



PAJARO VALLEY  
**COMMUNITY  
HEALTH TRUST**

*Ten Year  
Report to the  
Community*



*A Harvest of Good Health: 1998-2008*

## Message from the Board Chair and CEO

On September 1, 1998, a new era in health care began in the Pajaro Valley. With the sale of Watsonville Community Hospital, and the transfer of sale proceeds to the newly created and autonomous Pajaro Valley Community Health Trust, our community witnessed the birth of the first locally-governed, nonprofit health care foundation for the Pajaro Valley.

True to its mission — *to improve the quality of life and health for all residents of our community* — the Health Trust has invested more than \$3.4 million in local health care programs and services over the last decade. The many community health care programs supported by these funds have helped to give those in greatest need the tools they require to live healthier, more productive lives through education in healthy living and improved access to health care services.

The history of the Health Trust's first ten years is rich in detail, and the year-by-year chronicle of grants made, program support and financial achievements can be found on our website ([www.pvhealthtrust.org](http://www.pvhealthtrust.org)). In this report we highlight the diverse program approaches and strategies the Health Trust has employed over the past decade, often in collaboration with other health care and philanthropic partners, to achieve our local health care mission.

We also share some of the Trust's financial highlights. With our commitment to prudent stewardship of the funds entrusted to us



by the community in 1998, we are proud to share our success in preserving Health Trust assets and investing the majority of our annual budget in health care programs that serve the people of our community, while keeping administrative costs to a minimum.

Like any other ambitious venture, the concept of improving a community's health must be carefully supported and cultivated to yield positive results. The community's generous financial support has played an important role

in helping us to achieve the results in the pages of this report. We hope you will continue to give generously to support our shared vision for a healthier community and the harvest of good health it provides.

A handwritten signature in cursive script that reads "Donna Ramos".

Donna Ramos, RN, MPA  
PVCHT Board Chair

A handwritten signature in cursive script that reads "Kathleen A. King".

Kathleen King  
Chief Executive Officer

# Contents

Program Approaches and Strategies	3
Trust Administered Programs	3
In Kind Support	5
Convening	5
Community Grants	7
Representative Grants	9
Planning/Advocacy/Partnership	11
Investing in Individuals	13
Research and Data Collection	15
Financial Stewardship	17
Governance	19
Philanthropy	21



*Foundations use a variety of approaches and strategies to fulfill their mission. When the Health Trust was formed, our first challenge was to make creative strategic choices about how to use our financial and human resources to maximize the organization's impact on health care for the residents of the Pajaro Valley. The first section of this report describes the seven approaches and strategies employed by the Health Trust to fulfill our mission.*

## **Trust Administered Programs**

*The Health Trust administers its own programs based upon identified community needs.*

### **Diabetes Health Center**

**Cumulative Investment: \$2,110,135**

Shortly after the Health Trust was created, the Board of Directors made a strategic decision to begin operating the Diabetes Health Center (DHC) as a means of providing immediate and direct support to the community to address the major public health threat of diabetes.

The need for such a program was evident. Diabetes was and remains a growing epidemic which disproportionately affects Latinos who make up approximately 75% of our community's population. As a result, the rate of Diabetes in the Pajaro Valley is higher than in many other California communities. In Santa Cruz County alone, 13.6% of Pajaro Valley residents surveyed during the 2007 Community Assessment Project reported they have been told they have diabetes or pre-diabetes as compared to only 6.6% in the rest of County.\*

The toll of diabetes on human life, coupled with the severe financial burden of medical expenses, disability, work loss and premature mortality, affirmed the Board's decision to operate

a program that would focus on diabetes prevention education, self-management and medical nutrition therapy.

Since it began operating in 1999, the DHC has provided an average of 1500 client visits per year. In addition, the DHC's bilingual and bicultural staff conduct outreach education and screenings in many locations throughout the community, averaging 1400 additional contacts per year with both children and adults.

The DHC has been recognized by the American Diabetes Association (ADA) for repeatedly meeting rigorous national standards of quality; and by the Pajaro Valley Chamber of Commerce as the 2005 Organization of the Year in recognition of the DHC's outstanding and invaluable service to the community.

Over the past 10 years, the Health Trust, using its own funds as well as grants from external foundations, has invested more than \$2.1 million to make these critical diabetes education and prevention services available to all residents in our community, regardless of their ability to pay.

\* A Glimpse of Reality: Health and Other Disparities in the Pajaro Valley — An oversample of Pajaro Valley residents conducted during the 2007 Community Assessment Project telephone survey.



## In Kind Support to Community Nonprofit Agencies

### Technical Assistance

*The Health Trust makes its staff available to provide free technical assistance in grants administration, grant writing and fundraising upon request and as staff resources permit.*

### Conference Space

*The Health Trust makes its large community conference room available free of charge to non-profit organization for meetings, trainings, conferences and retreats (application required).*

## Convening

*The Health Trust initiates, coordinates and supports selected regional collaborative efforts to create and strengthen partnerships among stakeholders in specific health priority areas.*

### Regional Diabetes Collaborative

*Cumulative Investment \$234,593*

In 2002, the Health Trust convened a *Regional Diabetes Collaborative* (RDC) which now boasts 35 member organizations from the tri-county area (Monterey, San Benito and Santa Cruz Counties). The RDC's mission is to support, promote and coordinate efforts to prevent and manage diabetes in the region.

The innovative, community-based efforts of the RDC and its collaborative partners in Santa Cruz County helped capture the attention of the Institute of Medicine (IOM) in Washington D.C. Our community was one of only 16 in the nation invited to attend the prestigious IOM Conference, and one of only four

communities to present the findings from our local efforts to bridge the quality chasm in care for persons with diabetes.

Inspired by this opportunity, the RDC launched its first annual Regional Diabetes Forum in May 2004 and its first annual Diabetes Health Fair in June 2004. Both have become annual events helping to educate the public about diabetes and engage providers in reviewing practices that affect the quality of patient care.

### Regional Oral Health Collaborative

*First Year Investment \$10,000*

Still in the early stages of implementation, the Health Trust convened the *Regional Oral Health Collaborative* in 2007 to unite the efforts of multiple stakeholders in oral health and to define creative approaches for improving access to oral health prevention education and treatment in our region.

This group created the Santa Cruz County Dental Affinity Program (DAP), modeled after Dientes' Dental Affinity Program. The goal of the DAP is to help connect low-income uninsured adults with access to quality, affordable dental care. The DAP is a partnership with local private dentists to provide pro bono dental care to uninsured adults whose income falls below 150% of the federal poverty level. The full roll-out of the DAP program will occur early in 2009.



## Amounts of Hidden Fat\*

\*Fat calories (percent of total calories)  
Each box represents 100% of the food calories.

Chocolate Chip Cookies 34%	Potato Chips 60%	Beef Frank 82%	Frozen Yogurt 10%	Ice Cream 50%	Plain Donut 51%
2% Milk 55%	Skim Milk 5%	Pecan Pie 50%	Graisant 50%	Cottage Cheese 43%	Cheddar Cheese 74%
Ice Cream (cream) 87%	Chocolate Bar 45%	Chocolate Bar 55%	Mayonnaise 99%	Light Sandwich 74%	Chicken Light Sandwich 26%

## Amounts of Hidden Sugar\*

\*Amounts of refined sugar found in sugar-sweetened foods  
© 1985 American Chem Co.

Pops & Beans 5 tsp	Fruit Yogurt 8 tsp	Cola Drink 12 tsp	Chocolate Cake-Iced 10 tsp	Ice Cream 6 tsp	Glazed Doughnut 6 tsp
Chocolate Milk 6 tsp	Peanut Butter & Jelly Sandwich 5-7 tsp	Pecan Pie 12 tsp	Gelatin Dessert 8 tsp	Kool-Aid Sweetened 6 tsp	Chewing Gum 4 tsp
Sweetened Cereal 7 tsp	Chocolate Bar 7 tsp	Thick Shake 9 tsp	Orange Soda 12 tsp	Jelly Beans 8 tsp	Licquers & Cordons 8 tsp



Cut grapes to 1/2  
No frozen grapes  
Sit down  
Don't talk

## Grants to the Community

Cumulative Investment: \$1,118,998

The Health Trust makes grants to local community organizations on an annual basis, investing primarily in Responsive (competitive) and selected Direct (invitation) grants to achieve identified strategic goals for improving the community's health. The Health Trust strives to make grants that will have the greatest impact on the community's health, with special emphasis on three target popula-

tions: Youth, Ages 6-21; Low-Income & Underserved Individuals; and Farm Workers and their Families.

The total of all grants made to the community from 1998-2008 is \$1,118,998. These grants are listed by the Health Trust's health priorities:

### Community Grants 1998-2008

Oral Health Prevention and Access	\$274,218
Diabetes & Its Contributing Factors	\$312,780
Health Insurance/Coverage & Education on the Health Care System	\$199,000
Promoting Entry & Advancement in the Health Care Professions	\$164,000
*Miscellaneous ( <i>inaugural &amp; other grants outside the above categories</i> )	<u>\$169,000</u>
1998-2008 Total Grants	\$1,118,998

\* *Miscellaneous grants are primarily those awards made in the Health Trust's inaugural funding cycle (fiscal year 2000-01), prior to completion of our program strategic plan. These early grants supported capital equipment projects, strategic planning and capacity building activities for health care organizations in the community. We continue to maintain this category for very small support grants (i.e. the replacement eye glasses program for low income students) that don't fit precisely into one of the four major categories).*



## Representative Grants

For a complete list of past grants made by the Health Trust, visit our website at [www.pvhealthtrust.org](http://www.pvhealthtrust.org).

**Dientes Community Dental Care and Salud Para la Gente** received funding for dental treatment services offered to Pajaro Valley adults and children at their respective community clinics, and for prevention education at the Pajaro Valley Children's Resource Center. Additionally, the Health Trust has funded the **Happy Tooth Program** which provides oral health supplies and prevention education for pre-school children in the Pajaro Valley.

**Life Lab Science Program** received funding for the *Plant It, Grow It, Eat It!* program which



introduced Pajaro Valley elementary school students to nutrition education through school gardens where they plant, grow and eat their own fruits and vegetables. The Health Trust believes strongly that programs that teach children to make healthy lifestyle choices will help reduce the number of adults who develop problems with weight, obesity and diabetes.



**Volunteer Centers of Santa Cruz County** received funding to reinstitute a six-week unit *Accessing Health Care* back into their Survival English Curriculum. Students learn vocabulary and practice such skills as selecting a primary care doctor, speaking to health providers, making appointments and other ways of using the health care system.

**Watsonville High School Health Academy** received funding for its program that provides a specialized course of study for high school students interested in entering the

health professions. Funding from the Health Trust helps to pay for uniforms, supplies, field trips to hospitals and universities, and a mentor dinner where students meet with physicians, nurses and other health professionals to discuss health care careers.





## **Community Health Planning, Advocacy and Partnerships**

As a funder and participant in local health initiatives, the Health Trust often advocates on behalf of organizations and agencies in the Pajaro Valley and Santa Cruz County. Part of advocating for health needs of the community is also using our resources and position to leverage funding from outside of our community to address local needs.

### **Healthy Kids**

*Cumulative Investment \$100,000*

The Health Trust actively participates with many other agencies (Community Foundation of Santa Cruz County, United Way, First Five to name a few) in governance and support of *Healthy Kids*, the innovative and affordable Santa Cruz County children's insurance program. Administered by the Central Coast Alliance for Health, Healthy Kids annually provides access to health, vision and dental services for some 1,900 of our poorest children. Funding from the Health Trust helps to supplement insurance premiums and a small share of program overhead costs.

### **Go For Health!**

*First year investment \$10,000*

The Health Trust funded the initial planning process to help develop the *Go For Health!* collaborative, a unique cross-section of private and public partners working together to reduce childhood obesity in Santa Cruz County.

### **Health Improvement Partnership of Santa Cruz County**

The Health Trust is a partner and active participant in the *Health*

*Improvement Partnership* (HIP), a nonprofit coalition of public and private health care leaders dedicated to increasing access to health care and building strong local health care systems. As a HIP partner and Board member, the Trust has helped advocate for programs that increase health coverage, stabilize and support Safety Net Clinics, promote health information technology, childhood overweight partnerships and end of life care.

### **Community Chronic Care Network**

In September 2004, the Trust received a \$1.3 million grant from the Agency on Health Care Research and Quality (AHRQ) to administer a diabetes registry project known as the *Community Chronic Care Network of Santa Cruz County* (CCCN). The goal of the research project was to determine whether CCCN participants could implement a new and innovative community-wide diabetes registry within a three-year period that would be shared by multiple users in divergent settings throughout the county. While the project participants were unable to overcome the technical and operational barriers to implementing the registry tool, the project generated tremendous value, including new learnings about health information technology and strong new collaborative relationships between health providers. The project continues to be recognized as a model of community-wide research and collaboration both locally and nationally.



## Investing In Individuals

### Scholarships

*Cumulative Investment \$112,500*

One of the greatest challenges facing us in health care is a diminishing workforce. There is a tremendous shortage of nurses and other health professionals available to fill the positions be-

ing vacated by health providers nearing retirement. By providing scholarships to Pajaro Valley students interested in health careers, particularly those who are bilingual, the Health Trust is helping to prepare the next generation of culturally competent nurses, lab and radiology technicians and many others who wish to pursue a career in one of the health professions.





## Research and Data Collection

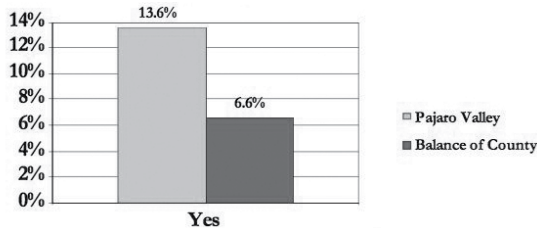
Investment \$8,000

In the Fall of 2007, the Health Trust published its first data report, *A Glimpse of Reality: Health and Other Disparities in the Pajaro Valley*. This report is the result of an oversample of Pajaro Valley residents through the *Year-13 Community Assessment Project (CAP)* survey of quality of life indicators. The findings in this report provide the first fact-based data on the health disparities that exist among residents of the Pajaro Valley, compared with residents in the rest of Santa Cruz County.

The full report can be found on the Health Trust's website [www.pvhealthtrust.org](http://www.pvhealthtrust.org). It is our hope that by disseminating these findings, we will all increase our understanding of the urgent health needs in our community and find ways to work together to target improvements in the standard of living for all Pajaro Valley residents.

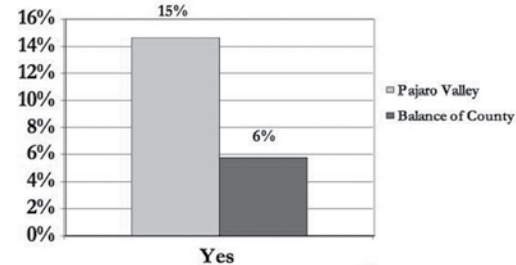
### Diabetes

*Other than during pregnancy, has a doctor ever told you that you have diabetes or prediabetes?*



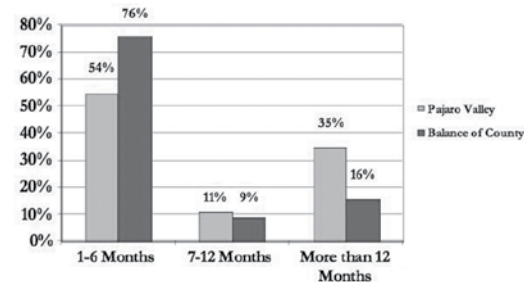
### Access to Care

*Have you needed health care in the past year and been unable to receive it?*



### Dental Care

*How long has it been since you last visited a dentist, hygienist or orthodontist?*





## 2000 — First Audited Financials

The Health Trust's first audit, performed in 2000 by the accounting firm of Hutchinson & Bloodgood, yielded a net discontinued hospital business negative adjustment of \$6.3 million, resulting in a decrease of Health Trust net assets to \$9.7 million. This reduction can be attributed primarily to aged hospital patient receivables determined to be no longer collectible.

Facing this loss, the Board of Directors saw a serious threat to the Health Trust's vision to exist in perpetuity to support local health needs. However, with leadership from the Health Trust's Finance Committee and guidance from our investment advisors, the Health Trust created a financial plan to maintain spending at moderate levels, *without interrupting services*, and to put aside annual savings from investments and other efforts to help rebuild the corpus of the Health Trust. At the same time, staff continued to successfully identify and recover revenues due to the Health Trust from discontinued hospital business. From 2000 to 2008, the Health Trust relied on these strategies, combined with fund raising and a gradual increase in the market value of the Health Trust's investment portfolio, to restore its asset base by 50 percent to over \$13 million.

## Other Financial Milestones 1998-2008

- Implemented solid fiscal policies to minimize liabilities and ensure long-term growth of Health Trust assets.
- Engaged professional foundation investment advisors and implemented formal investment policies, guidelines, objectives and spending plan.
- Reduced pre-hospital sale workers comp liability from \$3 million to less than \$251,000.
- Completed federal audit of FEMA grant funds used to build Watsonville Community Hospital, and, with support from FEMA and Congressman Farr, saved close to \$3 million that was challenged by federal auditors.
- Solicited and received grants in excess of \$2 million from external foundation and government funders in support of Pajaro Valley health care needs.
- Recovered more than \$2.7 million in discontinued hospital business assets.

## Ten-Year Spending Allocation

Prudent spending and accountability to the community are among the most important values of the Health Trust. Our goal is to invest the greatest percentage of our annual budget into the programs that serve our community and to maintain administrative spending at or below foundation benchmark levels.

As the chart below indicates, the first three years of operations

(transition years) averaged higher administrative spending due to the wind-up of discontinued hospital business and the need for the Health Trust to establish the infrastructure and strategic direction of the organization. However, we are proud to report that the Health Trust's actual spending for the past five years reflects our goal to maximize community support and minimize administrative overhead.

### Health Trust Allocation of Expenses

*For IRS reporting purpose, foundations allocate expenses between three categories: general and administration, fundraising and programs. Below we compare our audited allocation of expenses to benchmarks derived from Grant Makers in Health, a national organization of conversion healthcare foundations.*

	<i>General &amp; Administration</i>	<i>Fundraising</i>	<i>Programs</i>
<b>Foundation Allocation Benchmarks</b>	<b>25%</b>	<b>15%</b>	<b>60%</b>
<b>Trust Actual Spending Averages</b>			
1998-2002 — <i>(transition years) average actual spending allocation (based on audited financials/Health Trust 990's)</i>	42%	18%	40%
2003-2007 — <i>average actual spending allocation (based on audited financials/Health Trust 990's)</i>	15%	15%	70%
<b>Current Year Projected Allocation</b>			
2007-08 — <i>projected allocation (unaudited)</i>	16%	11%	73%

Within six months of the hospital sale, a talented and diverse 23-member Community Board of Directors was formed to identify the Health Trust's mission as a health care foundation, and to begin building the infrastructure and policies that would prepare the organization to serve the community.

In our tenth year, Health Trust board members continue to reflect the gender and ethnic diversity of the community, while also

bringing a broad spectrum of knowledge and experience to the governance table, including health care, education, finance, investments and community advocacy, among other strengths.

## Current Board Members

### Officers

Donna Ramos, *Chair*

Caroline Eiskamp, *Vice Chair*

Jim Booth, *Secretary*

David Mesa, *Treasurer (Monterey County Appointee)*

### Directors

Javier Carrillo

Cathleen Chandler-Eckhardt

\* Edward Din, *(Past Chair, Ex-officio)*

\* Stan Hajduk, MD *(Ex-officio-WCH)*

Ron Jones

Clay Kempf

\* Kathleen King *(CEO, Ex-officio)*

Gerald Kondo, DDS

Angie Martinez

Kathy Morgan-Martinez

Richard Otto

Barbara Palla, MD

Marc Pimentel *(City of Watsonville Appointee)*

Julio Porro, MD

Jorge Sanchez

Barbara Shingai

Michele Violich, MD *(Santa Cruz County Appointee)*

## Former Board Members

Sally Anderson

\* Margarita Arista

\* Sedric Cade *(Board Emeritus)*

\* Pedro Castillo

\* Daniel Dodge

Mike Flynn

\* Joe Gallagher, MD

\* Andrea Garcia

\* Rebecca Garcia

Tila Guerrero *(Ex-officio-WCH)*

\* Alene Guthmiller

Bill Hansen *(Ex-officio-WCH)*

\* Edison Jensen *(Founding Chair & Board Emeritus)*

Cheryl Keay

\* Rafael Lopez

Tom Macdonald

Chuck Maffia

Katie Mahan *(Ex-officio-WCH)*

Jaime Manriquez

\* Raquel Mariscal

\* Ralph Miljanich *(Board Emeritus)*

Lynn Miller *(Ex-officio-WCH)*

Ralph Ortiz, MD, *(Board Emeritus)*

Linda Perez

Carmen Alicia Robles

Eddie Rodriguez

Stuart Sakuma

Marcela Tavantzis *(Past Chair & Board Emeritus)*

\* George Wolfe, MD

\* Betsy Woolpert

\* Dania Torres Wong

\* Ann Wyckoff Carlos

\* Elia Vasquez

\* Phil Ybarra

Pam Zamani

\* *Founding Health Trust directors*

## Professional Foundation and Program Staff

A small but dedicated team of highly skilled professionals staff the Health Trust and Diabetes Health Center. These local individuals embrace the challenge of improving our community's health. They know the Pajaro Valley and understand its cultural diversity and deep roots in agriculture. Whether engaged in health care grant making, fundraising or providing diabetes services, our staff team members bring extraordinary talent and skill to the Health Trust every day.

Together with the Health Trust Board of Directors, they share a strong commitment to the vision and mission of the organization.

**Health Trust Vision** — *We are committed to a broad and inclusive approach to health care, addressing both the symptoms and root causes of the health care problems in our community. As a result, we envision a greater Pajaro Valley community where all people have the knowledge and resources they need to live healthy lives, where health problems are prevented, and where there is access to culturally competent health care.*

**Health Trust Mission** — *Our mission is to improve the health and quality of life for all people of the greater Pajaro Valley by supporting programs and activities that ensure access to a full array of high quality, culturally competent health care services which promote health, wellness and disease prevention.*

For more information on making a gift or bequest to the Health Trust, call (831) 761-5639.

## Health Trust Staff

Kathleen King, *CEO*

Steve Schuray, *Finance Director*

Kathleen McCarthy, *MPA, Program and Grants Manager*

Judy Sambrailo, *Director of Annual Giving and Special Events*

Alexis Dobbel, *Executive Assistant*

## Diabetes Health Center Staff

Raquel Ramírez Ruiz, *Director of the Diabetes Health Center*

Martha Quintana, *RN, BSN, Certified Diabetes Educator*

Jackie Thompson, *MS, RD, Certified Diabetes Educator*

Danielle Cook, *MS, RD, CNSD, Diabetes Educator*

Teresa Martinez, *Office Manager*

Aaron Quintana, *Program Assistant*



*L to R: Steve Schuray, Danielle Cook, Aaron Quintana, Teresa Martinez, Judy Sambrailo, Martha Quintana, Kathleen King, Jacqueline Thompson, Kathleen McCarthy. Not pictured: Alexis Dobbel and Raquel Ramírez Ruiz.*

## The Role of Fund Raising in Improving Health Care

When the Health Trust assumed responsibility for nurturing and growing the community's equity from the sale of the hospital in 1998, it was with the understanding that community support would come to play a critical role in realizing that goal. Once the dust settled from the sale of the hospital, we began to engage the community in our fund raising efforts. We wrote letters, held events and published heartfelt stories about some of the programs the Health Trust supports. We shared the details about the work these agencies do to teach local children and adults healthy living habits and to reduce the human suffering that is often present among those who lack access to health care services.

Over the years, we have seen a growing response in fund raising from the community as residents and businesses have learned more about the Health Trust's mission and the programs we support. Relying on the earnings from careful investment of our assets, and the support of many community donors, we are proud to report that the Health Trust has invested close to \$3.4 million in health care programs in our community since 1998.

Clearly the efforts of the past ten years have paid dividends for our community's health. However, new challenges emerge every day. The cost of health care is rising while the programs that exist to serve local health needs require continual nurturing and support. ***We believe it is our shared responsibility as a community to keep investing in better health care so that not only those we serve today will benefit, but those who follow as well.***

With this in mind, the Health Trust will continue striving to improve our foundation programs and services. Just as importantly, we

will expand our fundraising appeals to community residents from all walks of life, inviting all to give as generously as possible through one or more of the Health Trust's fund raising programs (visit [www.pvhealthtrust.org](http://www.pvhealthtrust.org) to learn more about ways to make a gift).

With your tax-deductible donations to the Health Trust's endowment and annual funds, we will increase our capacity to impact the quality of life and health for all Pajaro Valley residents for generations to come.

We urge you to join us in investing in the health care of our community.

*Photography: The Health Trust would like to offer warm thanks to **Dave Medal Photography** and the following agencies for providing and/or participating in the images in this report:*

*Dientes Community Dental Care  
Happy Tooth Program of Santa Cruz County  
Life Lab Science Program  
Pajaro Valley Children's Center  
Salud Para La Gente/Clinica De Valle De Pajaro  
Volunteer Centers of Santa Cruz County  
Watsonville High Health Academy*





*PAJARO VALLEY*  
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