



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Julie Edmonds-Mares

**SUBJECT: SENIOR NUTRITION
PROGRAM TRANSITION**

DATE: 05-27-11

Approved

Date

5-27-11

RECOMMENDATION

Accept this update report and authorize the Director of Parks, Recreation and Neighborhood Services (PRNS) to enter into direct negotiations with potential Senior Nutrition service providers pursuant to Municipal Code Section 4.12.235, "Unique Services Purchases."

BACKGROUND

As part of the 2010-2011 Adopted Budget, the Senior Nutrition Program was proposed for elimination at all 13 PRNS-operated sites effective July 1, 2011. In order to ensure that seniors within the City of San José had access to congregate meals, the Mayor's June 2010 Budget Message recommended the formation of a Senior Nutrition Task Force (SNTF), co-chaired by City Councilmember Pete Constant and County Supervisor Liz Kniss. The SNTF was charged with developing recommendations for maintaining meal services at PRNS nutrition sites. The SNTF membership included staff from the City, City of San José Senior Commission, County of Santa Clara, Council on Aging, The Health Trust of Silicon Valley, Silicon Valley Council of Non-Profits, and other non-profit organizations that provide senior services. The SNTF recommended a regional model (report attached) in which food would be prepared at up to four community center sites and delivered to PRNS nutrition sites. This new regional model will utilize community-based organizations (CBO) to prepare and deliver the food for up to 13 PRNS nutrition sites located at community centers.

Per the Mayor's March 2011 Budget Message as approved by the City Council and in accordance with the SNTF's recommendations, the 2011-2012 Proposed Operating Budget included a proposal to add \$550,000 in the General Fund for the Senior Nutrition Program. This allocation would support a Recreation Supervisor and part-time Analyst (\$142,000), with the remaining \$408,000 allocated for support to CBOs providing this service at community centers.

ANALYSIS

Subject to Mayor and City Council's approval of this status report, PRNS will advance the SNTF recommendations to move forward with a regional model in which CBO operators will prepare and deliver meals for up to 13 nutrition sites located at community centers. This new model will be

funded on an ongoing basis subject to annual appropriations, with City and County funding as well as USDA reimbursements and participant donations. City funding will be used for program administration and funding support of community-based organizations.

It is currently anticipated that the transition of the current Senior Nutrition Program to a regional, CBO operator's model will take approximately four months to implement. PRNS intends to use Municipal Code Section 4.12.235, "Unique Services Purchases" in order to move forward with the Request for Information (RFI) process before the end of the 2010-2011 in order to solicit CBOs to provide Senior Nutrition services. Furthermore, in order to ensure the current congregate meal program remains in place during the transition phase, the Administration intends to extend all end-dated Senior Nutrition Program staff (cook, food service coordinator, kitchen aide, and benefited recreation leaders associated with the program) to October 31, 2011. This will ensure that there are no gaps in service during the transition period. These expenses are not budgeted in 2011-2012; therefore, to the extent possible, this expense will be mitigated by County funds, retained donations, and a reallocation of existing non-personal/equipment resources. In June, PRNS will bring forward for City Council consideration to extend the current County contract by four months and continue negotiations with the County.

In parallel, the City is in negotiations with Santa Clara County as to the amount of funding the City will receive for the operation of the Senior Nutrition Program for 2011-2012. At this time, it is anticipated that the City will receive funding in the amount \$1.1 million which is commensurate to the funding received in 2010-2011. Once agreement with the County is reached on terms of the new model and the extension of the current contract, increases to budgeted revenue estimates and corresponding expenditure appropriations will be brought forward for City Council consideration in October 2011, while remaining within the \$550,000 net City investment, as currently proposed.

Pending Council approval of this report, the Administration will extend the 2010-2011 Senior Nutrition Program end-dated positions through October 31, 2011 to maintain the current delivery model. Concurrently, PRNS will begin negotiating terms with the County to incorporate all 13 sites into the Master Agreement and coordinate the selection of the 4 Regional Cook Sites. By August, PRNS will release the RFI to solicit proposals from potential Service Providers and will negotiate and execute agreements with up to 4 CBOs, and incorporate all 13 sites into the Master agreement. Finally, PRNS will convene a committee to review service provider applications and select operators. It is anticipated that the new CBOs will begin operating the Senior Nutrition Program November 1, 2011.

In order to ensure that seniors who utilize PRNS congregate meals services are abreast of program changes PRNS has developed a communication plan that includes Community Center HUB presentations by Community Center staff, FAQs for staff and seniors participants, City and PRNS website updates, and communication with the Senior Citizens Commission. Each HUB Senior Program Advisory Council and community based organizations who serve seniors will also be an integral part in disseminating information regarding the Senior Nutrition Program. The communication with staff and senior participants began in April 2011 and additional communication efforts with stakeholders will take place through the end of the transition period.

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COORDINATION

PRNS is coordinating with the County's Aging Services Department, Council on Aging, CBOs and other non-profit agencies to communicate the changes to the program and ensure that those seeking congregate meals have access to City sites. Additional information regarding the SNTF, including minutes and presentations, can be found at <http://www.sjdistrict1.com/seniornutrition/index.html>

/s/

JULIE EDMONDS-MARES

Assistant Director of Parks, Recreation and
Neighborhood Services

For questions please contact Angel Rios, Jr., Deputy Director, at 408-535-3576.

Attachment: Senior Nutrition Program Task Force, Grant Oversight Committee Final report to SNTF (February 2011)

City of San Jose/ Santa Clara County

Senior Congregate Nutrition Program Task Force

Grant Oversight Committee Final Report to NTF

February 22, 2011

This paper has been developed to frame discussion and public comment at the February 28, 2011 meeting of the Senior Congregate Nutrition Task Force (NTF). Its purpose is three-fold:

1. to summarize findings of research undertaken for the NTF;
2. to summarize the impact of targeted elimination of City of San Jose funding; and
3. to propose long-term program modification options for discussion and consideration by the NTF.

The cost savings reported in this document are based on currently reported costs from the City of San Jose (CSJ) and its Parks, Recreation and Neighborhood Services agency (PRNS), the County of Santa Clara Department of Aging and Adult Services (DAAS) within the County's Social Service Agency (SSA), the Council on Aging Silicon Valley (COASV), and Community Based Organizations (CBOs) that participate in the Congregate Meal Program. They may be subject to revision during the development of a detailed business plan.

Background: The Program and the Nutrition Task Force's Charge

The Senior Congregate Nutrition Program in Santa Clara County is a complex partnership among COASV, the County's DAAS, the City of San Jose's PRNS, other Cities, and CBOs along with Outreach transportation services, the Second Harvest Food Bank, volunteers (seniors, schools, churches, corporations), center advisory boards, and the diners themselves. Together, these agencies and volunteers provide a critical safety net for Santa Clara County seniors at risk of hunger and social isolation.

The City of San Jose currently provides 231,000 congregate meals annually to seniors throughout the City at 13 different community centers. Eight of the sites are funded in partnership with the County's DAAS. These eight sites are funded by a combination of federal funds that DAAS receives from COASV, participant contributions and County general funds. The remaining five sites are funded almost entirely from the CSJ general fund, but also receive limited amounts of US Department of Agriculture funds and retain the donations made by diners at the sites. In line with federal guidelines, meals are provided to seniors without regard to their ability to pay; donations received from diners cover less than one-fifth of the cost of the program. During its 2010-11 budget planning process the San Jose City Council considered elimination of City funding for the program as a part of its deficit reduction budget balancing, but agreed to continue funding for one year to allow time for a study to develop recommendations for the future of City-provided congregate senior nutrition services. The City Manager's initial budget messages to date for FY2011-12 continue to assume total elimination of \$1.164M City funding.

Grant Oversight Committee Final Report to the Senior Congregate Nutrition Task Force

Under joint leadership of San Jose City Councilmember Pete Constant and Santa Clara County Supervisor Liz Kniss, the Senior Nutrition Task Force (NTF) was convened to:

1. study the impact of potential elimination of San Jose funding for congregate meal sites, determine if efficiencies could be found that would enable continuation of the program, and make recommendations for ensuring that needy seniors have access to congregate meals in San Jose; and
2. examine the Santa Clara County Senior Congregate Meal Program, which in addition to the sites operated by CSJ currently provides another 347,000 annual meals through contracts with other cities and with CBOs within the City of San Jose and in other cities and towns throughout the County, researching best practice models in nutrition program delivery and financing, and recommending a County-wide sustainability plan for senior congregate meals for the next 5 – 10 years.

The focus of this report is the first charge and options for CSJ. Findings of County-wide relevance are discussed throughout, and implications for the County and CBOs operating within the City of San Jose boundaries are discussed briefly at the end of this report.

NTF Activities

Vision, Mission and Values

The NTF established the following Vision, Mission and Values that guided its work throughout the process:

<u>Vision</u>	Vulnerable and at-risk seniors have access to healthy nutrition and socialization in Santa Clara County.
<u>Mission</u>	The Senior Nutrition Task Force will develop recommendations for a viable and financially stable congregate meal program that ensures access for vulnerable and at-risk senior populations.
<u>Values</u>	<ul style="list-style-type: none"> • Hunger and isolation for Older Adults are unacceptable in Santa Clara County. • Addressing this issue is a community-wide responsibility. • We will make the best use of the resources we have to make the greatest impact. • Service delivery should be targeted to the following vulnerable and at-risk senior populations: <ul style="list-style-type: none"> ○ Those who live below the poverty line, adjusted for Santa Clara County cost of living¹ ○ Members of racial and ethnic minority groups ○ Those who need services as a result of noneconomic factors such as physical or mental disabilities, language barriers or cultural/social isolation ○ Those who live alone ○ The older of the old²

¹ “California Elder Economic Security Initiative & Elder Economic Security Standard Index”, Insight Center for Community Economic Development, www.healthpolicy.ucla.edu

Grant Oversight Committee Final Report to the Senior Congregate Nutrition Task Force

Research Completed

The NTF staff and consultants studied the demographics of the eligible senior population and seniors most at risk of hunger and social isolation County-wide; City of San Jose and Santa Clara County-wide usage of the senior nutrition congregate meal program; budgeted revenues and expenses for each site; and site participant demographics. It conducted a County-wide congregate meal participant survey, individual interviews with City of San Jose nutrition staff, and focus groups with program participants at City of San Jose-operated sites. It conducted benchmarking interviews with the providers of meals for school districts, soup kitchens, Meals on Wheels programs, child care programs, and senior congregate meal programs elsewhere; held meetings with Outreach and Second Harvest Food Bank executive staff; and interviewed executive staff members of large local philanthropic organizations. City, County and CBO program management staff also participated throughout the study. The Task Force received extensive public comments on its Preliminary Report at its meetings on December 17, 2010 at the Roosevelt Community Center and the public hearing held at San Jose's City Hall on January 26, 2011. Those comments have been incorporated in this Final Report. Speakers were unanimous in underscoring the importance of the congregate senior nutrition program for seniors across the County at risk of hunger, social isolation, depression and physical deterioration.

Findings Affecting Planning

The research described above found that related to system design and funding:

County-Wide Findings:

- 1) The congregate meal program is critically important to senior participants:
 - a. 76% of senior participants surveyed County-wide report that the congregate meal program provides them with their main meal of the day.
 - b. 47% have household income at or below the federal poverty level.
 - c. 32% live alone and are at significant risk of isolation and depression.
 - d. 72% are of racial or ethnic minority groups.
- 2) The elements of cost at each congregate meal site includes (a) the costs of procuring food, either as raw food to be cooked on site (CoS) or as catered meals; (b) costs for non-food items; (c) the personnel costs of meal preparation at CoS sites and meal distribution and cleanup at all sites; (d) personnel costs of site supervision; and (e) other site-related costs. In addition, there are costs for overall program and contract supervision and administration and for transportation for some meal participants. Options exist to achieve savings in each of these elements of cost.
- 3) Revenues for funding the program County-wide include a mix of federal, County, and City funds; participant voluntary contributions; and philanthropic funds raised by CBOs for their operations. Each of these sources of revenues is severely strained and at risk of reductions; however, continuation of each of them at some level is critical for continuation of the program.

² 75 years and older

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- 4) Philanthropic contributions to senior nutrition and increased contributions by senior participants cannot be relied upon to make up for loss of ongoing public operating funding as a way to assure the long-term viability of the program.
- 5) Santa Clara County, through DAAS, has contracts with four cities (San Jose, Santa Clara, Milpitas and Campbell) and another 15 contracts with CBOs. Altogether, congregate meals are served in a total of 39 sites across the County. Managing this number of contracts and sites while fulfilling federal and state guidelines is costly and is not fully covered by non-County funding. Municipalities' share of costs range from a match of 35% to 50%. CBOs are expected to provide a 10% match within their County contracts but report having to raise additional philanthropic dollars to support their programs. The County considers municipality-provided services as "sole source" contracts, whereas those services provided by CBOs must go through a regular RFP re-bidding process.
- 6) The wide array of service delivery sites grew during good economic times when resources were much more plentiful than projected revenues for the next few years. This breadth of service sites was established based on expressions of identified needs and interest, without a clearly articulated overall CSJ or County strategy for expansion and a standardized process for evaluation of need or criteria for expansion.
- 7) The number of eligible seniors in Santa Clara County, especially ethnic minorities, will continue to increase rapidly in total and as a percentage of the population. According to the most recent projections by the Association of Bay Area Governments, the number of residents aged 60+ in Santa Clara County by 2030 will grow by more than 85% to more than 591,000 -- more than 25% of Santa Clara County's total population, compared with 17% today.
- 8) In view of the pressures on its sources of revenues, inflation in food and personnel costs, potential government cuts on Federal and State levels, and growing need for services, the current County-wide senior congregate meal program, in its current design, is not sustainable over the long run.
- 9) Communities throughout the country are experiencing similar reductions in revenues and are making changes to service delivery in order to continue to provide services in more efficient and cost-effective manners.
- 10) Opportunities for Increasing Revenues:
The NTF staff and consultants also examined opportunities for increasing revenues from several sources, but found them to be limited.
 - a. Donations from meal participants currently cover less than 20% of the cost of the program Countywide. The suggested donation was increased to \$2.50 per meal last year, but meals are provided without regard to ability to pay. While participants in focus groups at several sites made specific recommendations of ways to increase donations, at Task Force meetings, members heard concerns that further increases could lead to declines in program participants – especially the low income seniors most in need of program services.
 - b. Fund-raising and philanthropy currently provides little support for program costs. Additional fund-raising would require significant investment of staff and time to develop, and is highly unlikely to fund ongoing program operations.

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- c. Program-related funds such as “Bingo” games at the sites are limited and are controlled by senior associations at the sites who determine where the funds will go, e.g., senior nutrition, trips, equipment investment, etc.
- d. Limited, short-term demonstration funding/grants potentially may be available, possibly for showing relationships between the provision of senior congregate nutrition and reduced healthcare costs, but would require a central resource for identifying opportunities and organizing the effort.

City of San Jose Findings:

1. The City of San Jose operates 13 sites that provide approximately 1,000 meals per day to seniors: 8 sites through a County DAAS contract and 5 sites directly without County funds.
2. Revenues for funding the 5 sites operated solely by the City of San Jose include a mix of USDA, participant voluntary contributions and City general funds.
3. Revenues for funding the 8 sites operated through a City of San Jose contract with the County include City and County funds. In these sites, the County rather than the City gets any USDA and participant voluntary contribution funds as well as federal Older Americans Act funding through the COASV.
4. Actions can be taken over the short term to reduce program costs without requiring changes that would be disruptive to seniors at the congregated sites.
5. Models of efficiencies have been identified that warrant serious consideration for future service delivery that would yield significantly greater economies. If a reasonable amount of funding is secured for FY2011-12, planning must begin immediately for implementation to occur in the next fiscal year.
6. It is important to communicate clearly with senior congregate nutrition site participants about the findings and recommendations in this report to prepare them for change and facilitate any needed transition to alternative sites.

Open Issues and Parallel Actions Underway

The City of San Jose is currently undertaking several parallel processes that affect the planning and recommendations of the Task Force, but the outcomes of which currently are unknown:

1. CSJ’s budget is experiencing severe deficits. The City of San Jose has eliminated all funding for senior nutrition and other programs in its baseline budget for the 2011-12 fiscal year, and expects to need to make more than \$110M+ in **additional** cuts in that year’s budget. The City Manager has proposed closing two of the 10 Community Center Hubs and eliminating the Community Centers’ Reuse Program, which may result in the closing of 42 sites. The senior nutrition program currently operates at all the hubs and three of the reuse sites targeted for elimination.
2. The City of San Jose has been conducting a “reuse” Request for Information (RFI) process that includes the Gardner, Alviso and Alma Community Center sites where senior congregate meals are provided. Through the RFP, CSJ is seeking a contractor who will maintain services offered in the Centers without requiring program funding by CSJ. A precedent was the transition of senior nutrition at the Northside center to operation by the Community Child

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Care Council of Santa Clara County (CCCC). This reuse process may be compromised by the proposed elimination of the reuse sites.

Projected Impact of City of San Jose Funding Elimination

If the City of San Jose eliminates the City funding of City-operated congregate nutrition services 1,000 seniors per day may not have access to congregate meals. The following table indicates the number of meals served per year in each of the council districts:

Council District	Annual Meals at Risk
1	14,820
2	25,194
3	40,385
4	32,534
5	18,525
6	16,055
7	32,604
8	24,700
9	11,115
10	14,820
Total	230,752

Thirteen nutrition sites currently serve the 10 Council districts. The County requires a proportional match of funding from the City of San Jose. If the City decides to totally eliminate its matching funding the County will not be in a position to cover the difference nor is the County able to state at this time how and where the remaining monies would be utilized.

Impacts of CSJ's planned elimination of senior nutrition funding are:

1. All of the 5 senior nutrition sites funded entirely by the City and the 8 operated under County contract will be closed.
2. 1,000 seniors per day will miss what a significant majority report to be their main meal of the day. They also will miss the social, mental and psychological stimulation that prevents their physical and mental health from deteriorating at a more rapid pace.
3. CBOs, which currently operate 12 sites in San Jose, have stated that they could possibly handle approximately a 10% increase in meals with current staffing, however, that would be fewer than 100 meals per day or less than one-tenth of the meals lost from the closing of the CSJ sites. Further, CBOs have stated that the projected financial impact of increasing meals may compromise their ability to do so: CBOs have stated that they must raise significant philanthropic dollars to support their current programming.

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4. Senior redirection and access to CBO-provided sites may be limited, especially in Council districts 1, 2, 4, 8, 9, and 10 where there are currently no senior nutrition sites other than those run by the City.
5. The time needed for County-wide planning that addresses redirection of County funds formerly allocated to the City of San Jose will take concentrated effort on the part of the County and current providers.

TOWARD THE FUTURE: OPTIONS FOR CONSIDERATION:

A. City of San Jose

The Task Force has not found ways to achieve savings that would eliminate the need for CSJ funds for CSJ-operated programs. Additionally, as stated above, the County requires that in order to access County funds, the City must provide a proportional match for the County funds. Thus, if the City were to totally eliminate its funding, all County funds would be redirected to other providers.

Based on the comments received at the December Task Force Meeting and the January Public Forum, the staff and consultants have refined the framework for development of options and prepared an initial high-level analysis of three major options for achieving cost savings in the program.

The framework acknowledges:

- 1) the shared goal of maintaining the maximum number of meals and accessibility of sites possible within the available funds;
- 2) the need for shared involvement in the administration of the program; and
- 3) the need for shared participation in the financing of the program.

Within this framework, HOW meals are delivered is less important than assuring the availability of the program to seniors, the accessibility of the program to seniors most at risk, and that the federal and state rules governing the program are met. Changes in the operators of sites and the number of CSJ sites in operation could be done in the next fiscal year through CSJ subcontracts within the existing SCC/CSJ contract, with SCC consent.

Within this framework, three options have been found that would be more efficient – deliver meals at a lower cost than the current system – preserve access, and reduce the cost to the CSJ general fund. All three of these options, however, would require more planning and contract negotiation to achieve the cost savings, and would cause varying levels of disruption to seniors, sites and the contract relationships through which the program has been delivered. Key to each of these options would be a “re-bid” process in which the funders would be more or less prescriptive in their request for proposals.

The following three options could be applied to programs operated by the City of San Jose only. The identified options are the following:

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Option	Savings Goal
1. "All Catered"	Reduce total costs and standardize meal cost across sites
2. "Four Regional Kitchens"	Balance retaining locally cooked meals with cost savings
3. Senior nutrition in 5 CSJ sites only	Maximize savings through program consolidation into fewer sites

Each of the three options has two staffing alternatives. The first alternative assumes that part-time benefitted City of San Jose employees remain responsible for volunteer coordination at the CSJ sites, ensuring the meal is delivered to the seniors in a manner consistent with governing regulations, etc. The second alternative within each option assumes that one or more CBOs provide those services at the CSJ sites through a CSJ subcontract.

These options set the framework for the NTF to forward recommendations for consideration to City of San Jose Mayor and City Council. See "Attachment A" for comparison of options.

Option 1: All Catered

In this option all meals – the current roughly 1000 per day – would be prepared and delivered to the 13 CSJ sites by a commercial catering company. Food costs would be standardized.

- Requires: Identification of potential contractors, catering RFP development & proposal evaluation, and contract negotiation. In the alternative where one or more CBOs would contract to receive the meals at the site door and serve them to diners, a separate RFP would be required to secure those services.
- Open Issues:
 - Ethnic diversity of meals would need to be specified in the contract, and could increase the contract price.
 - What specific level of savings would be possible beyond the current contract rates if the caterer is assured greater volume or provided use of a well equipped (existing) commercial kitchen facility at one of the congregate meal sites.
- Savings (estimated):
 - Assumptions:
 - All 13 sites remain open and deliver their 2010-11 budgeted number of meals
 - Catering contract provides 1000 meals daily, delivered to the doors of the 13 senior nutrition sites "buffet" style (not individually wrapped) at a cost of \$4.00 per meal +\$0.31 per meal for supplies (plates, utensils, etc.)
This assumption is similar to other Counties' experience. It is lower than SCC's current cost per meal than through existing catering contracts, due to greater volume and potential competition among caterers for the future catering contract.
 - On-site staff reduced to 13.5 FTE (from the current 25.86)
 - County contract and CSJ match amounts remain at 2010-11 levels

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- Estimated CSJ General Fund cost savings achieved through "All-catered" Option
 - Alternative A: Meals on-site served by CSJ-employed staff: \$306,000
 - Alternative B: Meals on site served by CBO-employed staff: \$459,000
- Pros of this Option:
 - No reduction in meals served, sites, or accessibility; senior social networks and relationships preserved
 - Reduced, standardized cost of meal production
 - Less administrative cost for menu review & approval
 - Other CSJ senior programming at the sites remains in place
- Cons of this Option:
 - Senior acceptance –Current participants expressed a preference for on-site cooked meals and local cook staff
 - Disruption of long-standing contract relationships

Option 2: Four Regional Kitchens

The kitchens at several of the CSJ-operated sites have capacity to prepare significantly more meals than are currently served at the respective sites. This option focuses on achieving economies by making better use of the kitchen capacity and staff at a reduced number of sites. Meals at these sites also would be prepared for delivery to other sites where meals would no longer be prepared directly.

- Requires:
 - Strategic planning to identify best sites for central kitchen(s);
 - Operations planning for meal transport and service at other nutrition sites
- Savings (estimated):
 - Assumptions:
 - All 13 sites remain open and deliver their 2010-11 budgeted number of meals
 - Kitchen staff at four sites prepare a total of 1000 meals daily, some served at those four sites directly, and the remainder delivered to the doors of the other 9 senior nutrition sites "buffet" style (not individually wrapped) at a food cost of \$1.90 per meal +\$0.20 per meal for supplies (plates, utensils, etc.)

This food cost assumption is lower than SCC's current food cost per meal but consistent with the Task Force's recommendation to make full use of the Second Harvest Food bank.
 - No up-front costs for upgraded kitchen equipment or vans for food transport (existing vans re-purposed)
 - Senior nutrition staff reduced to 24.3 FTE (from the current 25.86)
 - County contract and CSJ match amounts remain at 2010-11 levels
 - Estimated CSJ General Fund cost savings achieved through the "Four Regional Kitchens" Option
 - Alternative A: Meals cooked/served by CSJ-employed staff: \$297,000
 - Alternative B: Meals cooked/served by CBO-employed staff: \$593,000

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- Pros:
 - No reduction in meals served, sites, or accessibility; senior social networks and relationships preserved
 - Better use of existing capacity: CSJ sites have capacity to cook more meals
 - Greater standardization also provides more opportunity for savings through Food Bank & central purchasing
 - Greatest cost savings among options that preserve all meals.
- Cons:
 - Administration could be more difficult if multiple CBO relationships are needed
 - More detailed business planning needed around equipment needs
 - Lead time likely longer than “all catered” option

Option 3: Meals Cooked and Served at Only 5 CSJ Sites

The dining rooms and parking capacity at several CSJ sites can accommodate significantly more senior diners than currently are served, and the kitchens at these sites have capacity to prepare significantly more meals than are currently served there. This option focuses on achieving economies by making better use of the seating, kitchen capacity and staff at a significantly reduced number of sites.

- Requires:
 - Strategic planning to identify:
 - best sites for accessibility and seating capacity throughout the City
 - determination of unmet need through the elimination of sites
 - CBO capacity to provide meals for seniors whose CSJ sites may be eliminated
- Savings (estimated):
 - Assumptions:
 - Only 5 sites remain open.
 - Senior nutrition participants from closed sites are redistributed to the open sites to a maximum of 80% of the sites' seating capacity.
CONSEQUENCES: More than 400 of the current participants would need to change the site where they receive senior nutrition. Space would not be available for about 150 of the current participants.
 - Staff at the five sites prepare and serve about 850 meals per day at a food cost of \$1.90 per meal +\$0.20 per meal for supplies (plates, utensils, etc.) This food cost assumption is lower than SCC's current food cost per meal but consistent with the Task Force's recommendation to make full use of the Second Harvest Food bank.
 - No up-front costs for upgraded kitchen equipment.
 - Any additional provision for transportation of seniors is outside of the cost estimates below.
 - Senior nutrition staff reduced to 16.4 FTE (from the current 25.86).
 - County contract and CSJ match amounts decline from the 2010-11 levels due to the lower number of meals being served.
 - Estimated CSJ General Fund cost savings achieved through the “Five Sites Only” Option
 - Alternative A: Meals cooked/served by CSJ-employed staff: \$537,000

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- Alternative B: Meals cooked/served by CBO-employed staff: \$700,000
- Pros:
 - Preserves a limited number of meals while enabling increased financial cost savings
- Cons:
 - 150 seniors per day would not be able to participate in the program; CBOs are very unlikely to be able to accommodate this magnitude of increased diners.
 - Significant dislocation of seniors/disruption of senior social networks among seniors needing to shift their congregate nutrition sites.
 - Geographic accessibility to meals would be limited: dislocation would be hardest for seniors most at risk and/or farthest from the remaining sites.
 - Despite a 15% reduction in meals, this option would not achieve savings of the full net costs of CSJ's program.
 - Lead time > 6 months.

B. County of Santa Clara

There are steps that the County can take to ensure that the mission and vision of the NTF are fulfilled and enable the County to thoughtfully and carefully plan a system of congregate meal delivery that makes the best use of resources to have the greatest impact on the nutritional and social needs of our community's seniors.

RFP Process for FY2012-13 Service Delivery Year

Any major changes such as the long-range options mentioned above, especially Option 3, may have significant impact on other aspects of the current County program and the seniors it serves.

During the course of this project, the Task Force recognized that during the last three decades the County program has grown and changed as needs were identified and interest was expressed by potential site operators. Over time also, variations in contract budgeting across CBOs and even within the City of San Jose sites have developed to address specific issues within the overall framework of budget efficiency and County rules.

Given the external pressures mentioned earlier in this report, including the continuing recession, an increasing senior population, changing ethnic diversity within the senior population, and potential Federal and State reductions in funding as well as any impact related to the City of San Jose or County of Santa Clara budget decisions, it is recommended that the County bring the work of the NTF together into a plan that sets a course for the future of the program and makes use of the potential efficiencies identified during this NTF process to make best use of limited funds.

The planning should:

- be strategic in nature and align with the NTF's findings and recommendations;
- focus on predicted demographics of seniors throughout the County;
- clearly identify areas of greatest need, disparities of access, and reasons for differences in program participation by seniors within different ethnic groups;

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- develop ways to standardize contracting processes and protocols; and
- evaluate the administrative as well as the service delivery elements of the senior nutrition program for efficiencies and cost savings.

This planning work would allow the County to better focus its RFP process for renewing its contracts with CBOs next year.

Increase Collaboration with Second Harvest Food Bank and Outreach:

Planning in concert with the Second Harvest Food Bank and with Outreach transportation could find ways to maximize the opportunities for working together for the benefit of senior nutrition participants. These recommendations, presented more fully in the Preliminary Report to the Task Force, were strongly endorsed by speakers at the December 17 meeting and in the January 26 Public Forum.

Nutrition program staff would benefit by training on how best to use both organizations. Best practices on the use of the Food Bank while implementing nutrition guidelines were identified during the course of this project. At the same time, it was discovered that some of the Food Bank protocols discourage full implementation of its donations at the program level. It is recommended that the program work with the Food Bank to design a system that encourages full implementation at the site level.

Standardize Contributions from Cities Across the County

Currently, although senior congregate nutrition sites will accept participants regardless of where they live, not all cities in Santa Clara County offer programs directly or contribute to CBOs that operate programs within their jurisdictions. The cities that do contribute do so at varying levels. Agreement by cities County-wide to contribute an established amount per meal received by their residents would increase the overall fairness of the program's financial model. These cash contributions would be over and above in-kind space or volunteer staff to the program.

- Requires:
 - contract negotiation between COA/County and cities
 - detailed accounting of diner residence and meals served
- Open Issues:
 - What price point would cities be willing to contribute above any in-kind donation?
 - What is the willingness of all cities to participate?
 - What are the consequences, if any, if a city does not participate?
- Pros:
 - Equitable municipal sharing of costs throughout the County
 - Revenues increased and made more dependable
- Cons:
 - Cities may not be aware of or support senior nutrition as a high priority
 - Cities are also experiencing declining revenues

Effect Policy at State and Federal Levels

Actions in this area can be initiated soon, but will require sustained work over a long time to impact the current situation. Federal and State policies affect long term funding and

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administration of the congregate meal program. With the Farm Bill and the Older Americans Act up for review, it is imperative that the County, COASV and CSJ work with area state and federal legislators to ensure passage of bills including adequate funding of programs to serve the increasing senior population. State-added regulations such as the requirement to pre-approve menus at least every 4 weeks add complexity to the oversight of this program. In contrast, school nutrition programs require extensive paper trails about what food has been provided but are audited about once every one to three years. Allowing such a model of program oversight would decrease administrative overhead in the senior nutrition program by a large amount.

- Requires:
 - Close working with state and federal legislators and program administrators
 - Understanding policy development as it pertains to senior nutrition
 - Regulation review to recommend improved efficiencies
- Open Issues:
 - What will the Republican influence be on policy and budgeting related to senior nutrition?
 - Is the state of California Office on Aging willing to decrease administrative oversight?
 - How long will it take to effect change?
- Pros:
 - Long term federal funding
 - Decreased administrative burdens
- Cons:
 - Long term process

Next Steps:

The Grant and Oversight Committee recommends that the NTF review the options above and forward those that best meet the NTF's vision, mission, values and charge to the City of San Jose Mayor as recommended for potential inclusion in the Mayor's Budget Message and consideration by the City Council.

In mid-March, after the release of the Mayor's message, the Grant and Oversight committee will work with the Task Force Co-chairs to determine next steps based on information gleaned from the Mayor's message and resolution of some of the open issues mentioned above.

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ATTACHMENT A

Comparison of Options

Option	Estimated Meals	Estimated Sites	Estimated Savings*
1.a All Catered, • CSJ staff serve	1000 per day	13	\$306,000
1.b All Catered, • CBO staff serve	1000 per day	13	\$459,000
2.a Four Regional Kitchens • CSJ Staff Serve	1000 per day	13	\$297,000
2.b Four Regional Kitchens • CBO staff serve	1000 per day	13	\$593,000
3.a Five Sites only: • Meals Cooked and Served • City of San Jose staff	850 per day	5	\$537,000
3.b Five Sites only: • Meals Cooked and Served • CBO staff	850 per day	5	\$700,000

* Versus budgeted CSJ 2010-11 general fund net expenditures for senior nutrition at 13 sites