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## Nonprofits merge to form state's largest children's agency

### FamiliesFirst and EMQ will serve 18,000 children and families

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Two nonprofits with a significant presence in the Sacramento region have merged to create the largest children's services agency in California.

FamiliesFirst Inc. of Davis merged with EMQ Children & Family Services in Campbell on Jan. 1. The new agency — called EMQ FamiliesFirst — serves about 18,000 people in 30 counties who are recovering from trauma, drug abuse and mental illness.

The new entity is based in Campbell, but administrative offices operated by FamiliesFirst in Davis will serve as a hub for business in the Sacramento region. The two companies expect that operating as a single entity will allow them to increase their reach and ability to grow while saving more than \$1 million a year in administrative costs.

"It makes sense because it pulls together two organizations that have been pioneers in providing services to vulnerable children and families," said Carroll Schroeder, executive director of the California Alliance of Children and Family Services. "Each organization brings a different piece to the puzzle and they will become a much stronger organization together."

No layoffs are expected as a direct result of the merger, which has been in the works for more than two years. The new entity has 1,400 employees, 415 in the Sacramento region.

EMQ's roots go back as far as 1867, and includes the Ming Quong Presbyterian Mission Home in San Francisco, the first U.S. charity to accept Chinese children.

Many years and several mergers later, the organization provides counseling, drug abuse prevention, foster care and mental health treatment. EMQ is credited with bringing "Wraparound" services to California, a family-focused philosophy of care in which staff works with public agencies to line up services that will keep families intact and safe in their own community.

"They put Wraparound on the map and created a revenue stream for it," Schroeder said.

FamiliesFirst started in 1974 with a small group home in Davis. It now provides a wide array of children's services,

### EMQ Children & Family Services

**Headquarters:** Campbell

**Work force:** 840

**Offices:** 13 from Sacramento to Los Angeles

**Annual budget:** \$72 million

### FamiliesFirst Inc.

**Headquarters:** Davis

**Work force:** 560

**Offices:** 10 from Sacramento south to Visalia

**Annual budget:** \$42 million

including mental health and social services, therapy, foster care and adoption services, residential treatment, a crisis nursery and a school.

"FamiliesFirst really pioneered foster family care in California," Schroeder said, "and took it up and down the valley and into the Bay Area."

The merger offers financial security to FamiliesFirst, which had challenges in years past. It gives EMQ a much larger presence in the Sacramento Valley and a large foster care program.

"The whole reason for the merger is to provide better service to children and families in California," said Jerry Doyle, chief executive officer at EMQ and the new entity.

"In this economy, a lot of people are losing their jobs and, along with their jobs, their health care coverage," he said. "The real challenge is to provide services at a time when the need is going up and the money is going down."

Conversations between the two organizations were initiated more than two years ago by Walter Grubbs, chief executive officer at FamiliesFirst.

"We saw tremendous opportunities to combine best practices and (avoid) spending extra money starting up new programs already in place at the other organization," he said.

The deal took so long because of regulatory hurdles and contracts with 30 counties. The annual savings will come from a leaner administrative structure.

"Because the merger dance has been so extended, we have been able to accommodate most of the cuts through vacancies and attrition," EMQ president Darrell Evora said. "The EMQ finance and human resource department started to support FamiliesFirst 18 months ago."

Grubbs, 61, will help with the transition and stay involved as a consultant and senior vice president, helping with fund development.

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