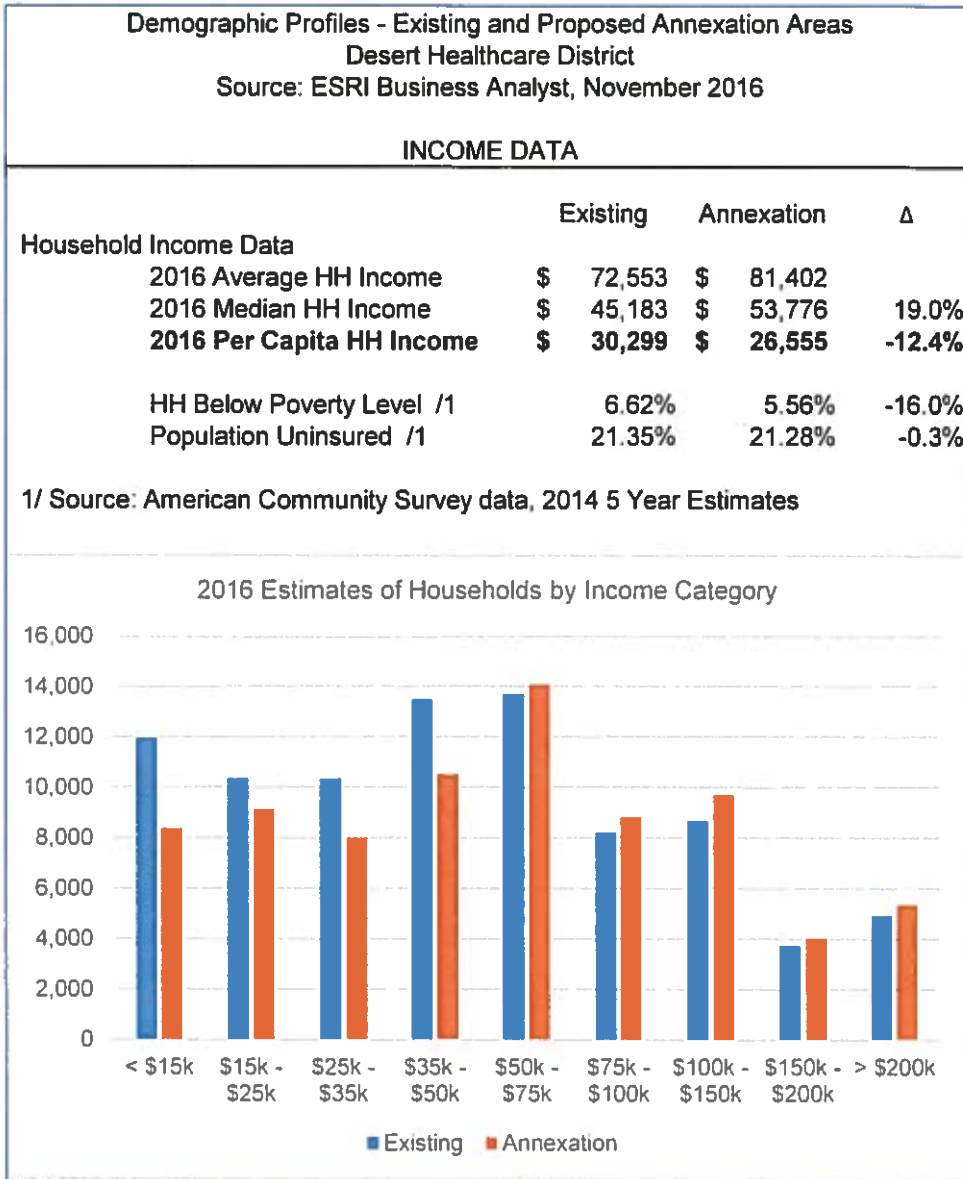


Figure 3: Income Bracket Comparison



## **EXHIBIT “4.1”**

### **Overview of Desert Healthcare District Initiatives, Programs and Grant Activity**

#### **Expanding Access to Primary Care**

The District has been a leading force in efforts to expand access to primary care for uninsured and underinsured local residents, including:

- Development of the UCR School of Medicine Primary Care Residency Program, which added 10 family medicine physicians in the Coachella Valley beginning in 2013. As of August 2016, 16 medical students began serving Valley residents through their rotations at local hospitals and community health centers; beginning in 2017, there will be 24 residents. Faculty and residents also staff a Family Medicine Clinic open to all District residents and housed in the District’s medical office facility, and work the UCR Street Medicine Program that serves the District’s homeless where they live.
- Based on DHCD funding and the long-term partnership with UCR School of Medicine, academically eligible Coachella Valley residents are designated as priority registrants for 20 percent of the available medical school slots annually.
- Funding for development of the Desert Highland Gateway Free Clinic to serve the uninsured, underinsured and homeless in North Palm Springs.
- Invested \$5.2 million to open the Desert Hot Springs Community Health and Wellness Center. The center includes a teen clinic, cardio fitness gym and four dental suites to serve low-income local residents. Since opening in Fall 2013, the Health Center has accommodated more than 3,000 dental visits and 234 teen medical visits, and issued more than 360 cardio fitness gym memberships.
- Funded the establishment of the first Federally Qualified Healthcare Clinic in Desert Hot Springs in 2010 to add two new Primary Care providers to the under-served community.
- Funded a new Behavioral Health Clinic that provides intensive out-patient mental health services for District residents.
- Funded low-cost mental health counseling services, substance abuse treatment and case management services to expand behavioral health services for District children and seniors.
- Expanded primary care access in Cathedral City to increase dental, mental health and family medicine for low- and no-income local residents.
- Opened a sexually transmitted infection clinic for the uninsured and underinsured to provide free testing and treatment for infectious diseases, including HIV, syphilis, gonorrhea, chlamydia, HPV, and Hepatitis B and C; and well-woman exams.
- Funded increased access to primary care at the Volunteers in Medicine Free Clinic for hundreds of uninsured and low-income residents.
- Created the SMILE Factory Mobile Dental Clinic providing free and low-cost dental screening and procedures to thousands of uninsured children in local schools.

- Funded breast cancer screening and cancer-related treatment, including co-insurance, Medi-Cal monthly share of cost, prescriptions, inpatient hospital costs and insurance premiums for low-income and uninsured residents within the District.

### **Promoting Health and Well-being**

With the advent of the Affordable Care Act, many health organizations began shifting their care delivery to population-based models, which requires providers to look outside their organizations and into the community to keep individuals as healthy as possible. The Desert Healthcare District has long recognized that in order to keep people healthy, efforts to target the social determinants of health must expand - including focus on income, physical environment, infrastructure, shelter and housing, access to healthy food and infrastructure, and other things that promote healthy behaviors and an active lifestyle. District programs and grants include:

- Provided major funding to launch Get Tested Coachella Valley to routinize HIV testing and connect residents to care in partnership with the Desert AIDS Project.
- Supported development of a 52-mile hiking/biking corridor connecting all nine Coachella Valley cities, providing a safe route to schools, improved air quality and healthier lifestyles.
- Funded shelter and housing for special populations including domestic violence victims, special needs children, seniors, substance abuse patients and homeless.
- Increased the percentage of fresh produce from 2 million pounds (2010) to 4.8 million pounds (2015) distributed through the food insecurity system serving low-income local residents.
- Provided ongoing funding for food assistance to over 100 food pantries and agencies and major funding to build the FIND Food Bank Regional Warehouse.
- Funding to support Hidden Harvest, which employs low-income farm workers to salvage produce left behind after harvest and distribute it free to senior citizens and families whose children attend schools in high poverty areas in the Coachella Valley.
- Funded evidence-based policies and practices in 78 local schools to change the school-based environment to address childhood obesity.
- Creation of the Ready Set Swim Initiative to teach every child in the District to swim before the end of third grade, reduce accidental drowning and promote life-long safe and healthy behaviors.
- Supporting Boys and Girls Club programs to promote active living and healthy lifestyles in local youth.
- Funded health education coordinators for high-need, predominantly low-income high schools in the Coachella Valley to teach health and wellness-related classes.
- In partnership with the El Sol Neighborhood Education Center, completed a two-year diabetes intervention project for high-risk Hispanic residents in the District. More than

420 people completed an eight-week diabetes education class, and more than 50 percent lowered their blood sugar levels.

- Funded walking tracks, exercise stations and community gardens in conjunction with cities and local school sites to expand and enhance access to health and wellness infrastructure in low-income neighborhoods.

### **Advancing the Healthcare Workforce**

The District's work to build healthy communities by increasing access to healthy food and supporting healthy environmental conditions, expanding access and connections to care, and disease prevention can only be fully achieved with a larger and appropriately trained health workforce. In the last decade, the District has strived to expand pathways and opportunities for local residents to pursue health careers. More than \$5 million dollars has been invested in higher education, health career pathways, health-related scholarships and workforce development tools.

- The District provided more than \$3 million to develop the California State University, San Bernardino - Palm Desert Health Sciences Building, created the local bachelor of science in nursing (BSN) degree program, and the RN to BSN program for working nurses.
- An average of 125 college scholarships for health pathways students are funded each year by the District.
- 200 nurses have graduated from the RN to BSN program funded by the District, received their degrees and are locally employed.
- The development of a mental health career pathway was funded by the District in 2015 to address the crisis in mental health workforce shortage.
- A District Healthcare Workforce Study helps identify future healthcare workforce needs and spur development of strategies and actions to address gaps and projected future needs.
- The Health Career Education Pipeline funded by the District serves more than 3,000 students through a variety of programs, including more than 1,000 students at the K-8 level's Medical Magnet academy programs and Junior Upcoming Medical Professionals (JUMP) clubs; 1,312 students have completed the region's eight high school health academies.
- More than 750 students have benefited from local vocational, post- secondary and college health science programs.

### **Expanding Access to Health Data, Information, Innovation and Healthy Resources**

- Majority funding provided by the District supports the community tri-annual health and wellness survey used to identify health status and gaps, and design programs and services for unmet health needs.
- Funded community health needs assessments for the Latino, LGBT and African American populations.
- Created an online directory of resources (cvHip) to link disenfranchised and underserved residents to healthcare, food pantries, wellness activities and other health and wellness services.
- Created a Rare Blood Library/Donor Registry for Latino, African American, Native American populations.
- Funding for development of the Health and Medical Innovations Center, which offers a coordinated regional approach to attracting healthcare-related businesses to the Coachella Valley.

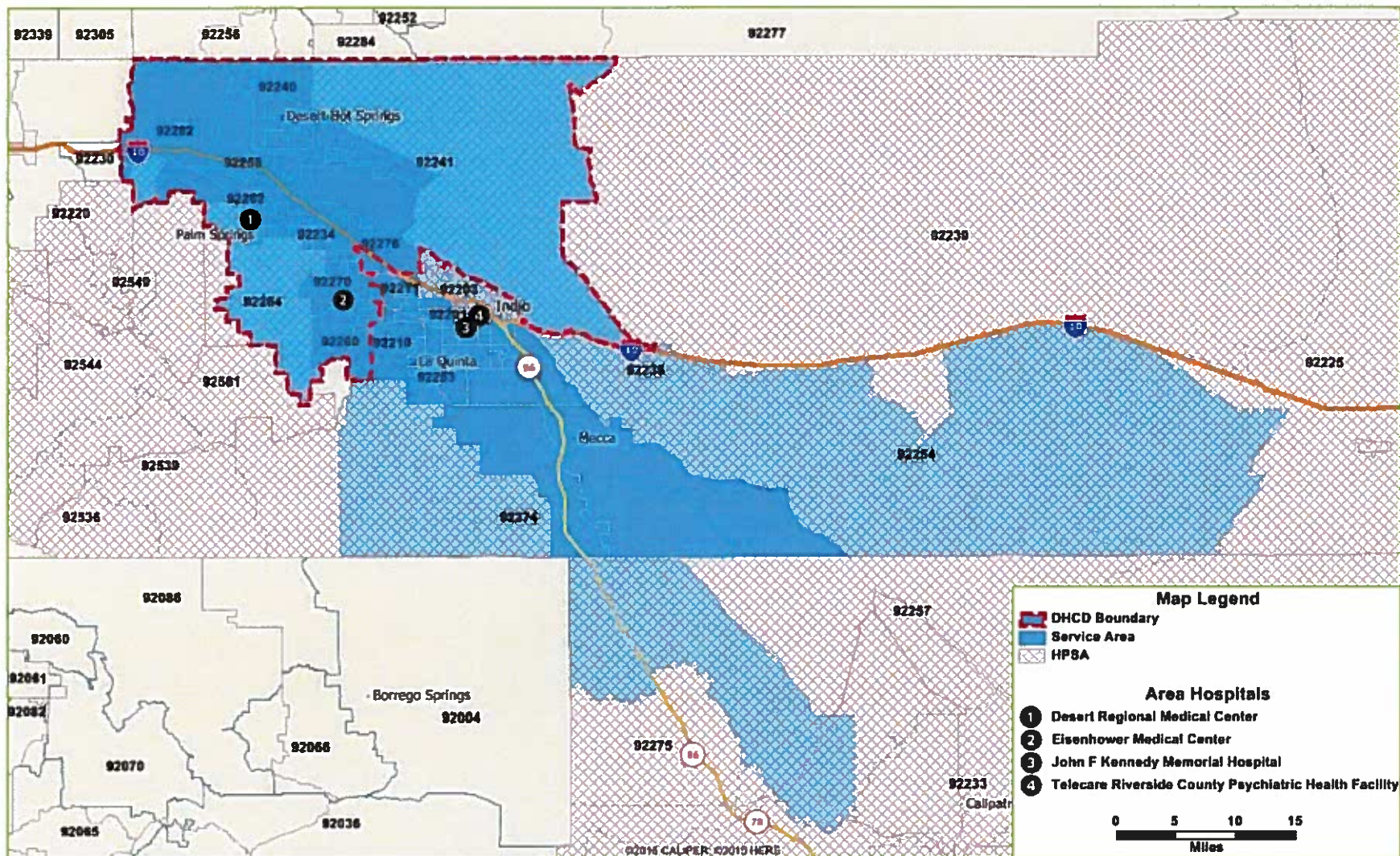


## Health Professional Shortage Areas and Medically Underserved Areas

- ▶ The Federal Government defines a HPSA as an area, facility, or population group with a shortage of primary care physicians, as defined by a population-to-primary care physician ratio greater than 3,500:1. Other factors taken into consideration include the poverty rate, infant mortality rate, fertility rate, and indicators of insufficient capacity to meet area need.
- ▶ A MUA is defined as an area, facility, or population group with an Index of Medical Underservice ("IMU") less than or equal to 62 out of 100. The IMU is calculated by taking into consideration the ratio of primary medical care physicians per 1,000 population, infant mortality rate, percentage of the population with an income below the poverty level, and the percentage of people age 65 or older. These factors are converted to weighted values and then summed to obtain an IMU score for a particular area.
- ▶ Portions of the District's service area have been designated as a HPSA, MUA, or both. Maps illustrating these analyses are provided on the following two pages.



# Health Professional Shortage Area

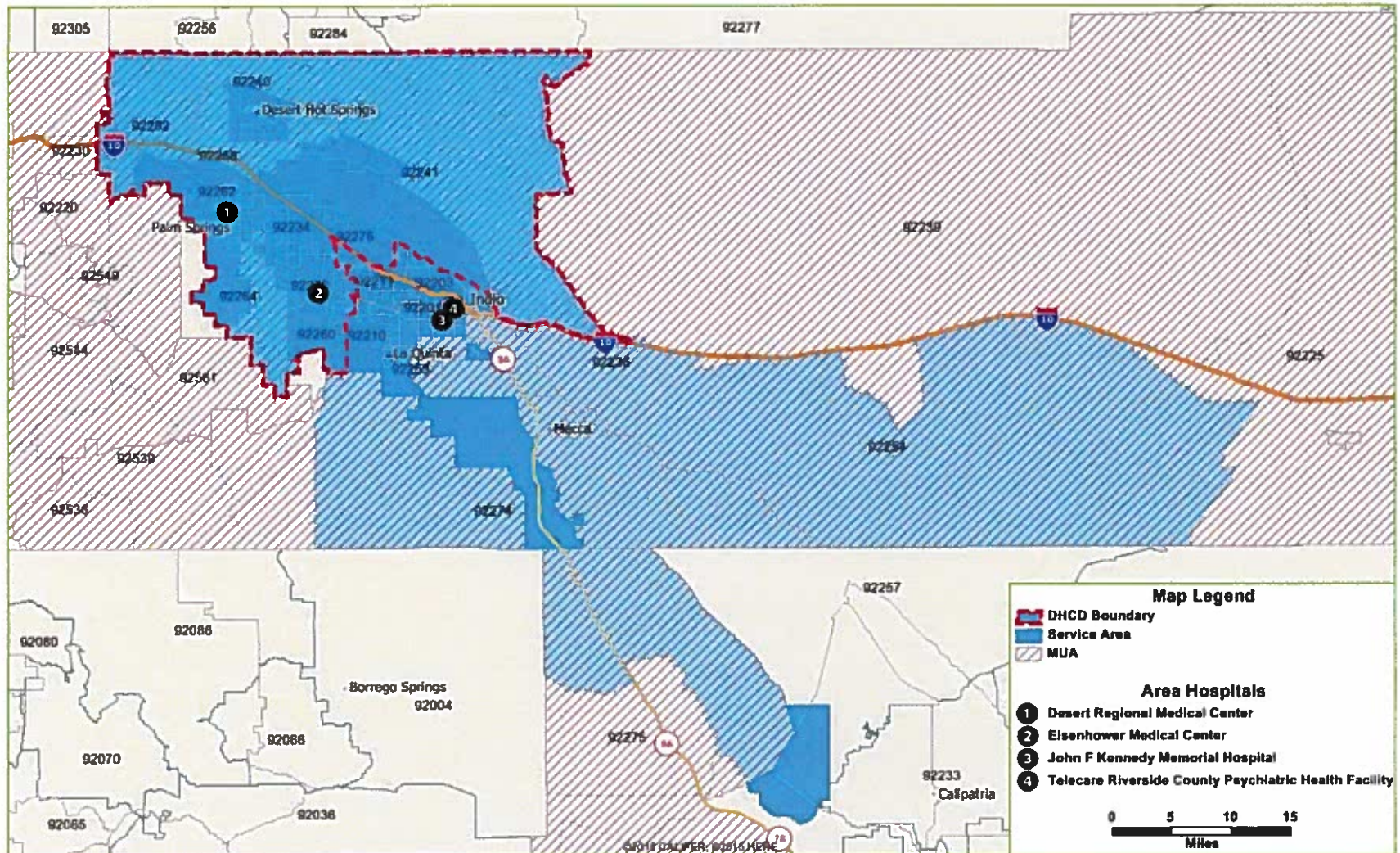


15 Source: Desert Healthcare District, Definitive Healthcare, Maptitude, Health Resources and Services Administration

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## Medically Underserved Area

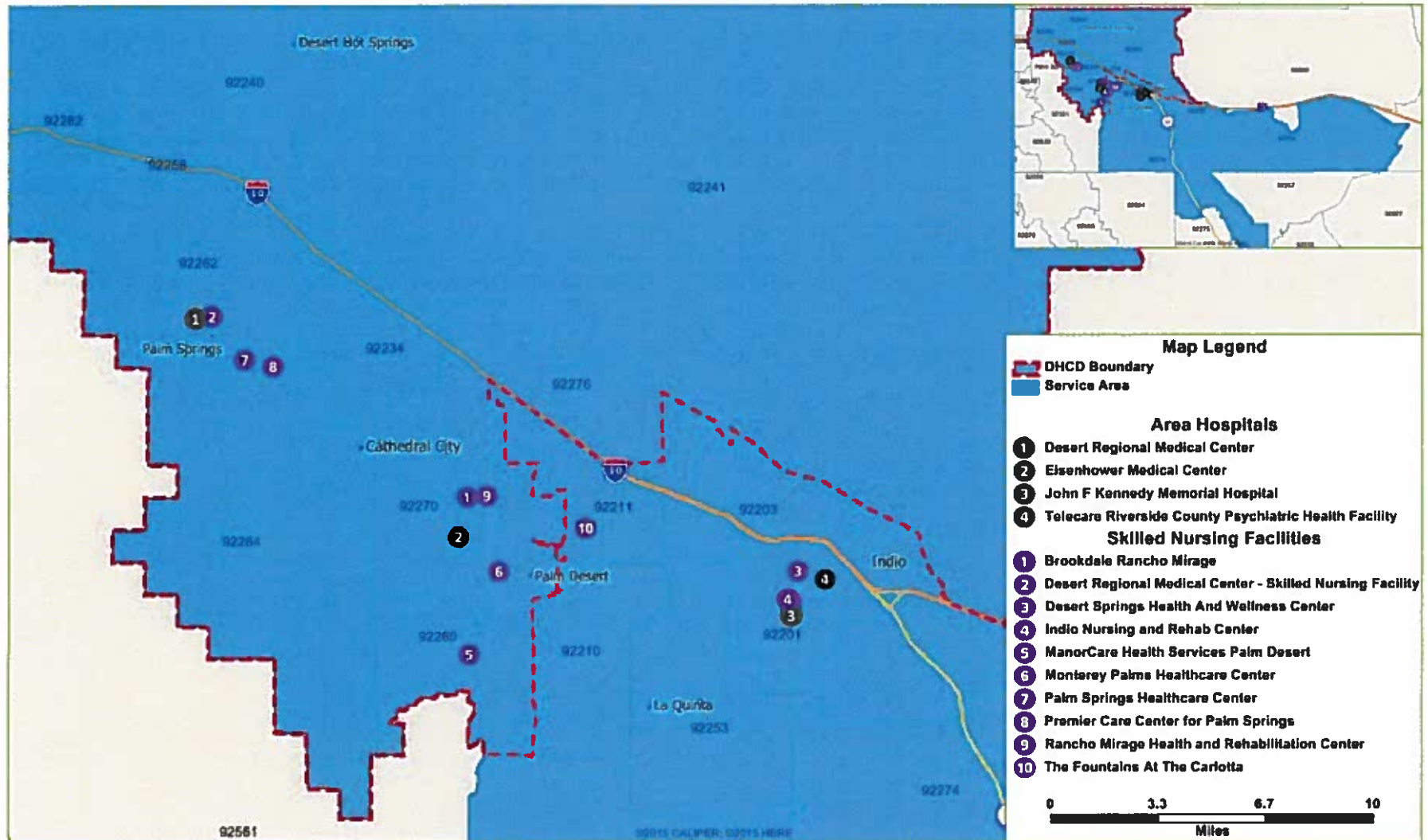


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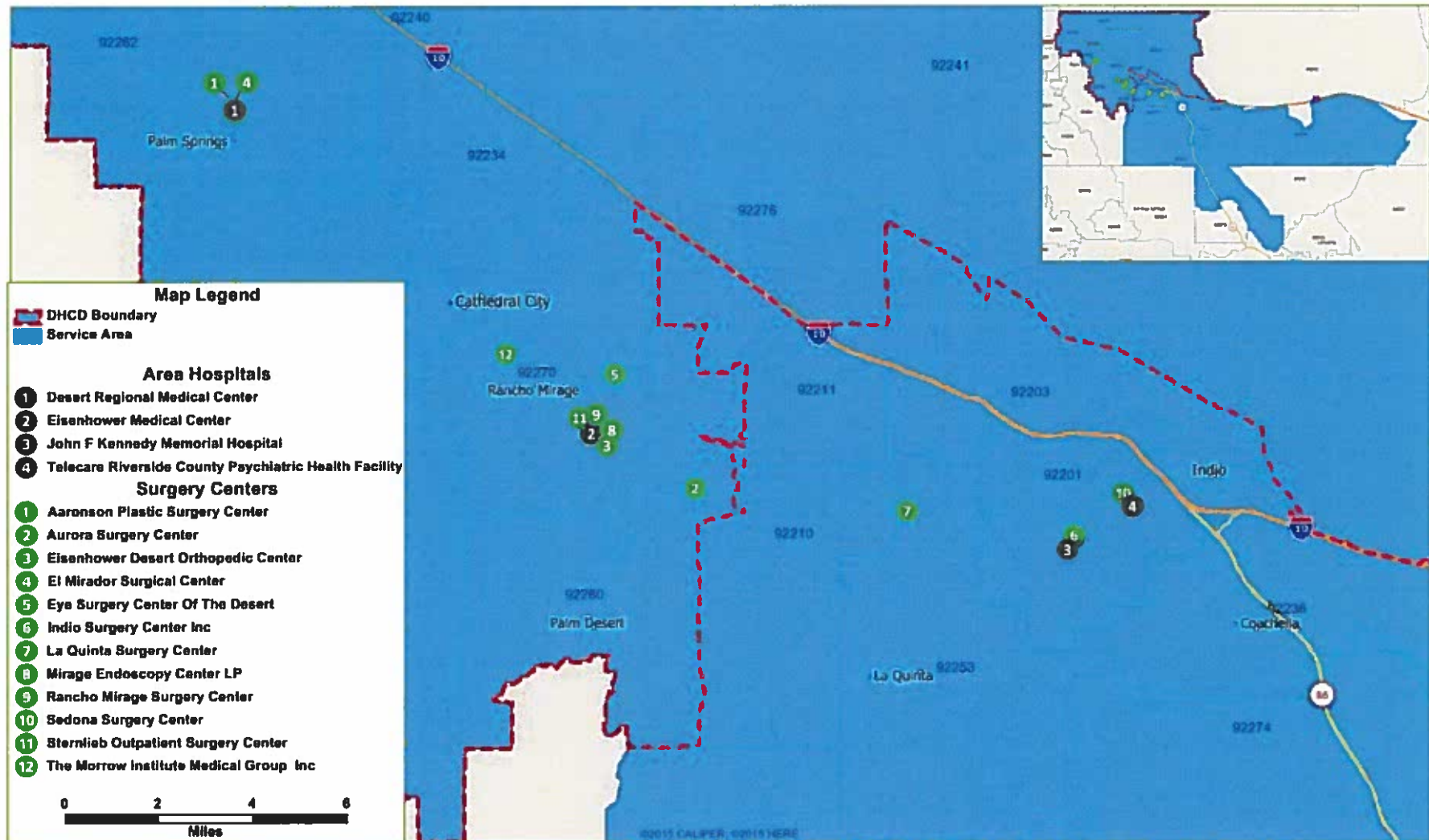
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## Service Area Overview Illustrating Skilled Nursing Facilities



## Service Area Overview Illustrating Ambulatory Surgery Centers

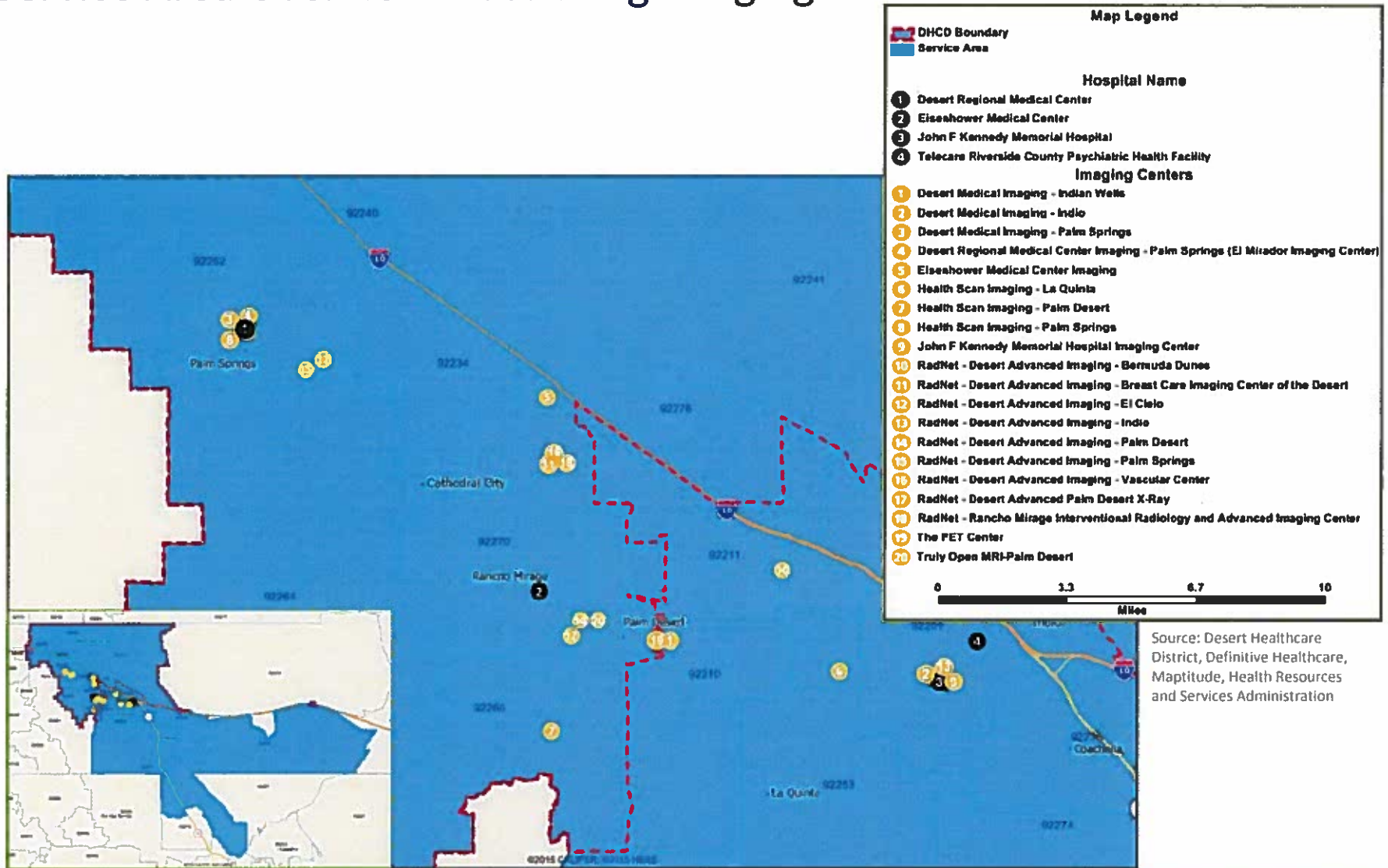


Source: Desert Healthcare District, Definitive Healthcare, Maptitude, Health Resources and Services Administration

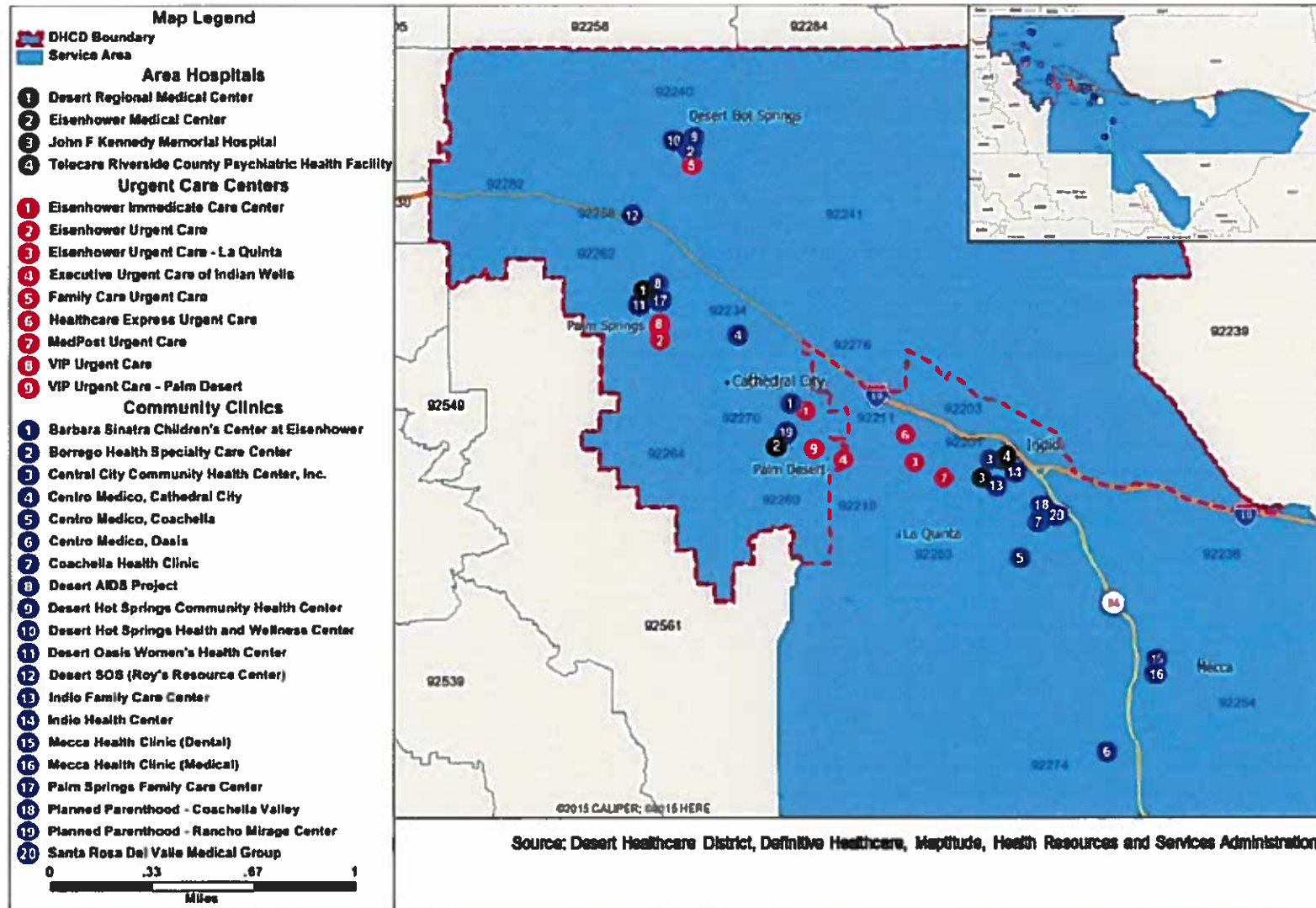




## Service Area Overview Illustrating Imaging Centers



## Service Area Overview Illustrating Health Clinics and Urgent Care Centers



**EXHIBIT 5.2**  
**List of Recent Market and Health Need Assessments**

- Community Health Monitor 2013 (new 2016 Monitor expected March 2016) - Health Access Resource Center
- Inland Region Community Health Needs Assessment 2016 – CHFC
- Riverside County Community SHAPE Health Needs Assessment 2015 – RUHS
- Community Health Needs Assessment Center 2016 - Eisenhower Medical
- Kaiser Community Health Needs Assessment Riverside County 2013 – Kaiser Permanente
- Riverside County Community Action Plan 2016 - Community Action Partnership
- Revealing the Invisible Coachella Valley 2013 - The California Endowment
- Eastern Coachella Valley Health Profile - Building Healthy Communities