

Santa Cruz County Grand Jury



2008 - 2009

**Final Report
with Responses**



County of Santa Cruz

GRAND JURY

701 Ocean Street, Room 318-I
Santa Cruz, California 95060
(831) 454-2099

December 2009

Dear Citizens of Santa Cruz County:

The Grand Jury system has existed in every county of California since 1850. Our mandate is to examine local governmental agencies and effect change by producing findings and recommendations for areas of improvement. The Santa Cruz County Grand Jury is independent and confidential in its investigations and deliberations.

The 2008-2009 Grand Jury report focused on six areas of our county in an effort to assist public agencies and our city and county to operate more efficiently and, hopefully, economically. Following the release of the report, the entities identified in the report were required by law to respond to the findings and recommendations. The responses to the *2008-2009 Grand Jury Final Report* have been received and incorporated into the original document.

The Grand Jury wishes to express gratitude to all who have given of their energy and taken responsibility to help make local government more responsive and efficient in its service to the citizens of the county of Santa Cruz.

Sincerely,

Lorna Horton
Foreperson
2009-2010 Grand Jury of Santa Cruz County



County of Santa Cruz

GRAND JURY
701 OCEAN STREET, ROOM 318-I
Santa Cruz, Ca 95060
(831) 454-2099

June 25, 2009

Dear Reader,

Nineteen of your fellow Santa Cruz County residents have spent the past year and thousands of hours studying, investigating, researching and writing this report. Each of the jurors brings a wealth of training and personal experience to the task. Three jurors are completing two years of service, having chosen to hold over from the 2007-2008 panel.

We have written reports on six areas of our county in an effort to assist public agencies and our city and county governments to operate more efficiently and, hopefully, economically. The report is provided to the public in the hope that others will join in our efforts to improve the work of these agencies.

The Civil Grand Jury has only the authority to bring issues to the attention of the citizens and the media. Some of the information will praise an agency for a job well done. Other information will help an agency or department do a better job. Each of these city or county departments and other agencies is required by law to respond to the report findings and recommendations if the Jury requests a response. The report will be published again early in 2010 with those responses included.

It is possible that you have filed a complaint with the Civil Grand Jury that is not covered in this report. We were not able to explore all of the issues presented to us, not even all the issues we wanted to cover. We considered close to fifty issues, and had to limit our research to just a few. You are welcome to address next year's Grand Jury with concerns you have. The next Jury will be empanelled from July 1, 2009, to June 30, 2010. They will be glad to receive your suggestions and concerns.

We on this year's Grand Jury urge each citizen to consider saying yes when invited to serve on the Grand Jury. It is a significant commitment of time for a year, but it is very rewarding and a wonderful investment of your time and talents.

For more information on the Grand Jury, including complaint forms and past reports, please go to www.co.santa-cruz.ca.us/grandjury.

On behalf of the other eighteen members,

A handwritten signature in cursive script that reads "Clyde R. Vaughn".

Clyde Vaughn
Foreperson, 2008-2009 Grand Jury

Table of Contents

Introduction	iii
Grand Jurors	v
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Alcohol, A Drug of Choice for Scotts Valley Teens	1
For Everything Else There's CAL-Card	27
Information Services Department – Stagnation or Migration?	39
A Tale of a SERP	47
What's in Store for Stores?	57
Who is Watching Our Special Districts?	63
<hr/>	
Instructions for Respondents	73

Introduction

Two Types of Grand Juries in Santa Cruz County

Although when they hear the term “Grand Jury” most people think of a criminal Grand Jury that issues indictments, there is a second, less familiar type of Grand Jury found in all California counties. The regular, or civil, Grand Jury is an investigative body composed of nineteen members that serve for one year. This jury is not involved with trials but instead serves as a watchdog over local government and other tax-supported entities.

Santa Cruz County impanels both a criminal and civil Grand Jury.

Duties and Powers of the Civil Grand Jury

The civil Grand Jury has three primary functions:

- To randomly audit local governmental agencies and officials.
- To investigate citizens' complaints.
- To publish its investigative findings and recommendations.

The civil Grand Jury investigates local government agencies and officials to evaluate if they are acting properly. The jury summarizes its findings and makes recommendations in a public report, completed at the end of its year-long term. Government agencies or elected officials discussed in the report are generally obligated by law to formally and publicly respond.

Citizens may submit complaints directly to the Grand Jury requesting that it investigate what they perceive as wrongdoing by a public agency or official. The jury determines which of the complaints it receives to examine, considering the type of complaint and weighing the resources needed to conduct the investigation.

Complaint forms are available at the address and website shown below.

Santa Cruz County Grand Jury
701 Ocean Street, Room 318-I
Santa Cruz, CA 95060

Telephone: (831) 454-2099

FAX: (831) 454-3387

Email: grandjury@co.santa-cruz.ca.us

Website: <http://www.co.santa-cruz.ca.us/grandjury>

2008 – 2009 Grand Jurors



Front row, left to right: Mary Bergthold
Patricia Ihrig
Patricia Fink
Kitty Hawker
Diana Peters

Second row, left to right: Clyde Vaughn
Helene Isherwood
Barbara Robinson
Amaya Swanson
Lorna Horton
Richard Perez

Third row, left to right: James Sibley
Peter Willis
Doug Colacicco

Back row, left to right: James Bates
Sylvia Kusanovich
Jackie Davis
Joe Hutchins
Robert O'Brien

Alcohol, A Drug of Choice for Scotts Valley Teens

Summary

Alcohol is reported to be the number one drug of choice among the nation's youth. Local and county statistics mirror the national trend and confirm that binge drinking among youth in Santa Cruz County is at an alarmingly high rate. The County ranked sixth highest in the state for student use of alcohol in 2003. With underage alcohol use threatening the wellness of teens, the Grand Jury decided to investigate a local school district to determine student alcohol usage as well as the district's approach to intervention and prevention programs.

To determine which district to study, student wellness statistics for all kindergarten through twelfth grade school districts in Santa Cruz County were analyzed. As a result, Scotts Valley Unified School District (SVUSD) was selected as the subject of the investigation.

Statistics related to SVUSD indicated that teen alcohol use is among the highest in the County. The district currently has limited intervention and prevention resources for students and uses suspension and expulsion to deter teen drinking. Although the school system is not responsible for the social problem of teen drinking, it is imperative that SVUSD step in and develop preventive solutions rather than impose punitive measures after the fact. The Grand Jury found that Santa Cruz County has a variety of prevention and intervention programs to reduce the use of alcohol and drugs among teens. The intent of this report is to encourage SVUSD to join forces with students, parents, city leaders, and county and local agencies to become aware of the problem, own the problem, and develop tools to resolve the problem of teen drinking.

Definitions

Evidence-based Strategies: Procedures that are supported by systematic research using scientific methods to evaluate which approaches are most effective.

Binge Drinking: A pattern of drinking alcohol that brings blood alcohol concentration to 0.08 percent or above. This pattern corresponds to consuming 5 or more drinks for males, or 4 or more drinks for females, in about 2 hours.

Pertinent Laws and Policies

California Healthy Kids Survey (CHKS): The California Department of Education requires school districts to administer the California Healthy Kids Survey every two years starting in fifth grade, and to use the information for local planning and evaluation. The CHKS gathers information on behaviors such as physical activity and nutritional habits; alcohol, tobacco, and other drug use; school safety; and environmental and individual strengths.

California Physical Fitness Test: An annual physical fitness test that state law requires school districts to administer to all fifth, seventh, and ninth graders. The test designated for California public school students is the FITNESSGRAM, developed by The Cooper

Institute. It assesses six major fitness areas, including aerobic capacity (cardiovascular endurance), body composition (percentage of body fat), abdominal strength and endurance, trunk strength and flexibility, upper body strength and endurance, and overall flexibility. The goal of the program is to educate students about physical fitness concepts to increase the likelihood students will adopt lifetime patterns of physical activity.

SVUSD Board Policy 5030 (a-e) Student Wellness: A protocol to address the goals of nutritional education, and physical activity as a means of promoting student wellness. The federal Child Nutrition and Women, Infant, and Children (WIC) Reauthorization Act of 2004 (PL 108-265) includes a provision requiring all school districts participating in any federally-funded child nutrition program to establish a locally developed school wellness policy by the beginning of 2006-2007 school year.

SVUSD Board Policy 5131.6 (a-d) and Administrative Regulation 5131.6 (a-b) – Alcohol and Other Drugs: The board policy stipulates “The Superintendent or designee shall develop, implement, and evaluate a comprehensive prevention and intervention program that is coordinated with other school and community-based services and programs. The district’s programs shall be scientifically based and designed to prevent or reduce alcohol or other drug use and the possession and distribution of illegal drugs. It shall include primary prevention activities such as decision-making skills and conflict management, instruction, referral to a rehabilitation program, enforcement/discipline, activities that promote the involvement of parents/guardians, and coordination with appropriate community agencies and organizations.”

SVUSD Board Policy 5144.1 (a-d) and Administrative Regulation 5144.1 (a-u) – Suspension and Expulsion/Due Process: The policy establishes policies and standards of behavior to promote learning and protect the safety and well-being of all students. Students may be suspended or expelled if the policies and standards are violated. The Board of Education has adopted a zero-tolerance approach to serious offenses in accordance with state and federal law. This approach makes the removal of potentially dangerous students from the classroom a top priority and ensures the standardized treatment of all students. Student due-process rights under the law are specified.

Zero-Tolerance Clause: A provision stipulating that any infraction of existing regulations, regardless of mistakes, ignorance, or even extenuating circumstances, will be met with full punishment.

Community Organizations Focused on Alcohol and Drug Use

Too Good for Drugs: A school-based prevention program designed to reduce risk factors and enhance protective factors related to alcohol, tobacco, and other drug use among students. It offers a separate, developmentally-appropriate curriculum for each grade level. Each curriculum builds on earlier grade levels, an instructional design which enables students to learn important skills sequentially and retain them year after year.

Together for Youth Collaborative/Unidos Para Nuestros Jovenes: A countywide alcohol and drug collaborative that meets monthly and is staffed by United Way of Santa Cruz County. Representatives from law enforcement, health services, youth-serving agencies, treatment and prevention services, probation, community-based organizations, businesses, the faith community, school staff, and local policy makers meet to analyze,

discuss, and take positions and action on issues directly related to drug and alcohol use among Santa Cruz County youth.

Communities Mobilizing for Change on Alcohol: The federal Substance Abuse and Mental Health Services Administration promotes this program that uses a community approach to change local institutional policies to reduce youth access to alcohol. The seven stages of the program can be used to develop and introduce prevention and intervention strategies.

Community United to Reduce Bingeing (Project CURB): A program led by Together for Youth/Unidos Para Nuestros Jovenes, a United Way of Santa Cruz County led initiative. Project CURB works to reduce binge and underage drinking with prevention strategies that include raising community awareness, limiting access to alcohol, creating policy, and norm changes in the community.

Responsible Alcohol Merchant Awards: Designed to honor businesses that have demonstrated a commitment to combating the growing problem of underage drinking in the community. These merchants are rewarded for proactively using employee training programs and exemplary management policies to combat the sale of alcohol to people under 21.

Seven Challenges: A curriculum Santa Cruz City Schools has implemented to intervene with teens that have violations for alcohol and drug use. The school district works in partnership with Youth Services and county Alcohol and Drug Services. The five-week program uses group dialog and journal writing to help young people explore and understand how alcohol and drugs affect their lives. It gives young people an opportunity to scrutinize the benefits and harm from their substance use, and to reflect on their decisions. The program is optional and allows participating students to return to the classroom instead of being suspended.

Friday Night Live: A high school chapter program that builds partnerships for positive and healthy youth development and engages youth as active leaders and resources in their communities. Chapters include an adult advisor and high school students and meet on high school campuses. There is also a middle school /junior high program called Club Live.

Teen Peer Court: A program developed as part of Santa Cruz County juvenile justice system to divert first-offenders from the more formal Juvenile Court. High school students convene as a court and determine the appropriate judgment for each case referred from the county Probation Department and School Resource Officers. These are real cases. Teens have admitted the underlying offense and have elected to be judged by their peers.

Real DUI Court in School: A program offered by Santa Cruz County Office of Education to emphasize to students the consequences, both short and long term, of driving under the influence (DUI). The sentencing portion takes place in an actual courtroom set up at the school site where authentic DUI cases of young adults are adjudicated. Presentations incorporate youth DUI offenders being sentenced by a judicial officer; a young adult testimonial presenter; youth presenters; and a question and answer session with legal participants and testimonial speakers.

Background

In 2004, federal and state legislation and regulations were enacted to help shape the policies and procedures developed by school districts to improve student wellness. The legislation primarily addressed nutritional education and physical activity. However, the intent of the legislation was to encourage the development of policies and practices related to student wellness that reflect the unique needs of students in each district in an effort to foster healthy student behaviors and achievement. Student wellness encompasses many health issues including alcohol, tobacco, drugs, bullying, violent behaviors, and lack of meaningful involvement in school.

Facts gathered on student attitudes and behaviors about drinking confirm the findings of local law enforcement and county health officials. The 2007 Youth Survey conducted by the County of Santa Cruz Health Services Agency Alcohol and Drug Program Division and the United Way stated, “Alcohol remains the top drug of choice for youth both nationally and locally, and is reported as a leading cause of death among teens. Alcohol is one of the most common contributors to injury, homicides, suicide, sexual assaults, date rape, and other criminal behavior among youth.” National, state, and local surveys show that binge drinking rates have increased substantially in recent years.”

The 2007 Youth Survey also confirmed that national, state, and local surveys show that binge drinking rates have increased in recent years. Teen binge drinking in Santa Cruz County is at a high level with 70 to 80 percent of students living in Felton and Scotts Valley reporting binge drinking over the past year. Sixty to 70 percent in Ben Lomond and Soquel as well as 50 to 60 percent of youth in parts of Aptos, Santa Cruz, Capitola, and Watsonville reported binge drinking during the past 12 months. In addition, the Santa Cruz Sentinel newspaper in February 26, 2009 reported, “A study found that 70% of eleventh graders drank alcohol and 46% have smoked marijuana in their lifetimes.”

The County of Santa Cruz Health Services Agency Alcohol and Drug Program thoroughly studied the teenage drinking problem in the County and has developed a variety of effective evidence-based prevention services to reduce alcohol and drug use among youth. The programs have been successfully used in various districts throughout the county. However, SVUSD has been reluctant to move from familiar traditional punitive interventions.

Scope of the Project

In determining the district to study, the Grand Jury established parameters to guide the selection process. Many districts in Santa Cruz County are either elementary districts or high school districts. The county has four unified districts that service kindergarten through twelfth grade (K-12) students. The selection of a K-12 unified school district that was small to medium in size was ideal for determining the impact and effects of a student wellness program from elementary through high school. The study also needed to focus on a district that had a significant number of students using alcohol as reported by statistics.

SVUSD was chosen for the investigation because it represents a kindergarten through twelfth grade system of approximately 2,650 students. The investigation was designed to evaluate the district’s student wellness policies, plans, and programs to address the

unique needs of students in the district as determined by state and local assessment trends. The following areas were the focus of the investigation:

- Student results from the California Healthy Kid’s Survey and other measures
- District board policies and their implementation
- School prevention and intervention programs and practices
- Alcohol and drug intervention and prevention resources within and outside the district

Findings

1. CHKS analysis, as reported in the chart below, shows that the number of SVUSD fifth graders who ever used alcohol had increased by 15 percentage points in less than three years. The findings also indicate that fewer fifth graders had the perception that alcohol is bad in 2007 compared to 2004.

**California Healthy Kids Survey Data for SVUSD
Percentages for Fall 2004 and Spring 2007 for Students in Grades 5**

SVUSD Fifth Grade CA Healthy Kids Survey	Fall 2004	Spring 2007
Ever used alcohol	25%	40%
Perception Alcohol is Bad	74%	48%

No Response Required

2. The CHKS analysis for SVUSD seventh, ninth, and eleventh graders is reported in the chart below. The statistics indicate that using alcohol once in life, during the last 30 days, and being drunk at school had slightly increased from 2004 to 2007. In 2007, fifty percent of eleventh grade students reported being sick from using alcohol as compared to 41 percent in 2004. However, the perception that alcohol is bad remains high through the surveyed years.

**California Healthy Kids Survey Data for SVUSD
Percentages for Fall 2004 and Spring 2007 for Students in Grades 7, 9, and 11**

	Grade 7	Grade 7	Grade 9	Grade 9	Grade 11	Grade 11
CHKS	Fall 2004	Spring 2007	Fall 2004	Spring 2007	Fall 2004	Spring 2007
Once in life	12%	14%	37%	36%	61%	65%
Last 30 days	5%	11%	18%	22%	35%	38%
Drunk-school	1%	1%	9%	13%	18%	22%
Sick – alcohol	3%	5%	19%	22%	41%	50%
Binge 30 days	2%	2%	9%	12%	20%	22%
Alcohol is Bad	94%	95%	89%	95%	93%	91%

No Response Required

3. Community agencies administered the 2007 Youth Survey that confirmed the CHKS findings. Scotts Valley teens were included in the surveys. The results indicated that county teens and families demonstrated high cultural acceptance of alcohol and drugs and that many parents believe alcohol is not a problem. Findings included:
 - Students have easy access to alcohol and other drugs from social and commercial sources.
 - Santa Cruz County ranked sixth highest out of 58 counties in the state for binge drinking.
 - Seventy-three percent of youth report receiving alcohol from adults they know.
 - Sixty-six percent of adults believe parental intervention would have no impact on alcohol consumption by underage youth.
 - When high-risk youth are suspended or expelled for using alcohol, they do not receive any intervention services.

No Response Required

4. From elementary to high school, SVUSD site administrators reported that they review CHKS results and measure its accuracy compared to actual student issues and performance that they observe and handle on a daily basis. At the elementary and middle schools, the CHKS information is evaluated against actual student behaviors on campus to determine the validity of student answers. If there is a discrepancy between the CHKS survey and experience, the information in question is included in the annual site survey administered by the school.

No Response Required

5. Administrators at the high school review the CHKS findings. However the administration does not make the information available to staff members who work closest to students. These staff members were not involved in prevention and intervention planning.

Response: Scotts Valley Unified School District – DISAGREES

On March 5, 2008, a training in recognizing symptoms of teen drug use was provided to the staff of Scotts Valley High School, with participation required of all personnel. The training included trends in teen drug use and a presentation and discussion of the findings from the 2007 California Healthy Kids Survey. In addition, the results of the CHKS are discussed and considered at all school sites, including the high school, in the development of the sites' School Safety Plan and the Single Plan for Student Achievement.

6. District and site administrators were asked if they thought the CHKS information was a reliable assessment of student alcohol use. All site administrators agreed that alcohol usage is a problem and that the statistics were important in identifying student perceptions and trends. However district administration did not believe the CHKS results were relevant and should not be used to determine if an issue is important or not. District officials felt the data was unreliable because the children taking the survey did not need the results for grades or for themselves; therefore they were not honest in their answers. Further, district administration believes teen alcohol use is a “community problem” which needs to be resolved by the community rather than the district.

Response: Scotts Valley Unified School District – DISAGREES

This summary by the Grand Jury does not accurately reflect the opinion of district administration or the comments district administrators made to Grand Jury members. The administration does recognize that students use alcohol, that it is a community problem, and that schools are an essential partner in the community response to the problem. The administration recognizes the importance of data provided by the CHKS, and makes use of survey findings in assessing needs and developing student services. Research shows that in anonymous, confidential surveys (like the CHKS) there is a high degree of validity in student answers—even with sensitive questions (O’Malley, Johnston, Bachman & Schulenberg, 2002). A few students may under-report any given behavior, but there are also those who will over-report instead, resulting in a balancing out. However, the introduction of WestEd’s Technical Report of the CHKS data stresses the need to utilize multiple sources of information: “It is important to interpret these results with caution. Results can be significantly impacted by response rates, the type of parental consent used (passive or active), gender differences, regional variations and other issues.... The CHKS is only one of many data sources.” Other data include information from law enforcement, counseling and intervention professionals, parents and students. District personnel analyze CHKS data, discuss it with staff, and provide instruction and appropriate interventions to lessen risky student behaviors, including use of alcohol, based in part on CHKS responses.

7. SVUSD Board Policy 5030 (a-e) Student Wellness was adopted on April 22, 2008. As required by law, a Health and Wellness Committee was formed to create the policy and present it to the board for approval. Agendas and attendance documents were provided but minutes of the meeting were not available. The wellness policy focuses primarily on nutrition and physical activity. Other factors such as alcohol and drug intervention and prevention are not mentioned in the policy.

Response: Scotts Valley Unified School District - AGREES

“Other factors such as alcohol and drug intervention and prevention” are addressed in Board Policy 5131.6 (a-d), provided to the Grand Jury during their investigation and acknowledged by the Grand Jury in Finding # 8, immediately below.

8. SVUSD Board Policy 5131.6 (a-d) and Administrative Regulation 5131.6 (a-b) clearly define a comprehensive process for developing district programs related to alcohol and other drugs, but the Jury found no evidence that substantiates the existence of a district-developed comprehensive program to comply with Board Policy 5131.6.

Response: Scotts Valley Unified School District – DISAGREES

The Policy is as described. Information and documentation were provided to the Grand Jury in November, 2008, at both the district and site levels to show the existence of a comprehensive program to comply with Board Policy. The heart of the program is a research-based program, Too Good For Drugs (TGFD), taught to all students in kindergarten through ninth grade. This program is supplemented by resiliency-themed lessons in literature in all grades and supported in science and physical education classes at all sites, where students learn the physiological consequences of drug and alcohol abuse. Mandatory assemblies for all students and staff at the secondary sites center around the dangers of drug and alcohol use; presenters include students and staff, community members, and officers from the Scotts Valley Police Department and the California Highway Patrol. Additional interventions and supports for individual students and groups are provided by counselors at all levels and by a Youth Services Counselor at the secondary level funded jointly by the district and the Scotts Valley Rotary Club. The Scotts Valley Police Department provides DARE training for fifth grade students. City and county agencies provide regular assemblies to make students aware of the consequences of risky behaviors.

9. SVUSD introduced revised Board Policy 5144.1 (a-d) Suspension and Expulsion/Due Process in April 2007. The policy has a zero-tolerance clause that was intended to help eliminate the lax attitude toward alcohol and drug usage by students. Under this policy first-time alcohol or drug offenders are suspended for five days. Students who violate the policy twice are recommended for expulsion. Parents are contacted and the police may be involved depending upon the circumstances. When a suspended student returns to school, at least one counseling session is mandatory. A voluntary eight-week after-school program is available. Some school personnel voiced the opinion that the zero-tolerance approach was very punitive and that the school district did not have many alternatives to suspension/expulsion.

Response: Scotts Valley Unified School District – PARTIALLY DISAGREES

The zero tolerance approach as defined in BP 5144.1 applies explicitly to “serious offenses in accordance with state and federal law. This approach makes the removal of potentially dangerous students from the classroom a top priority....” The district has a zero-tolerance policy with regard to drug use only in that students found using drugs on campus are suspended. It is the philosophy of the district that drug-free campuses are critical to students’ safety and learning. Participation in the eight-week counseling program is not voluntary; this program is a requirement for students suspended for drug use. The program is also available on a volunteer basis for

students who self-refer or who are referred by their parents to participate in drug use counseling. It should also be noted that the California Education Code requires the recommendation of expulsion and/or allows suspension/expulsion for a number of drug and alcohol related offenses. As noted in the Scotts Valley High School Student Handbook, all students are made aware of these offenses and the consequences for committing them.

10. Scotts Valley City Council adopted a Social Host Ordinance in November 2008. The ordinance allows law enforcement to hold accountable the host of a gathering where alcohol is served to, consumed by, or in possession of minors. Fines for hosting such gatherings can range from \$250 to \$1,000 in a twelve month period.

Response: Scotts Valley Police Department – AGREES

11. Scotts Valley Police Department no longer provides a School Resource Officer (SRO) on the high school campus. The role of the SRO is to deter crime activity on campus and be accessible to students to create a positive relationship as well as act as a mentor. District and site officials stated that they would like to have a law enforcement officer return to the high school campus.

Response: Scotts Valley Police Department – AGREES

Response: Scotts Valley Unified School District – PARTIALLY AGREES

The school district remains firmly supportive of returning an SRO at the high school campus. This important position was funded by the district through use of categorical and grant funds. The SRO was eliminated due to understaffing at the Police Department, and school district resources for the position were redirected to pay for campus supervisors. The district is in ongoing communication with the Police Department and will work to reestablish the SRO position as soon as police staffing allows.

12. SVHS school officials indicated that the lack of surveillance cameras at the high school limits the ability to detect student alcohol use on campus. Instead, the school uses the following methods to curtail the use of alcohol and drugs on campus:
- Three aides supervise the campus and parking lots.
 - The principal and assistant principal assist with supervision.
 - The campus is closed during school to prevent students from leaving campus.
 - Students have no lockers.
 - Five breathalyzers are used to monitor students at special events such as dances.

Response: Scotts Valley Unified School District – PARTIALLY AGREES

While the methods currently in place to curtail alcohol use on campus may not be as effective as surveillance cameras, they nevertheless demonstrate the district's commitment to make the best use of existing resources. The most recent data from the CHKS show that although 25% of Scotts Valley 9th graders and 36% of 11th graders have used alcohol in the past month, only 5% of 9th graders and 1% of 11th graders report using alcohol on school property during that time. The district intends to continue to aggressively monitor and deter student alcohol and other drug use on campus.

13. County of Santa Cruz Health Services Agency Alcohol and Drug Services personnel indicated that when high-risk youth who use alcohol are suspended or expelled they receive minimal prevention services. Therefore the County has implemented alternatives to suspension and expulsion that have reaped more favorable results. For example, the Seven Challenges program introduced in Santa Cruz City Schools is a reduction-of-suspension option that allows students an early return to the classroom by participation in the program. The program keeps students attending school and engaged in academic work. In addition, the district can claim average daily attendance funding for those students rather than lose the funding when students are suspended.

Response: Scotts Valley Unified School District – PARTIALLY DISAGREES

As stated in the response to Findings #8 and #9 above, Scotts Valley High does have a program that provides prevention services to reduce at-risk behaviors that might lead to suspensions and expulsions, as well as an intervention program for students suspended for alcohol or other drug use. This program, Assessment. Information. Management (AIM), is provided by Youth Services. AIM is an eight-week program similar to the Seven Challenges program mentioned above that teaches student about abuse, addiction and dependence, and increases their awareness of the physical, emotional and social risks and consequences of using alcohol and drugs. Additional information about the program is attached (Attachment A, pages 25 and 26 of this report). SVUSD does not provide an “in-house suspension” option similar to that provided by the County to the Santa Cruz School District due to lack of resources and the low rate of student suspensions compared to other districts in the county. The high school has instituted other county programs, however, including Teen Peer Court and Real DUI Court in School (including an evening Town Hall Community meeting). Students have participated individually or as an entire student body, as appropriate to the activity.

14. SVHS students who have been suspended for alcohol or drug use can meet with a certified counselor two days a week for individual sessions and after-school group sessions. The counselor is only required to see students who have been suspended. All other counseling is voluntary on the student's part. The Scotts Valley Rotary Club sponsors the counseling program.

Response: Scotts Valley Unified School District – DISAGREES

Students who have been suspended on drug-related charges MUST attend the Rotary Club sponsored sessions offered by the Youth Services counselor. Other students MAY attend the sessions through parents, staff or self referral.

15. The elementary schools no longer have a district-hired counselor. The position was eliminated as part of a budget reduction during the 2007-2008 school year. Administrators and staff have assumed many of the duties of the counselor and each elementary school has an intern from John F. Kennedy University to provide counseling for twelve students each week. Site administrators believe having a counselor is important because it is easier for students to speak honestly to a third party, rather than to teachers or the principal.

Response: Scotts Valley Unified School District – PARTIALLY AGREES

Counselors provide important services to students and are provided and funded by the district as described above. Site administrators believe having a counselor is important not necessarily “because it is easier for students to speak honestly to a third party” but because counselors have specialized training to meet severe social/emotional needs and have more time to spend with the students in a counseling capacity than do administrators or classroom teachers.

16. SVHS administrators stated that they have not implemented peer counseling and conflict resolution programs that engage students in problem solving and decision making.

Response: Scotts Valley Unified School District – PARTIALLY AGREES

Instruction on strategies for positive social relationships and conflict resolution are part of the curriculum throughout the grade levels; specific lessons are part of the Too Good For Drugs curriculum. Additional peer counseling training has not been provided at the secondary sites in part because of limited resources.

17. The SVUSD leaves the implementation of alcohol and drug programs primarily to site administration and as a result, programs offered vary widely throughout the district. The suspension/expulsion policy is one of the few district-wide strategies to address alcohol and drug use among students. Per district officials, other priorities such as student achievement, special education, and budgetary challenges take precedence over the development of prevention and intervention programs.

Response: Scotts Valley Unified School District – DISAGREES

SVUSD provides a district-wide alcohol and drug abuse prevention program, as described above. Suspension and expulsion are a necessary component to ensure the safety of all students and promote a campus environment conducive to learning. The district recognizes that preventing alcohol and drug use is itself a critical element in advancing student achievement. While the district does face unprecedented budgetary

challenges, it continues to demonstrate its commitment to alcohol and other drug prevention and intervention.

18. SVUSD elementary and middle schools have a variety of programs in place to address alcohol and drug use. The activities are based at schools and include programs that address self esteem, empowerment, resilience, learning styles, and conflict resolution. The district-adopted curriculum *Too Good for Drugs* is used at all levels.

No Response Required

19. The high school offers a ninth -grade health class that addresses drug and alcohol issues. The course incorporates the *Too Good for Drugs* curriculum and other resources provided by the teacher. *Too Good for Drugs* has three core components: one curriculum for ninth and tenth- grade students, another for eleventh and twelfth-grade students, and staff development for educators.

Response: Scotts Valley Unified School District – AGREES

20. County of Santa Cruz Health Services Agency Alcohol and Drug Program, the United Way, and Santa Cruz County Office of Education have a variety of programs available to districts throughout the county to assist with curbing teen alcohol use. The County has actively solicited districts to participate in evidence-based programs, many of which are offered through grant funds. Programs include: Communities Mobilizing for Change on Alcohol, Seven Challenges, Responsible Alcohol Merchant Awards, Friday Night Live, Project CURB, Teen Peer Court and Town Hall Meetings.

No Response Required

21. Santa Cruz City Schools district is currently implementing the Seven Challenges program at Santa Cruz High School and is expanding the program to all other high schools in the district next year.

No Response Required

22. Districts throughout the county have the opportunity to participate in the Together for Youth Collaborative.

No Response Required

23. The Scotts Valley Police Department provides Drug Abuse Resistance Education (D.A.R.E.) to the elementary, middle and high school students in SVUSD. The program is taught by a police officer and provides a series of classroom lessons that

teach student how to resist peer pressure and live productive, drug-free and violence-free lives. In addition, the police department sponsors Red Ribbon Week held the last week of October. The Red Ribbon Week campaign asks students to pledge a drug free life through drug education and prevention activities.

Response: Scotts Valley Police Department – PARTIALLY AGREES

The Scotts Valley Police Department provides D.A.R.E. instruction to Elementary and Middle School Students, but not high school students. The Scotts Valley Police Department does provide a Lieutenant who teaches a Regional Occupation Program (R.O.P.) criminal justice class at Scotts Valley High School.

24. At the time of the interviews, high school administrators and staff members were unfamiliar with programs and services within the County that assist with prevention and intervention of alcohol and drug use among students. Since the Grand Jury’s interview with the administration at Scotts Valley High School (SVHS), two DUI sentencing hearings were held on campus.

Response: Scotts Valley Unified School District – PARTIALLY AGREES

The staff were not fully aware of all programs available through county agencies; however, staff are familiar with, and make use of, many programs available through outside agencies. Staff have contacted agencies noted in the Grand Jury report to request information about resources available to the district. In addition to the two DUI sentencing hearings, which were scheduled prior to the Grand Jury interview, a Town Hall meeting was held for parents on the subject of teen alcohol abuse in cooperation with law enforcement and other non-profit agencies. Students participate in Peer Court and Friday Night Live activities.

25. San Lorenzo Valley Unified School District recently held a town hall meeting for parents about teen alcohol abuse on February 26, 2009. County of Santa Cruz Health Services Agency Alcohol and Drug Program sponsored the event.

No Response Required

26. A Santa Cruz County Superior Court Judge, the Mayor of Scotts Valley, the Chief of Police of Scotts Valley, the Santa Cruz County Office of Education, the County of Santa Cruz Health Services Agency Alcohol and Drug Program, and approximately fifteen parents, students, and staff attended a Town Hall meeting on April 28, 2009 at SVHS.

No Response Required

27. Student leaders facilitated the town hall meeting and presented recent student responses on the Scotts Valley Youth Survey administered in April 2009 at SVHS. Highlights from the study indicate the following:

- 52.1% of youth ages 14-18 get access to alcohol fairly easily.
- 46.9% get alcohol from friends over 21.
- 31.6% get alcohol from home without parental knowledge.
- 56.2% drink alcohol at parties without parent/adults in the home.
- 44.7% believe alcohol helps them feel comfortable in social situations.
- 41.5% state alcohol is used to relieve boredom.
- 38% state alcohol makes it easier to deal with stress or to relax.

No Response Required

Conclusions

1. Although SVUSD is not responsible for student drinking and the social problems connected with alcohol, students in the district would benefit greatly if chief officials of SVUSD would champion the areas of prevention and intervention of alcohol and drug usage among teens. By acknowledging the problem and joining forces with other agencies, the district could give students tools to curb life-threatening teen drinking.
2. The Student Wellness policy addresses the letter of the law by focusing on nutrition and physical activity. However, the policy does not address other health issues such as alcohol abuse that threaten the wellness of students.
3. SVUSD has a board policy on alcohol and other drugs that clearly defines the parameters for a comprehensive plan for prevention and intervention. However, the district has not coordinated the development of the plan as outlined in the policy.
4. The district's use of suspension and expulsion as a primary intervention for student alcohol use is ineffective and does not provide enough support for students to change behaviors and make healthy decisions. The zero-tolerance policy does not solve the problem of alcohol abuse among the students in Scotts Valley and does not have long-term impact on prevention. More positive approaches to prevention are being utilized in the county, including the Seven Challenges program in Santa Cruz City Schools which is gaining popularity and is a win-win for districts and students.
5. SVHS has implemented very few prevention and intervention programs to educate students on the dangers of alcohol and drug use.
6. The School Resource Officer provided by the police department was a valuable asset to the high school campus.
7. Elementary and middle school administrators in SVUSD have appropriately addressed the needs of students and introduced programs to deal with the many facets of student wellness.

8. Despite efforts to use other resources at the elementary level to fill in for a district-hired counselor, there continues to be a void. Interventions with troubled students would be enhanced by having a staff counselor.
9. High school staff members who work directly with students during health classes and after alcohol and drug violations are familiar with the pressures that students face with reference to alcohol and drug usage. Although they are on the front line of working with students, they are not familiar with the CHKS responses for Scotts Valley students and they are not part of a school-coordinated team to plan and implement programs to prevent alcohol and drug abuse.
10. SVHS tenth through twelfth grade students would benefit from the *Too Good for Drugs* curriculum.
11. Student resourcefulness and leadership could be tapped by instituting problem-solving programs such as peer counseling and conflict resolution.
12. SVUSD and SVHS personnel have been reluctant to participate in county-offered programs and activities.

Recommendations

1. SVUSD officials should provide leadership, direction, and support to schools, parents, students, and community to launch a united effort aimed at reducing the life-threatening behaviors associated with teen drinking.

Response: Scotts Valley Unified School District – HAS BEEN IMPLEMENTED

As demonstrated in the responses above, the district has taken the lead in coordinating support from law enforcement, non-profit agencies and the business community to respond to this community-wide problem.

2. SVUSD should develop a better understanding of the reliability and relevance of CHKS information. In addition, an analysis of the county, state, and national trends would add a broader perspective from which to view the magnitude of the teen drinking problem in the district. CHKS results from county organizations should be available for review by teachers, counselors, parents, and students.

Response: Scotts Valley Unified School District – HAS BEEN IMPLEMENTED

The district disagrees that it lacks “understanding of the reliability and relevance of the CHKS information.” District personnel have worked with the County Office of Education to implement the survey and plan for county-wide analysis and press conferences to increase public awareness of the key findings. Administrators review district-level CHKS data, discuss it with staff, use the data when developing the site safety plans, and provide instruction and appropriate interventions to lessen risky student behaviors, including use of alcohol. This includes a comparison to county and state data, as provided in the reports received from WestEd, Ind. SVUSD was the first school district in Santa Cruz County to share the CHKS results in public with the Board of Trustees. CHKS results continue to be presented to the public at a

regularly scheduled meeting of the Board following the receipt of the aggregated data. Data are presented by principals to their site staffs and are a basis for development of each site’s school safety plan and, as such, are reviewed by each site’s School Site Council made up of parents, staff and students.

3. The student wellness policy in SVUSD should be expanded to include other health-related issues such as intervention and prevention of alcohol and drug use among Scotts Valley students.

Response: Scotts Valley Unified School District – WILL NOT BE IMPLEMENTED

“The intervention and prevention of alcohol and drug use among Scotts Valley students” is already thoroughly addressed in Board Policy 5131.6 (a-d) Alcohol and Other Drugs and accompanying Administrative Regulations. The Student Wellness Policy BP 5030 specifically cites BP 5131.6 as an essential component. The district follows the policy recommendations of the California School Boards Association by adopting the two policies separately, as do most school districts in the state.

4. The SVUSD Board of Education should acknowledge the alcohol problem among teens and prioritize the development of a comprehensive plan as stipulated in Board Policy and Regulations 5131 (a-d) Alcohol and Other Drugs. The plan should incorporate proven evidence-based strategies that provide assistance to students with alcohol and drug problems. A coalition of school staff, parents, students, and outside agencies should be organized to develop and monitor the comprehensive plan.

Response: Scotts Valley Unified School District – HAS BEEN IMPLEMENTED

The district has repeatedly acknowledged that alcohol use among teens is a serious problem, that it is the role of the district to have a district-wide program to address this, and that data on effectiveness of programs and interventions should be regularly reviewed. The district maintains a comprehensive array of coordinated, evidence-based services and involves the entire school community in planning and review. As directed in BP 5131.6, the district uses a scientifically based prevention curriculum, Too Good for Drugs, which has been recognized as a model program by the U.S. Substance Abuse and Mental Health Services Administration. This program is supplemented by instruction throughout the grades in decision making and resiliency skills. Students are made aware of district and school site expectations for students’ healthful behaviors through such means as student handbooks and rules, discussions in classrooms at the beginning of each school year, and assemblies throughout the year. Discussion by parents, staff, students and community members occur in various ways at each school site, including by groups of staff and community members in development of annual improvement goals for site safety plans and Single Plans for Student Achievement. Intervention is provided at each site through district counseling programs, supplemented by more intensive counseling when necessary by a Youth Service counselor.

Comparison of the 2007 CHKS data with 2009 CHKS data (percent of Scotts Valley High students compared to national percentages) suggest that the district programs are effective in some areas, although not in all, in reducing risky student alcohol behaviors.

	9th Grade 2007		9th Grade 2009		11th Grade 2007		11th Grade 2009	
	SVHS	Nation	SVHS	Nation	SVHS	Nation	SVHS	Nation
Ever drink alcohol?	36%	67%	45%	67%	65%	76%	56%	79%
Drink alcohol in past 30 days?	22%	36%	25%	37%	38%	46%	36%	53%
Ever been drunk?	22%	-	29%	-	50%	-	37%	-
Ever drunk/high at school?	13%	-	17%	-	22%	-	24%	-
Believe frequent use of alcohol is harmful?	95%	-	90%	-	91%	-	97%	-

Interestingly, the outcomes of the survey are generally positive in most alcohol-related areas surveyed for students who are currently in Grade 11 at Scotts Valley High; they are less positive for incoming 9th graders, indicating that perhaps more attention needs to be paid at the middle school level rather than at the high school level, as suggested by the Grand Jury.

- SVUSD should work with Scotts Valley Police Department to reinstate the School Resource Officer to the high school campus when budgetary restrictions allow.

Response: Scotts Valley Police Department – HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE

AGREES - This has not been implemented, but will be in the future. The Scotts Valley Police Department and Scotts Valley Unified School District are both committed to reinstating a School Resource Officer (SRO) at the high school as soon as staffing and budgets allow.

Response: Scotts Valley Unified School District – WILL BE IMPLEMENTED IN THE FUTURE

The School Resource Officer is vacant not because of “budgetary restrictions,” but because the Scotts Valley Police Department (SVPD) is temporarily understaffed. It is the intent of the district and the SVPD to reinstate the position when conditions allow. The district continues to enjoy an excellent partnership with the SVPD. The officers provide a regular positive presence on district campuses, are always available to site personnel and students when needed, provide Drug Abuse Resistance Education (DARE) programs at school sites, support drug abuse resistance assemblies, and support Red Ribbon Week on district campuses.

6. SVUSD should have a suspension reduction policy linked to intervention programs to reduce the number of students suspended for alcohol use and to engage students in a common-sense approach to addressing alcohol and drug issues.

Response: Scotts Valley Unified School District – HAS BEEN IMPLEMENTED

In its 2001-02 Report, the Santa Cruz County Grand Jury found that “Despite the state-mandated ‘zero-tolerance’ policy, school officials have not been able to provide a drug-free environment for students” (2001-2002 Santa Cruz County Grand Jury Final Report, “Substance Abuse in Santa Cruz County High Schools: Consequences and Responsibility,” Conclusion 2). The Grand Jury recommended that “Santa Cruz County high school administrations should explore more effective and realistic ways to enforce the state-mandated ‘zero-tolerance’ policy regarding drugs on campus” (“Substance Abuse,” Recommendation 2). While the district lacks the internal and external resources to provide a suspension alternatives program, its existing counseling intervention program is specifically designed to decrease continued and accelerated alcohol and other drug use by students that would result in additional suspensions and expulsions. Current district policy accomplishes the goal of ensuring campus safety without resulting in a disproportionately high rate of student suspensions and expulsions. According to 2004-2008 data from the California Department of Education Safe and Healthy Kids Program Office, Scotts Valley students represented approximately 7.2% of the total county enrollment, but make up only 3.1% of the total number of suspensions for violence and drug-related offenses and 0.6% of expulsions for violence and drug-related offenses.

SVUSD as percentage of the County	Enrollment	Violence/Drug		Total	
		Expulsion	Suspension	Expulsion	Suspension
2007-08	6.9%	6.7%	0.8%	5.6%	0.4%
2006-07	7.1%	0.9%	1.0%	0.6%	0.8%
2005-06	7.3%	4.4%	0.5%	3.0%	0.6%
2004-05	7.4%	0.5%	0.1%	0.3%	0.4%
Four Year Average	7.2%	3.1%	0.6%	2.3%	0.5%

The district has taken a proactive stance to prevent drug use and abuse, and to intervene quickly and positively. As the data above indicate, suspensions and expulsions are low relative to other districts in the county in part because of the district’s prevention and intervention programs.

7. SVUSD should find innovative ways to expand counseling services at the elementary level.

Response: Scotts Valley Unified School District – HAS BEEN PARTIALLY IMPLEMENTED

When funding was cut back last year, the district developed a partnership with JFK University to provide district-funded counseling interns for the elementary schools. The district continues to investigate options, and is severely restricted by the lack of resources.

8. SVUSD and SVHS should utilize county and outside agency resources that assist students with alcohol and other drug prevention and intervention.

Response: Scotts Valley Unified School District – HAS BEEN PARTIALLY IMPLEMENTED

The district has taken advantage of resources such as Youth Services counseling, the DUI Court in School program, and Friday Night Live student activities. In addition, the district has worked with the City of Scotts Valley, which adopted a Social Host Ordinance in November, 2008, and the Scotts Valley Police Department to support prevention and intervention services. In addition to district-supported counseling services, the Scotts Valley Rotary Club provides funding to maintain intervention counseling for students at risk of drug use and abuse. The district has taken steps to learn more about county resources and to implement them when possible and appropriate to meet identified needs. The district is currently participating in a North County initiative called Reduction of Alcohol Abuse Program (RAAP), the purpose of which is to obtain grant funding for additional counseling services to reduce youth alcohol abuse through effective prevention and early intervention programs.

9. All staff members who teach or counsel students regarding alcohol prevention should be part of the planning team that addresses prevention and intervention solutions. The many resources provided through county agencies should be available for use by staff.

Response: Scotts Valley Unified School District – REQUIRES FURTHER ANALYSIS

The district agrees with the recommendation. Reduced staffing and funding have limited additions we can make to curriculum and services at this time. The district and high school administration are in the process of investigating county agency resources to see what would be reasonable for our schools to use.

10. SVHS should incorporate the *Too Good for Drugs* program into the core curriculum for tenth, eleventh, and twelfth grade students.

Response: Scotts Valley Unified School District – WILL NOT BE IMPLEMENTED

While this might be an appropriate recommendation if time were available, the need to focus on State Standards in all the core courses and to meet the mandates of the International Baccalaureate curriculum leave little or no time to teach additional

lessons or programs. Instead, teachers incorporate the tenets of drug abuse prevention curriculum when appropriate in physical education classes, science, history and English.

11. SVHS should consider offering more health classes especially for eleventh and twelfth grade students to bridge learning with life experiences.

Response: Scotts Valley Unified School District – WILL NOT BE IMPLEMENTED

Because of severe budget restrictions, many current courses at the high school level are averaging between 35 and 40 students. To provide additional elective courses in this financial climate would raise class sizes in required courses and is neither realistic nor advisable.

12. SVHS should involve students in self-help strategies such as peer counseling and conflict resolution, as well as countywide programs such as Friday Night Live and the Together for Youth collaborative.

Response: Scotts Valley Unified School District – REQUIRES FURTHER ANALYSIS

Staff is currently investigating the availability of community resources and will implement those that are available and appropriate.

Commendations

1. The Grand Jury commends the Scotts Valley Unified School District elementary and middle school administrators for addressing student issues by developing effective strategies and programs to assist students.
2. Scotts Valley Police Department is commended for championing the issues of teen alcohol and drug use and for providing consistent community leadership in prevention and intervention awareness programs.
3. The Grand Jury commends County of Santa Cruz County Health Services Agency Alcohol and Drug Program for working with other agencies and school districts to develop and implement a variety of programs that decrease the use of alcohol by teens.

Responses Required *Note: The Scotts Valley Unified School District, the Scotts Valley Board of Education and the Scotts Valley High School consolidated their responses, and their responses are indicated in all cases as responses by the Scotts Valley Unified School District.*

Respondent	Findings	Recommendations	Respond Within / Respond By
Scotts Valley Unified School District	6 - 9, 11, 13, 15, 17	1 – 8	90 Days October 1, 2009
Scotts Valley Board of Education	7 - 9, 11, 13, 17	1 – 8	90 Days October 1, 2009
Scotts Valley High School	5, 12, 13, 16, 19, 24	8 – 12	90 Days October 1, 2009
Scotts Valley Police Department	10, 11, 23	5	90 Days October 1, 2009

Sources

Web Sites

California Department of Education:

<http://www.cde.ca.gov/ls/yd/re/cgjsdataicikketuib.asp>

<http://www.cde.ca.gov/ls/yd/re/cgjsdataicikketuib.asp>

<http://api.cde.ca.gov/AcntRpt2008/2008GrthAPIdst.aspx?cYear=&allcids=4475432%cChoice=2008GDst1>

<http://star.cde.ca.gov/star2008/ReportPanel.asp?ps=true&1stTestYear=20081stTestType=C&ICounty>

<http://www.cde.ca.gov/ta/tg/pf/pftprogram.asp>

<http://www.santacruzhealth.org/cmhs/2alcohol.htm>

<http://www.mendezfoundation.org/educationcenter/tgfd/index.htm>
<http://www.hhs.state.ne.us/puh/oph/docs/StrategyApprovalGuide.pdf>
<http://samhsa.gov>
http://www.adp.cahwnet.gov/Prevention/pdf/GPAC_PLAN.PDF
<http://www.alcoholism.about.com/cs/teens/1/aa000407a.htm>
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<http://www.nebraskaprevention.gov/EBP.htm>
<http://www.niaaa.nih.gov>
[http://en.wikipedia.org/wiki/Zero_tolerance_\(schools\)](http://en.wikipedia.org/wiki/Zero_tolerance_(schools))
<http://www.icoe.k12.ca.us/ISC/Underage+Drinking.htm>
<http://www.unitedwaysc.org/CURB.shtml>
http://www.scotsvalleypd.com/dare_roll.html
<http://www.usdoj.gov/dea/pubs/pressrel/pr101501.html>

Interviews

Scotts Valley Unified School District Officials

District Administrators

Board Members

Food Service Management

School Administrators and Staff

City of Scotts Valley Police Officials

County of Santa Cruz Health Services Agency Alcohol and Drug Program
Administrators

Santa Cruz County Office of Education Administration

United Way of Santa Cruz County Officials

Newspaper Articles

Aptos Times Article:

“Safe Schools/Healthy Students,” December 1, 2008

Press-Banner Articles:

“SV school board candidates address communication, teacher retention,” October 17, 2008

“Your help needed to stop teen drinking,” January 30, 2009

“School trustee ready to listen,” January 30, 2009

“Dunton takes administrative post,” February 13, 2009

“SLV teen drinking, drug use discussed,” March 6, 2009

The Post Articles:

“A Letter to Scotts Valley Parents,” January 21-February 2, 2009

Santa Cruz Sentinel Articles:

“Trustees OK bonuses despite special-ed funding concerns,” October 29, 2008

- “Home is where the effort to stop teen drinking is,” November 6, 2008
- “Safe Ride program gives teens a lift,” November 13, 2008
- “District seeks to revamp school food service,” December 17, 2008
- “Teachers angered by administrative hire amid possible layoffs,” February 21, 2009
- “Town Hall Meetings,” February 26, 2009
- “Students see DUI consequences firsthand,” March 25, 2009

Scotts Valley Times Articles:

- “School Board Leadership Issues Take Center Stage,” October 1, 2008
- “SVUSD Superintendent Silver Sets Her Sights on 2009,” January 1, 2009

Publications/Documents

Document Binder provided by SVUSD, October 23, 2008

- Board policies and administrative regulations related to student wellness, nutrition, and physical education
- Categorical program plans and documents such as Safe and Drug-Free Schools and Communities (SDFSC) and Tobacco-Use Prevention Education (TUPE) that establish district performance indicators to reduce at-risk behaviors
- Two years of California Physical Fitness Tests
- Two years of California Healthy Kids Survey Results
- Composition and minutes from the local student wellness committee for the past two years
- Summary of district programs and practices that address student needs and promote student wellness
- Curriculum addressing student wellness
- Verification of federal, state, and district funding sources used to implement student wellness programs and/or activities

SVUSD, *Scotts Valley High School WASC Self-Study Report 2007*.

Santa Cruz County

- Healthy Santa Cruz County, 2008*
- Health Services Agency Drug and Alcohol Program Division
 - Resource Referral Directory*
 - Social Host Ordinance* November 27, 2007
 - Santa Cruz County Alcohol and Drug Program Prevention Strategic Plan Goals and Objectives*. September 2008
- Office of Education, *Student Support Services*. 2008-2009 Annual Report to the Community

California Department of Education:

- Getting Results, Developing Safe and Healthy Kids, Update 3: Alcohol, Tobacco, Other Drugs, and Violence Prevention: Research Update*, Healthy Kids Program Office, 2002

- California Healthy Kids Survey for Scotts Valley Unified Key Findings and Technical Report for grades 5, 7, 9, and 11, Spring 2004 and 2007.
Healthy Children Ready to Learn, January 24, 2005
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Taking Action for Healthy School Environments, 2006
- California School Board Association and California Project Lean, *Successful Students*, 2005
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- National Institute of Alcohol Abuse and Alcoholism (NIAAA), *Facts About Alcohol and Adolescent Health*. 2004
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- U.S. Department of Health and Human Services, *The Surgeon General’s Call to Action to Prevent and Reduce Underage Drinking: A Guide to Action for Communities Office of the Surgeon General*, 2007
- U. S. Department of Health and Human Services, *School Health Index*. National Center for Chronic Disease Prevention and Health Promotion, 2002
- Youth Leadership Institute, *Welcome to Communities Mobilizing for Change on Alcohol (CMCA)*. 2006

Attachment A



EMPOWERING TEENS & FAMILIES TO SUCCEED

709 Mission St. Santa Cruz, CA 95060
Business Phone: (831) 429-8350
24 Hr. Crisis Line: (831) 425-0771

241 E. Lake Ave. Watsonville, CA 95076
Business Phone: (831) 688-8856
24 Hr. Crisis Line: (831) 728-2226

AIM

Assessment. Information. Management

SV HIGH SCHOOL DRUG & ALCOHOL GROUP PROGRAM CURRICULUM

In an effort to serve and support our students and families, a drug & alcohol intervention program was established at SV High School in 2007. This program was suggested and available, and is now required for students caught using or in possession of drugs or alcohol on campus or at school functions. Additionally, the group is open to students for self-referral or on juvenile probation with Santa Cruz or Scotts Valley drug and alcohol diversion programs. Moreover, any SV High School parents who want their child to learn about addiction and relationship to drugs and alcohol are welcome as well.

The program format consists of eight one-hour group education/ process series in addition to an individualized substance abuse assessment and individual educational goal planning for each adolescent. Groups meet once a week. Learning objectives are the following: (1) understanding the fundamental concepts of abuse, addiction, and dependence (2) awareness of the physical, emotional and social risks and consequences of using alcohol and drugs. The curriculum is designed to increase teens' ability to accurately self-assess their patterns of substance usage and the life problems they cause.

*Additionally, counselor meets with parents prior to group beginning as well as each student **individually** for two meetings as follows:*

1st session - (1) substance abuse assessment (2) individual educational goal planning to define student's goals towards making positive life changes/harm reduction

2nd session - Upon completion of group to (1) identify progress towards individual goals (2) identify further need for services and/or support.

Week 1:

Introductions ~ Introduce classmate: Confidentiality. Goals. Rules. Structure. "How did you get here?" Hand - outs: Group activity - "Continuum of Use" -- designed to identify/define addiction and phases of drug/alcohol use. Choose goal for 8-week group. WHAT IS ADDICTION? /IDENTIFYING HIGH RISK FACTORS. Pre test survey.

Week 2:

Check-in's: Handouts. "What's good to you about D & A"? List individually on hand-out; members list positives etc. Education / hand out's Presentation - (1) Alcohol's effects on the body and mind (2) Statistics and facts Counselor led group discussion designed to identify negative experiences when using alcohol regarding alcohol in body/ effects-how it works. Video # 1, #2. Discussion.

Week 3:

Check -in's. Handouts. "What's bad about D & A?" Educational / hand -out's regarding M/J in body/ effects-how it works. Differences between nicotine and marijuana. Students share personal experiences & points of view regarding addiction. Discussion. Video #3. Group discussion - identifying consequences (legal, social, health, academic) of marijuana and nicotine use

Week 4:

Check-in's. "What is "Cycle of Addiction?" Handout's - intoxication, abuse, dependence/ tolerance - withdrawal. Video #4. Coping mechanisms. Alternative ways of coping. Presentation - Identifying increased risk of STD infection and drug/alcohol use. STD facts. Q & A Educational forum allowing students to ask specific topic related questions. Discussion.

Week 5:

Check-in's. Handout's - thinking about where life is heading scale- honest with self/ others. Video #5. Impact on family/ friends/ school etc. Presentation - risk factors (genetic, age, social, environmental)

Week 6:

Check-in's. Guest speaker or Video #6, #7, Brain imaging- chemistry - how D/A work in brain/ reward center activity in adolescents. Discussion/ questions.

Week 7:

Check-in's. Drug "Jeopardy" psychoeducation game to assess knowledge and make connections from previous group education/ experience. Discussion. All D/A handout. Discussion/ questions.

Week 8:

*Check-in's. 20 Questions handout, Discussion. What did the group do/ not do for you? Address initial goals. Video #8 - denial, discussion. Check-in with focus on progress and/or awareness gained as result of group. Re-examine continuum of use. Group discussion - maintaining positive goals after completing group series. Summary for each member. Closing. **Post test survey.***

For Everything Else There's CAL-Card

16,800 Rolls Two-Ply Toilet Tissue = \$51,597.50

4,660 Economy Storage Files w/Lids = \$6,608

The knowledge your tax dollars are being wisely spent... PRICELESS.

Summary

Santa Cruz County departments rely on a centralized purchasing system to acquire almost \$30 million in goods and services to sustain County functions. The processing of purchases costs the County in excess of \$500,000 annually in administrative costs. These costs are apportioned to individual departments based on the number of purchase orders processed for each department.

Other purchasing options are available to County departments including CAL-Card. CAL-Card is a Visa card offered by U.S. Bank through a contract with the State of California. CAL-Card is used for less than four percent of the total purchases even though it is more efficient, less expensive and provides cash rebates. The numerous restrictions imposed on CAL-Card use, and the cumbersome internal process for billing, dispute resolution, and reconciliation has combined to discourage use of the cards. Restructuring the program could encourage and optimize use of this less expensive purchasing option, and would allow the County to realize substantial savings.

Scope

The Grand Jury sought to analyze the various methods currently used to purchase goods and services with a focus on taking advantage of more efficient purchasing mechanisms to save money.

Background

Santa Cruz County uses three primary methods of purchasing goods and services: CAL-Card, a single-vendor office supply contract, and a purchase order system. CAL-Card is a payment mechanism (Visa card) with no card fees and no interest cost, unless late payment penalties are assessed. It is designed to streamline the procurement process and reduce purchasing costs significantly for purchases of goods and services up to \$100,000 per transaction and is offered by the State of California through a master contract with U.S. Bank. There is currently a single-vendor contract for office supplies with Corporate Express (which was subsequently bought by Staples). Expenditures made under the purchase order system require administrative processing. Purchases made with CAL-Card or through Corporate Express do not require the processing of a purchase order.

Definitions

Purchasing Division (Purchasing): The unit of Santa Cruz County General Services Department that serves all other county departments and agencies in purchasing, leasing, lease/purchasing or renting all equipment, materials, and supplies.

Living Wage Ordinance: Santa Cruz County Code, Chapter 2.122 provides, “The ‘living wage’ to be paid to employees pursuant to the requirements of this Chapter shall be a minimum hourly wage set by resolution of the Board of Supervisors after consideration of the annual cost of living increase as measured by the San Francisco-Oakland-San Jose area Consumer Price Index.” The County Code that imposes this living wage requirement also applies to outside vendors and contractors hired by county departments.

Green Purchasing Requirement: Santa Cruz County Purchasing Manual section 2.8 provides: “The goal of the County is to reduce global warming effects generated by government operations. In this endeavor, terms and conditions of all solicitations shall encourage, whenever possible, services and products that are proven to be beneficial to the environment. Examples of these green standards are Electronic Product Environmental Assessment Tool (EPEAT), Energy Star, EcoLogo, Green Seal and the like.”

Findings

1. Purchase orders account for the vast majority of county spending but are the most expensive method of acquisition. In 2008 nearly \$28 million in purchases were processed via purchase orders at a cost of over \$500,000.

Response: County of Santa Cruz Board of Supervisors – PARTIALLY AGREES

Purchasing Division salary and expenditures include more than purchase order tasks. The Purchasing Division work involving contracts account for the vast majority of county spending through the process of bidding, legal review and processing of payments. Purchase orders account for a significant spend, but not the major dollars that contracts represent. Other tasks performed by the Purchasing Division include Living Wage tracking/reporting, Master Contract Agreements and bidding of other department contracts and surplus property disposal.

2. Purchasing indicates that a standard industry goal is to maintain processing costs in the \$60-\$100 range above the cost of goods per purchase order. However, it appears, based on review of the County of Santa Cruz Cost Allocation Plan, that our County’s cost greatly exceeds that range. In 2003-2004, 2,620 purchase orders were processed at a cost of \$184 per order. In 2004-2005, 2,570 purchase orders were processed at a cost of \$196 per order.

Response: County of Santa Cruz Auditor-Controller – PARTIALLY DISAGREES

The Purchasing Division has the expertise to determine the standard industry range for purchase orders and on this statement. We do not agree or disagree.

We disagree with the costs provided to process a purchase order and disagree that the Santa Cruz County Cost Allocation Plan (the Plan) is able to provide information to calculate that cost. The Grand Jury based its calculations on information annually

published in the Plan. The Plan's purpose is to accumulate and allocate costs between departments. It does not provide enough information to determine a per unit purchase order cost, because tasks are not broken down in the Plan between processing Purchase Orders versus Contracts, Request for Proposals, or other work the Purchasing Division performs.

Response: County of Santa Cruz Board of Supervisors – PARTIALLY AGREES

Purchasing provided the Grand Jury with the referenced industry standard cost of a purchase order as an industry benchmark, not a goal (this figure was obtained from a study by the Institute of Supply Management). However, current estimates provided by the California Public Purchasing Officers suggests that a purchase order costs generally range between \$50-\$250 depending upon the dollar amount of the purchase and a specific agency's processes associated with the production of a purchase order. The Cost Allocation Plan's purpose is to accumulate and allocate costs between departments. It does not provide the necessary information for determining the per unit purchase order cost, because tasks are not broken down in the plan between processing Purchase Orders, contracts, Requests for Proposals, or other work performed by the Purchasing Department. Additionally, other Purchasing Division work tasks, such as Living Wage reporting, issuing complex requests for proposals, bids, qualifications, negotiations and verifying that orders are done within legal requirements, would need to be removed from an analysis of Purchasing Division expenses in order to find a more accurate figure for the processing of purchase orders.

3. Purchasing is aware of the standards for controlling the cost of processing purchase orders; however, the department says it is unable to determine whether they are meeting these standards due to limitations imposed by the archaic mainframe computer system on which Purchasing depends.

Response: County of Santa Cruz Board of Supervisors – PARTIALLY DISAGREES

There are different phases of the purchasing order process (see response #2). There are three independent computer systems (APS, FAMIS, ePO) that have limited interface capabilities for producing a purchase order. In addition, code enforcement activities related to Living Wage, green procurement and outsourcing restrictions all contribute to the limitations in reducing costs for the procurement process or to provide a cost/efficiency analysis.

4. In making purchasing choices the County is subject to many limitations. These include those imposed externally such as provisions of California law (i.e. the Government Code and the Public Contracts Code), spending guidelines for various funds received from the federal and state governments, and restrictions imposed by the numerous grants and special programs. The County has many self-imposed

restrictions such as the Living Wage Ordinance, and the Green Purchasing Requirement. The county cites these limitations as justification for some of the County imposed CAL-Card usage restrictions.

Response: County of Santa Cruz Auditor-Controller – AGREES

We agree that the County has some restrictions related to purchasing. These restrictions have been adopted by the Board of Supervisors and are the same for Purchase Orders, CAL-Card purchases and Contracts.

5. All CAL-Cards issued to County employees have single purchase limits under \$1,500 and total monthly purchase limits of less than \$10,000. CAL-Card, like any Visa card, can be used for any purchase under these dollar limits unless the category of items is prohibited by CAL-Card or County policy. As these are simply a payment mechanism rather than a supplier, the cards can be used to buy virtually anything from handcuffs and inmate toiletries for the Sheriff's Office to auto parts and gardening tools for Government Services. The County restricts CAL-Card use by policy, decreeing the cards cannot be used to pay for travel, conference registrations, subscriptions, books, computer hardware/software, office supplies or services of any kind. The dollar limits imposed by the County further restrict the usefulness of the cards.

Response: County of Santa Cruz Auditor-Controller – PARTIALLY AGREES

We agree with the purchase limits listed above and the general summary of spending restrictions. However, exceptions to these limits are allowed on a pre-approval basis including computer hardware/software purchases under \$500.

We disagree that the dollar limits and restrictions imposed by the County make the program less useful. Usefulness must be balanced with risk and cost effectiveness. The cost benefit derived by making purchases using a CAL-Card must be weighed against the cost and control benefit of having purchasing functions performed at the Purchasing or Departmental level where controls can be monitored more closely. For example, by restricting travel and registration payments on CAL-Cards, employees are required to process these items through travel or expenditure claims, therefore giving the appropriate additional oversight over these expenditures as the Department Head must approve the expense before it is paid.

Services are a restricted category of expenditures for CAL-Cards. Services are not appropriate to be paid with a CAL-Card as it does not allow for the capturing of data necessary to complete the IRS 1099 forms. The County must issue a 1099 form to all vendors paid cumulatively more than \$600 in a calendar year.

The fewer controls that are in place, the greater the risk of fraud, waste or the misuse of funds. The General Services Department and Auditor-Controller's Office reviews these controls and revises them periodically.

Response: County of Santa Cruz Board of Supervisors – PARTIALLY AGREES

In any public sector purchasing process, established policies and procedures must balance acceptable risk, cost effectiveness and utility, and be in accordance with the rules and regulations of the auditing function of the specific government entity.

6. Purchasing estimates that purchases using CAL-Card cost roughly 25 percent less to process than a county purchase order and CAL-Card provides cash-back rebates. California studies of CAL-Card use have estimated savings ranging from \$25 to \$90 per transaction. Other states and counties have documented savings resulting from implementation of such a purchase card system.

Response: County of Santa Cruz Board of Supervisors – AGREES

7. The County receives cash rebates up to two percent for purchases made using CAL-Cards. For fiscal year 2007-2008 the rebate amounted to \$6,500. The rebates are awarded to purchasing, not the department whose CAL-Card usage generated the rebate.

Response: County of Santa Cruz Board of Supervisors – AGREES

Purchasing receives all rebates and uses them as an offset to the cost of general program administration. This offset is allocated through the cost allocation plan at a later time. Currently, there is no system in place to allocate the rebates directly to the client departments.

8. The paper-intensive process required by the County for reconciling CAL-Card statements and invoices is prohibitively complex and burdensome. Users are individually required to resolve any questioned charges or items, and may be personally held financially responsible for unresolved charges.

Response: County of Santa Cruz Auditor-Controller – PARTIALLY AGREES

We agree that the reconciliation of the monthly CAL-Card invoice is paper based, the reconciliation requirements are based predominately upon requirements from the CAL-Card sponsoring bank. Departments can file any disputes related to charges online. Additionally, the receipts and supporting documents provided by the vendor when purchases are made with a CAL-Card are paper based.

We disagree that the process is prohibitively complex and burdensome. These requirements are similar to those for reconciling other invoices a department receives; the invoice must have receipts attached and any error on the invoice must be resolved by the department or card holder. We agree that employees may be held personally financially responsible for their purchases and unresolved charges. These controls are necessary to safeguard the County against fraud, waste or abuse.

9. The County implemented the CAL-Card program in 1996. Since its original implementation the usage of the CAL-Card has declined.

CAL-Card Usage Statistics since 2001:

Year	Cards Issued	Transactions	Total Dollars
2001	293	7,148	\$1,594,959
2002	298	7,610	\$1,754,406
2003	281	6,366	\$1,370,683
2004	285	4,839	\$972,993
2005	275	4,424	\$948,976
2006	251	4,719	\$992,597
2007	308	3,861	\$907,599
2008	308	2,937	\$793,712
2009	283	649	\$131,731 (1 st Quarter)

Response: County of Santa Cruz Board of Supervisors – AGREES

10. The somewhat dramatic reduction in CAL-Card use in 2003 and 2004 was a result of the implementation of the single-vendor office supply contract and increased enforcement of its usage requirements.

Response: County of Santa Cruz Board of Supervisors – AGREES

11. There is no documented case of a county employee being prosecuted or having card privileges revoked for deliberate misuse or abuse of a CAL-Card.

Response: County of Santa Cruz Board of Supervisors – AGREES

12. U.S. Bank and Visa offer free CAL-Card optimization audits to examine ways the customer can achieve maximum cost savings using the CAL-Card program. The County has never made use of these optimization services.

Response: County of Santa Cruz Auditor-Controller – AGREES

Response: County of Santa Cruz Board of Supervisors – AGREES

Conclusions

1. The County could realize significant savings through more effective utilization of the CAL-Card program and by reducing reliance on the costly purchase order system.
2. County departments avoid using the CAL-Card system due to spending restrictions and burdensome procedures for processing bills, invoices, and disputes.
3. The County’s adherence to old policies and procedures is limiting its ability to recognize potential savings through expanded use of CAL-Card.
4. The County does not offer any incentive programs to encourage departments to utilize the CAL-Card program, and the departments do not share in the rebates earned.
5. A free optimization audit by Visa and U.S. Bank could provide the County with multiple strategies for increasing the usage of CAL-Card, which could result in significant savings to the County.

Recommendations

1. The County should encourage CAL-Card use by re-examining and reducing restrictions to eliminate as many obstacles to card use as is practical.

Response: County of Santa Cruz Auditor-Controller – REQUIRES FURTHER ANALYSIS

The Auditor-Controller and General Services Director will re-examine current restrictions and determine if any change in those restrictions is warranted. Any benefits resulting from a change in those controls must be weighed against the risks associated with a lack of controls; fraud, waste and misuse of County funds.

The results of this analysis and any proposed changes will be provided to the Board of Supervisors in December 2009 when the Board is next scheduled to hear updates to the County’s Policy and Procedure Manual.

Response: County of Santa Cruz Board of Supervisors – REQUIRES FURTHER ANALYSIS

Both the Auditor’s Office and the General Services Department will re-examine current policies and procedures, analyze the risk impact of increasing the thresholds, and determine whether any change in those restrictions are warranted. Any benefits resulting from a change in those controls must be weighed against the risks associated with a lack of controls. Results of this effort will be part of the next County Policies and Procedures update at the end of 2009, as necessary.

2. The County should revise and increase card limits for higher-level personnel, with accompanying revisions to “Guidelines for Purchases” and related Purchasing Policy Manual sections.

Response: County of Santa Cruz Auditor-Controller – REQUIRES FURTHER ANALYSIS

The Auditor-Controller and General Services Director will review current card limits and determine if any changes in those restrictions are warranted. Any benefits resulting from a change in those controls must be weighed against the risks associated with a lack of controls; fraud, waste and misuse of County funds.

The results of this analysis and any proposed changes will be provided to the Board of Supervisors in December 2009, when the Board is next scheduled to hear updates to the County's Policy and Procedure Manual.

Response: County of Santa Cruz Board of Supervisors – REQUIRES FURTHER ANALYSIS

Both the Auditor's Office and the General Services Department plan to meet and examine the current policies and procedures, analyze the risk impact of increasing the thresholds, and then formulate a joint recommendation. Results of this effort will be part of the next County Policies and Procedures update at the end of 2009, as necessary.

3. The County should establish a list of pre-approved service vendors that meet Living Wage, Green Purchase, and other requirements and allow those services to be purchased via CAL-Card.

Response: County of Santa Cruz Auditor-Controller – WILL NOT BE IMPLEMENTED

Service vendors are not appropriate to be paid through the CAL-Card process with limited exceptions. CAL-Card does not have the capability of supporting 1099 reporting required by the IRS. The County must report service payments over \$600 per vendor to the IRS annually. The County cannot capture vendor information from CAL-Card, other than manually, which would be cost prohibitive.

Response: County of Santa Cruz Board of Supervisors – WILL NOT BE IMPLEMENTED

Due to 1099 required reporting, it is not appropriate for pay for service vendors using a CAL-Card. There are limited pre-approved exceptions when the vendor is a corporation and not subject to the County obtaining 1099 information.

4. The County should simplify the processes of billing, reconciliation, and questioned item resolution for CAL-Card purchases to reduce paperwork and burden on individual users.

Response: County of Santa Cruz Auditor-Controller – REQUIRES FURTHER ANALYSIS

The Auditor-Controller and General Services Director will review the current procedures and determine if simplification is possible. The results of this review and any proposed changes will be provided to the Board of Supervisors in December

2009 when the Board is next scheduled to hear updates to the County's Policy and Procedure Manual.

We currently require the departments to handle their questioned charges and returns, because they are the ones most knowledgeable about the transaction. Although some parts of the reconciliation process may be automated in the future, the department or employee making the purchases will still need to ultimately be responsible for the CAL-Card charges made.

Response: County of Santa Cruz Board of Supervisors – REQUIRES FURTHER ANALYSIS

The Auditor-Controller and General Services Director will review the current procedures and determine if simplification is possible. The results of this review and any proposed changes will be provided to the Board of Supervisors in December 2009 when the Board is next scheduled to hear updates to the County's Policy and Procedure Manual. The Auditor-Controller currently requires the departments to handle their questioned charges and returns, because they are the ones most knowledgeable about the transaction. Although some parts of the reconciliation process may be automated in the future, the department or employee making the purchases will still need to ultimately be responsible for the CAL-Card charges made.

5. The County should automate CAL-Card billing and reconciliation to maximize rebates for on-time payments.

Response: County of Santa Cruz Auditor-Controller – REQUIRES FURTHER ANALYSIS

The Auditor-Controller and General Services Director will review the current procedures and determine if any automation or procedural changes are possible to maximize the receipt of available rebates. The results of this review and any proposed changes will be provided to the Board of Supervisors in December 2009, when the Board is next scheduled to hear updates to the County's Policy and Procedure Manual.

Response: County of Santa Cruz Board of Supervisors – REQUIRES FURTHER ANALYSIS

The Auditor-Controller and General Services Director will review the current procedures to determine whether any automation or procedural changes are possible to maximize the receipt of available rebates. The results of this review and any proposed changes will be provided to the Board of Supervisors in December 2009, when the County Policies and Procedures Manual is next updated.

6. The County should create incentives, such as recognition and rewards, to encourage employees and departments to promote the use of CAL-Card.

Response: County of Santa Cruz Auditor-Controller – WILL NOT BE IMPLEMENTED

Expenditures made on behalf of the County should be made according to the procedures established by the County based upon the most cost effective and appropriate method rather than personal incentives which might appear to influence the purchaser’s independence when selecting a vendor or method of payment. CAL-Card already institutes its own reward system by the use of rebates.

Response: County of Santa Cruz Board of Supervisors – WILL NOT BE IMPLEMENTED

Expenditures made on behalf of the County are to be made according to the procedures established by the County based upon the most cost effective and appropriate method rather than personal incentives which might appear to influence the purchaser’s independence when selecting a vendor or method of payment. CAL-Card already institutes its own reward system through the use of rebates.

7. The County should request an optimization audit from Visa and U.S. Bank to examine how the savings from use of CAL-Card could be maximized.

Response: County of Santa Cruz Board of Supervisors – HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE

The Purchasing Division will pursue this effort in their future work plan when staff have sufficient time to provide the necessary information and U.S. Bank’s schedule can accommodate the request.

Responses Required *Note: The responses of the County of Santa Cruz Purchasing Department were incorporated into the responses from the Board of Supervisors and the Board of Supervisors is identified as the respondent.*

Respondent	Findings	Recommendations	Respond Within / Respond By
County of Santa Cruz Board of Supervisors	2, 5, 7, 12	1-7	60 days September 1, 2009
County of Santa Cruz Auditor Controller	2, 4, 5, 8 12	3, 5, 6	90 days October 1, 2009
County of Santa Cruz Purchasing Department	1-3, 6-7, 9-11	1-5	90 days October 1, 2009

Sources

Tours/Facilities Visits

Central Stores/County Warehouse

Trainings/Briefings Attended

County CAL-Card user Training Program

County Purchasing User Group Meeting, November 20, 2008

Publications/Documents

Living Wage Ordinance, County of Santa Cruz (eff. July 1, 2008)

California Performance Review: *State Needs to Reduce Late Payment Penalties, Increase Early payments*, 2007

Corporate Express/Staples: 2008 Santa Cruz County Government Business Review

CAL-Card 1997 memo to the County of Santa Cruz

Santa Cruz County Publications:

CAL-Card Program Cardholder Handout

Cardholder Responsibilities

CAL-Card forms for county employees

State agreement with U.S. Bank for purchase cards services

CAL-Card program benefits

CAL-Card rebate incentives to agencies

CAL-Card restricted merchant category codes

U.S. Bank CAL-Card Cardholder Guide

U.S. Bank Billing Official Guide

U.S. Bank CAL-Card Program Administrator Guide

U.S. Bank report on county CAL-Card usage for 2001-2008

U.S. Bank Visa, State of California Program optimization Study

Purchase Card Policy, County of Yolo Administrative Policy Manual, section, 2-12, March 25, 2003

Ventura County Grand Jury Report: *Policy and Procedures for Use of Procurement Bank Card*, 1999-2000

Web Sites

GovPro.com: *Georgia County Streamlines Financial Systems and Procurement Procedures*. Vernon Jones, April 2007

Govtech.com: *When Procurement is Rocket Science*. Steve Townes, July 1998

Accountspayable360.com: *Petty Cash Box Best Practices-If Your Company Insists on Having One*, May 2003

Information Services Department Stagnation or Migration?

Summary

Santa Cruz County Information Services Department (ISD) provides centralized information technology services, telephone, printing and other support services to county departments. In the area of information technology, the department manages the county's wide-area network. It also operates and supports a broad range of data processing applications for county departments including public safety applications, which require reliability twenty-four hours a day, seven days per week.

One of the major costs of ISD, and other county departments, is software development and maintenance. In years past ISD directors focused on in-house development to maintain control and customize applications to county needs. Much of this software was based on using a mainframe computer system popular in the 1980s and 1990s. With the advent of server-based computer systems in the late 1990s it was determined that newer "commercial off the shelf" (COTS) programs operating on modern information technology architecture would be more efficient for the individual departments. These new systems are also cheaper for ISD to maintain and much easier to backup for data integrity and disaster recovery.

The 2002/2003 Grand Jury examined the way ISD used software and hardware and recommended, "migrating to current hardware and software technology" and off the obsolete mainframe. The Board of Supervisors agreed. Shortly after the report was published the County committed to an ambitious timeline of four years to transition all applications and retire the mainframe.

This Grand Jury revisited ISD to see what progress had been made towards the stated goal to end county dependence on obsolete technology and found that years passed without any significant progress towards eliminating the old mainframe system. In particular, much time and energy was spent unsuccessfully attempting to implement the Planning Department's new Hansen® software. However, recent managerial changes in ISD appear to have broken the logjam and restored interdepartmental cooperation and customer satisfaction.

Within the last few months the County has approved, and ISD has begun, numerous major migration projects with another very ambitious timeline. The County appears committed to finally retiring the mainframe that is the backbone of many critical county functions. The Grand Jury commends the current progress and hopes the aggressive timeline represents recognition of the danger to the integrity of county operations posed by reliance on obsolete technology. However, the Grand Jury has concerns about whether the County is truly committed to providing ISD with the resources necessary to successfully complete this critical mission in an era of budget crisis.

Scope

This report examines Information Services Department issues that can have a substantial impact on the County and its residents. Specifically whether ISD has made progress

towards converting to newer hardware and software technologies, and whether the current ISD service level is resulting in satisfied customers.

Definitions

Mainframe: Computer hardware most often used by large organizations for critical applications, typically bulk data processing such as census, industry and consumer statistics, enterprise resource planning, and financial transaction processing. The term usually refers to computers compatible with the IBM System/360 line, first introduced in 1965.

Migration: A change from one hardware or software technology to another or moving data from one storage system to another (data migration).

Application: In computer science, an application is a computer program designed to help people perform a certain type of work. Depending on the work for which it was designed, an application can manipulate text, numbers, graphics, or a combination of these elements. Some application packages offer considerable computing power by focusing on a single task, such as word processing; others, called integrated software, offer somewhat less power but include several functions.

Findings

1. The 2002-2003 Grand Jury made several findings regarding the expense, practicality, and obsolescence of the county's mainframe system. The County agreed in substance with this assessment. These findings from 2002-2003 included:
 - ISD uses mainframe computer hardware first introduced in the 1990s, which was an upgrade from an earlier version.
 - Mainframe architectures are expensive to sustain and difficult to evolve to current industry best practices such as web access.
 - The County continues to use a mainframe internal billing structure to allocate ISD expenses across county operations. This requires administrative personnel involved in determining and allocating costs of mainframe usage for the purpose of interdepartmental billing.
 - ISD understands the ultimate need to eliminate the mainframe computer operations by migrating to less expensive current technology, but does not have a formal plan or time line for accomplishing this.

No Response Required

2. On more than one occasion prior Grand Juries have found that outdated software applications are impacting the performance of county departments, such as the Sheriff's Office and Planning. The County has agreed that the systems need updating.

Response: County of Santa Cruz Board of Supervisors – AGREES

3. In 2009 the County relies on substantially the same hardware, although software upgrades and revisions have been implemented in the intervening years.

Response: County of Santa Cruz Board of Supervisors – PARTIALLY DISAGREES

The County has utilized the same IBM Mainframe hardware and software platform for the last 8 years. However, other hardware (Windows servers) has continued to be replaced on a cycle based on manufacturer end of life support (normally every 4 – 5 years). Furthermore the County has moved towards virtual servers (VMWare) on IBM blades which lower the cost of ownership and ease replacement cycle impacts on existing software applications.

4. Currently only two ISD employees are thoroughly trained and familiar with operating and supporting the mainframe. Both employees are eligible for retirement.

Response: County of Santa Cruz Board of Supervisors – DISAGREES

ISD has 6 mainframe programmers and 6 operators that support the mainframe environment. Each of those mainframe programmers is skilled in different business applications, and some cross-support is in place. While half of the mainframe programmers are eligible for retirement, none have indicated they plan to retire before migrating their primary application off the mainframe.

5. On April 1, 2007, IBM stopped offering support for mainframes such as the County's 7060-H50.

Response: County of Santa Cruz Board of Supervisors – DISAGREES

IBM ended support of the MVS operating system for 7060_H50 on April 1, 2007. The County has never run MVS on their mainframe systems. Currently, the County is fully licensed and supported for both hardware and software for the existing mainframe platform that is in place.

6. In the fiscal 2008 year-end report submitted to the Board of Supervisors, the county's independent auditors, Caporicci & Larson, noted that: "The County's Disaster Recovery Plan was developed 25 years ago and was not updated to address the new technologies. The Disaster Recovery Plan details the actions required should a disaster occur that affects the computer operations of the County."

Response: County of Santa Cruz Board of Supervisors – AGREES

ISD has started work on a Continuity of Government plan with a tentative schedule of completion in three years. This is much larger than an IT disaster recovery plan and will involve most departments at the County.

7. In 2002, ISD began a project to transition the Planning Department's code enforcement system from the mainframe-based Automated Land Use System (ALUS) to a non-mainframe Hansen® system. As of today Planning is still relying on ALUS for permits and land use planning, while running certain code enforcement processes on a dual-entry basis (entering information into both ALUS and Hansen®).

Response: County of Santa Cruz Board of Supervisors – PARTIALLY AGREES

In 2007, Planning began using the Code Enforcement module of the Hansen application. All new Code Enforcement cases were entered into Hansen exclusively. Old cases remained in ALUS as did Planning and Building Permits. So, while two systems are in use currently, there is no dual-entry and data is only stored in one system. When Hansen goes into production with the remaining modules, data from ALUS will be migrated to Hansen. At that time, ALUS will be retired and Hansen will become the one and only system used. The production release date is currently scheduled for the end of calendar year 2009.

8. In 2009 the following county departments still rely on applications running on the mainframe: County Administrative Office, Treasurer/Tax Collector, Assessors Office, Auditor Controller, Purchasing, Payroll/Personnel, Planning Department, Probation Department, Recorder's Office, Sheriff's Office and the District Attorney's Office.

Response: County of Santa Cruz Board of Supervisors – PARTIALLY AGREES

In fiscal years 2008-09 and 2009-10, the County's IT mainframe migration strategy called for 8 mainframe business applications to be migrated off of the mainframe. The District Attorney's system was migrated off the mainframe in 2003. In 2009, the Budget system, owned by the CAO but used by all departments, was migrated to a web-based application. The Payroll/Personnel system was migrated to a web-based application in 2009. The Sheriff's Records and Jail Management systems are currently slated to be migrated off the mainframe in fall of 2009. The Probation Department's Case Management System is also planned to migrate off the mainframe by the end of 2009. The Planning Department will complete its migration in 2009. For more details on the Planning Department's applications, see also the answer to question 7. The new Property Tax system, used by the Auditor, Assessor and Tax Collector, is the third and final phase of the project plan and will be moved into production by 2011. The General Ledger and Purchasing systems will be the last applications to be migrated off the mainframe, dependent on County resources to pay for and implement the project.

9. Within the last year, the County has approved projects that will move the following operations off the mainframe:
 - Tax system (\$2,530,000 contract awarded August 5, 2008)

- Sheriff's records management system and jail management system (\$475,505 jail management and \$478,370 record's management contracts awarded January 13, 2009)
- Probation case management system (\$474,988 contract awarded January 13, 2009)
- Recorder's system (\$246,843 contract awarded March 3, 2009)

Response: County of Santa Cruz Board of Supervisors – PARTIALLY AGREES

The Recorder's system was replaced on July 20, 2009. It was not a mainframe application.

10. As applications are shifted off, the cost of maintaining the mainframe has been allocated among departments still using it. The number of users has decreased, so charges to each remaining department have increased, although in the 2009-2010 department budget enough cost reduction has been achieved so that there is no need to increase charges to users.

Response: County of Santa Cruz Board of Supervisors – AGREES

11. ISD is working toward being mainframe-independent within four years.

Response: County of Santa Cruz Board of Supervisors – PARTIALLY AGREES

The County's mainframe migration plan currently has Board-approved plans and funding for migrating eight applications off of the mainframe. In fiscal year 2008-09, two applications were migrated off the mainframe to web-based solutions. In 2009-10, an additional six migration projects have been funded and five applications are currently scheduled to be replaced. The remaining project is entering its third and final phase and is targeted to be migrated off the mainframe in 2011. The few remaining applications on the mainframe do not currently have project plans or funding sources to replace them. Nonetheless, ISD and the County remained committed to the goal of mainframe independence.

12. A new ISD Director was appointed in 2007. Prior to his appointment, the department operated with a mindset of internally developing and supporting custom applications based on the mainframe architecture.

No Response Required

13. All the county employees this Grand Jury met with thought that ISD communication and responsiveness had improved over the last couple of years.

No Response Required

Conclusions

1. The County has made inadequate progress towards migrating departmental applications off the mainframe in the more-than-five years since the 2002-2003 Grand Jury report.
2. The age of the mainframe, the lack of manufacturer support, and the limited number and status of qualified personnel, pose real risks of catastrophic interruption of service and/or loss of critical data.
3. The appointment of a new ISD Director in 2007 has proven to be a positive step toward elimination of both internal software development and mainframe reliance.
4. The shift in ISD culture, combined with apparent progress after a period of stagnation has resulted in higher levels of customer satisfaction among the departments utilizing ISD services.

Recommendations

1. The Board of Supervisors should provide the resources necessary to allow Information Services Department to complete migration off the mainframe on schedule.

Response: County of Santa Cruz Board of Supervisors – HAS BEEN IMPLEMENTED

The current mainframe migration projects fully utilize the available ISD staff. While ISD would appreciate more staffing we are fully aware of the financial exigencies facing the County.

2. The Board of Supervisors should monitor ISD progress to ensure adherence to the migration schedule.

Response: County of Santa Cruz Board of Supervisors – HAS BEEN IMPLEMENTED

ISD has been reporting status on the Property Tax System to the Board of Supervisors and currently reports status on all projects to department heads every quarter.

Commendation

The Grand Jury commends the Information Services Department and director Kevin Bowling for changing the focus and the culture of the department over the past two years. The changes have improved user confidence and resulted in considerable progress towards the goal of eliminating reliance on the mainframe.

Responses Required *Note: The responses of the County of Santa Cruz Information Services were incorporated into the responses from the Board of Supervisors and the Board of Supervisors is identified as the respondent.*

Respondent	Findings	Recommendations	Respond Within / Respond By
County of Santa Cruz Board of Supervisors	2, 3, 6-11	1 – 2	60 Days September 1, 2009
County of Santa Cruz Information Services	2-4, 6-11	1 – 2	90 Days October 1, 2009

Sources

Interviews

- Officials from Santa Cruz County Departments
- Information Services
- Planning
- Probation
- Child Support Services
- County Administrative Office
- Site Inspection
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IBM Ends 31-bit z/OS Mainframe Support, Mark Fontecchio, Data Center News, April 11, 2007

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<http://www.wikipedia.org/>

<http://www.co.santa-cruz.ca.us/>

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A Tale of a SERP

Summary

As an incentive to retire, many school districts offer Supplemental Employee Retirement Plans (SERP) as a means to encourage highly paid staff to retire so that the district can save money by hiring a lower-paid replacement. A SERP provides eligible employees with a monthly income supplement to regular retirement benefits. Participating in a SERP is voluntary for employees who meet certain eligibility guidelines established by the district and approved by the board of education.

A financial crisis in a school district is often the primary reason for offering a SERP. School districts are required to submit reports on the financial health of the district to the county office of education during each fiscal year. The reports declare whether or not the district is able to meet its financial obligations. Districts that are unable to meet the financial goals for the year and subsequent years must prepare and implement a fiscal recovery plan showing how they plan to remedy the problem.

A SERP is typically offered to an eligible employee on a one-time basis only. Giving employees only a single opportunity tends to generate the highest rate of participation, which leads to greater fiscal savings. The district establishes the amount of the financial incentive to offer employees and the payment options. The benefit can range from a set dollar amount per eligible employee to a percentage of salary.

Since 2006, Pajaro Valley Unified School District (PVUSD) has been in financial distress. A SERP was offered in 2005-2006 and again in 2007-2008. In 2008-2009, the district was again faced with a severe budget shortfall. Cuts and adjustments had to be made for that school year and the following. Offering a SERP to three employee groups was one of the cost-saving measures implemented by the district. Although the PVUSD Board of Education followed proper procedures to award the SERP and all employees qualified for the benefit, the Grand Jury found that several procedures could be implemented to strengthen the SERP process to ensure fiscal responsibility of public funds.

Scope

The Grand Jury investigated the SERP that was authorized and executed by Pajaro Valley Unified School District in 2008 to determine whether:

- the Board of Education used the proper procedures to authorize and implement the SERP
- employees receiving the SERP qualified for the retirement incentive
- the projected cost savings of the SERP were realized in the next year's budget
- public funds were used appropriately
- the process was transparent to the public

Findings

1. On March 12, 2008, PVUSD Board Agenda item 13.4 reports that the district will not have the funding to meet the current budget. Due to the State's financial crisis,

PVUSD would be \$9,400,000 short for 2008-2009 and \$17,500,000 short for 2009-2010 if cuts and adjustments were not made.

Response: Pajaro Valley Unified School District - AGREES

2. PVUSD hired Keenan and Associates, a financial planner, to conduct a *Fiscal Cost Analysis* to analyze the potential savings of offering a SERP. The report was prepared and submitted to the district on June 6, 2008. It established plan assumptions, benefit options, demographic analysis, SERP cost analysis, and benefit data sheets for three employee groups in the district. PVUSD staff stated that offering a SERP to management employees could generate a cost savings of approximately \$159,000 depending upon the number of employees who took advantage of the opportunity. The proposal identified twelve managers as potential candidates for the incentive.

Response: Pajaro Valley Unified School District - AGREES

PVUSD staff stated the projected savings generated would be \$159,000 over five years as the projected by Keenan and Associates in the report dated March 6, 2008. The power point presentation to the board March 12, 2008 listed projected savings by year.

Yr 1: \$50,794

Yr. 2: 40,546

Yr. 3: 30,672

Yr. 4: 21,349

Yr. 5: 15,867

The projection was that an estimated 12 employees would take advantage of the SERP, there were more than 12 employees that would qualify.

3. Three months before Keenan and Associates submitted the *Fiscal Cost Analysis*, PVUSD Board of Education approved Resolution 0708-22 on March 12, 2008, offering a SERP for management employees. The criteria set forth by the Board requires that the employee:
 - is a certificated or classified management employee
 - will be at least 55 years of age by June 30, 2008
 - has at least five years of continuous service with the district by date of retirement
 - submits a letter of resignation and SERP enrollment package by May 9, 2008
 - is eligible to retire from State Teacher Retirement System (STRS) or Public Employee Retirement System (PERS)
 - retires from the district as of June 30, 2008
 - will not be eligible for reemployment in the district other than as a substitute

Response: Pajaro Valley Unified School District - AGREES

The projections were brought to the board March 12, 2008 with the resolution to request permission to proceed with the offering. This criterion is the same for management and teachers.

4. The PVUSD SERP offered eligible employees 95% of current salary to be paid according to the option selected by the employee. The terms of payment varied from a monthly payment through the remainder of life or a five to ten year distribution.

Response: Pajaro Valley Unified School District - AGREES

5. The Associate Superintendent of Business and the Interim Superintendent prepared the SERP Resolution 0708-22 and the agenda item for the PVUSD Board. The resolution was approved in open session and the public had the opportunity to see the item on the agenda prior to the action taken by the board. Both the Interim Superintendent and the Secretary of the Board signed the resolution according to district procedures.

Response: Pajaro Valley Unified School District - AGREES

Associate Superintendent prepared the item and Superintendent approved the item for the board packet. The appropriate protocols for submitting and approving resolutions were followed.

6. PVUSD Board Members did not have a copy of the *Fiscal Cost Analysis* prepared by Keenan and Associates and were not privy to the information in the document except what was reported to them by staff prior to approving the SERP.

Response: Pajaro Valley Unified School District – PARTIALLY AGREES

The appropriate protocols for the adoption of resolutions were followed. The projected savings were supplied to the board, without the individual salary data which was not presented for reasons of confidentiality.

7. The district SERP administrators were the Associate Superintendent of Business and Assistant Superintendent, Human Resources. Keenan Financial Services served as the contract administrator to assist in implementation of the plan.

Response: Pajaro Valley Unified School District - AGREES

The Board authorized the two positions in Resolution 07-08-22 dated March 12, 2008 to administer and execute the plan. This included, executing documents and authorizing the contract.

8. Following the approval of the SERP by the PVUSD Board, an announcement flyer was prepared and distributed to all management employees in the district.

Response: Pajaro Valley Unified School District - DISAGREES

The flyer was mailed to eligible managers only.

9. Twelve employees submitted the proper paperwork and met the established criteria to receive the retirement incentive.

Response: Pajaro Valley Unified School District - AGREES

10. Eleven of those employees, the Associate Superintendent of Business and the Assistant Superintendent of Human Resources were subordinate to the superintendent and they reported directly to the superintendent.

Response: Pajaro Valley Unified School District - DISAGREES

While all employees were subordinate to the Superintendent, all of the employees other than the Associate Superintendent, Business and the Assistant Superintendent, Human Resources were directly supervised by someone other than the Superintendent.

11. One of the employees was directly evaluated by the PVUSD Board and had a specific written contract that stipulated all terms and conditions of employment including compensation and benefits. The contract did not provide authorization for a SERP. In addition, this employee had previously retired from the district and was serving in an interim capacity.

Response: Pajaro Valley Unified School District - AGREES

12. Keenan Financial Services estimated cost savings of \$159,000 if all eligible management employees took advantage of the SERP. Interviews with the PVUSD officials revealed that the SERP savings was approximately \$46,000, \$113,000 less than projected.

Response: Pajaro Valley Unified School District - DISAGREES

The PVUSD officials showed that the savings for the FIRST year was \$46,000. The Keenan document stated an estimated savings over FIVE years of \$159,000. At the time when the district officials were asked for the savings amount only ONE year had past therefore only one year of savings could be calculated.

13. A financial analysis of the projected savings compared to the actual savings was not shared with the Board of Education.

Response: Pajaro Valley Unified School District - AGREES

The savings for the first year after the SERP had not been shared with the Board.

14. PVUSD stated that the County Office of Education was informed about the SERP. However officials at the county office stated they were not involved in the SERP offered by PVUSD and would only be involved if the SERP was part of a fiscal recovery plan or a payment agreement with employee bargaining units.

Response: Pajaro Valley Unified School District - AGREES

The county was not involved in the offer of the SERP to Management Employees.

Response: Santa Cruz County Office of Education – PARTIALLY AGREES

The Santa Cruz County Office of Education disagrees with the statement made by the PVUSD that the County Office of Education was informed about the SERP. We do agree with the second sentence in the Finding that officials at the county office stated they were not involved in the SERP offered by PVUSD and would only be involved if the SERP were part of a fiscal recovery plan or a payment agreement with employee bargaining units.

The Santa Cruz County Office of Education has no role in reviewing or approving district Supplemental Early Retirement Programs; however, the role of the County Office of Education does include submitting retirement information in district matters of the Public Employees Retirement System (PERS) and the State Teachers Retirement System (STRS). Even in those cases, the role is not one of approval but rather submitting the retirement information and that only in the case of PERS. The Santa Cruz County Office of Education had no role in PVUSD's SERP early retirement program of which this action was directed.

Under fiscal oversight statutes (collectively referred to as AB 1200), the Santa Cruz County Office of Education does have a responsibility to review certain elements that involve added costs to districts if the district is under fiscal stress. The PVUSD at the time the SERP was granted had a positive certification. Even if not under fiscal stress, any agreements that are made between the district and a PERS recognized bargaining unit must be disclosed and the Santa Cruz County Office of Education must be provided the information as to the costs, if any, and it must also be disclosed to the public prior to board action.

The 2007-2008 PVUSD budget was approved in August of 2007 by the Santa Cruz County Office of Education and the referenced First Interim Report for that year was filed by the district and received a positive certification in January, 2008.

A positive certification is defined as an interim budget report that, based upon current projections, certifies the district will meet its financial obligations for the current fiscal year and subsequent two fiscal years.

In April of 2008, the district filed the required Second Interim Report and it was assigned a negative certification.

One of the solutions the district proposed was to offer a supplemental early retirement option through a third party vendor, Keenan and Associates. They are among one of several vendors that work with school districts to craft such programs. By their very nature, these are programs that are offered with certain criteria in place with a stipulated timeframe. The decision to implement them is contingent upon projected cost savings. These preliminary reports only serve to define the possible eligibles not the actual outcome. The final actual application submitted determines the financial feasibility after the close of the application period.

The Santa Cruz County Office of Education's role is only to acknowledge that the district is using this program as a projected cost reduction strategy. It is within the purview of the district board to approve such strategies.

15. County Office of Education officials weren't aware of a SERP being awarded to a retired employee serving as interim administrator for a district. County officials stated the practice of awarding a SERP in that situation was unusual and they had never heard of it happening before in the county.

Response: Santa Cruz County Office of Education – AGREES

The Santa Cruz County Office of Education was not aware of the final offering to administrators. The Santa Cruz County Office of Education is not aware of other instances in which a retired or interim employee was provided such a benefit in the past.

Conclusions

1. The procedure used to authorize offering the SERP to PVUSD management employees followed district board policy and procedures.
2. The *Fiscal Cost Analysis* document was prepared after the PVUSD Board approved offering the SERP, so the analysis was not used by the Board to make an informed decision.
3. The true fiscal impact of the SERP is difficult to determine and the numbers given by the district appear to be guesses rather than statistically based. No one could confidently determine the actual savings to the district.
4. Each employee that received a SERP got 95% of their salary over a set amount of time. An offer of less than 95% could have been just as successful and it would have had a positive impact on future savings.
5. All PVUSD employees offered the SERP met the district's qualifying criteria and were treated equally even though their job status in the district was not equal.
6. No employee should be authorized to approve benefits for a person who supervises them. It is unwise and subjects the district to criticism from the public. The one contracted employee who reported directly to the PVUSD Board met the criteria for

the SERP but did not receive Board approval for the benefit and an amendment to the contract.

7. Offering a retirement incentive to an administrator who is already retired and is serving in an interim capacity is not a common practice and verges on misuse represents a questionable allocation of public funds by the PVUSD Board of public funds.
8. Both the PVUSD Board and district administrators were unable to provide an accounting for the actual savings generated by the SERP.
9. The oversight authority of the Santa Cruz County Office of Education regarding offering a SERP was not clear to district administration.

Recommendations

1. PVUSD administrators should provide the PVUSD Board with all documents related to projected cost savings prior to approving a SERP.

Response: Pajaro Valley Unified School District – HAS BEEN IMPLEMENTED

The projected savings were presented to the board. The board was made aware of criteria and annual estimated annual savings as well as the net savings for the five years.

2. PVUSD administrators and the PVUSD Board should analyze the potential savings from a SERP and develop a calculation to verify the actual savings versus the projected savings.

Response: Pajaro Valley Unified School District – HAS BEEN IMPLEMENTED

This activity was performed the Grand Jury misinterpreted the information that was provided for them.

3. PVUSD administrators and the PVUSD Board should thoroughly analyze the benefit options of a SERP such as dollar amount given and years of service to ensure the district is getting the most savings possible from the plan.

Response: Pajaro Valley Unified School District – HAS BEEN IMPLEMENTED

The SERP was analyzed for the benefit of savings and the district employees.

4. PVUSD Board should analyze the practice of awarding a SERP to a retired interim employee to determine if this practice is the best use of public funds.

Response: Pajaro Valley Unified School District – HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE

Upon other offerings of a SERP if there is an interim involved the board will have a chance to confer before offering it.

5. PVUSD Board should develop a board policy regarding any future practices of awarding a SERP to a retired, interim employee.

Response: Pajaro Valley Unified School District – WILL NOT BE IMPLEMENTED

Board Policy is not warranted in this situation. Board will review before offering to an interim in the future.

6. PVUSD Board should include all benefits and compensation, including a SERP, as part of a contracted employee’s employment agreement.

Response: Pajaro Valley Unified School District – WILL NOT BE IMPLEMENTED

All Certificated employees are under contract. District does not know year to year when it may offer a SERP.

7. PVUSD Board should eliminate the procedure that allows a subordinate employee to authorize a benefit for a supervisor.

Response: Pajaro Valley Unified School District –HAS BEEN IMPLEMENTED

This was not the intent of the subordinate processing paperwork.

8. PVUSD and the Santa Cruz County Office of Education should discuss the SERP process and clarify the roles of each agency prior to, during, and after implementation.

Response: Pajaro Valley Unified School District – HAS BEEN IMPLEMENTED

This was discussed prior to the offering of the first SERP.

Response: Santa Cruz County Office of Education – HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE

The Santa Cruz County Office of Education will communicate with all school districts with the request that, as such agreements are contemplated, the Santa Cruz County Office of Education should be informed.

The Santa Cruz County Office of Education will have no role in the ultimate implementation or approval except to comment, if it is deemed necessary, within the fiscal oversight responsibilities of the County Office of Education. The approval and implementation role is the responsibility of the local district school board.

Responses Required *Note: The Pajaro Valley Unified School District Administration and Board of Education combined their responses and these responses are identified as Pajaro Valley Unified School District responses.*

Respondent	Findings	Recommendations	Respond Within / Respond By
PVUSD Board of Education	3, 6, 11 – 13	1 – 7	90 Days October 1, 2009
PVUSD Administration	3, 6, 11 - 14	1 – 8	90 Days October 1, 2009
Santa Cruz County Office of Education	14, 15	8	90 Days October 1, 2009

Sources

Web Sites

<http://www.cde.ca.gov/fg/fi/ss/csoverview.asp>

<http://www.cde.ca.gov/fg/fi/ir/budgetstatus.asp>

http://www.keenanassoc.com/fs/serp_overview.asp

http://www.keenanassoc.com/fs/serp_how-it-works.asp

Interviews

Pajaro Valley Unified School District

District Administration

Retired Administrator

Board Member

Santa Cruz County Office of Education Administrators

Santa Cruz County Legal Counsel

Publications / Documents

Keenan and Associates, *Supplemental Employee Retirement Plan for California School, Pajaro Valley Unified School District Final Cost Analysis*, June 6, 2008.

Keenan and Associates, *Supplemental Employee Retirement Plan* for other districts

Pajaro Valley Unified School District, Board agendas and minutes

Correspondence with Pajaro Valley Unified School District’s legal counsel

What's in Store for Stores?

“We have to be competitive in the market. It's like any other enterprise.”

Dinah Phillips, spokeswoman for County Administration Office.

Santa Cruz Sentinel April 5, 2009

Summary

Santa Cruz County owns and operates a single facility, the Central Stores (Stores) warehouse, in which materials from different departments and agencies are stored and/or distributed. In addition, some agencies (i.e. County Clerk Elections Department) use third-party facilities for their storage if there is a need for more space, or for a facility with better temperature control and security.

The warehouse on Emeline St. in Santa Cruz serves several purposes, such as the storage and distribution of canned and packaged food and other supplies for the Main and Rountree jail facilities. It is also a long-term storage facility where items are warehoused for possible future use, such as portable wall partitions, desks, file cabinets, etc. There are pallets of valuable but water-damaged county recorder books that are being kept until they can be restored. Limited space is allocated for large storage racks for boxes of files from different departments.

Recently emptied space vacated by County Clerk Elections Department is identified as a possible medical drop destination in case of a pandemic. Some departments are billed based on the number of pallets or boxes warehoused. Charges are debited against the approved supply budgets of the departments Stores serves.

Today county departments have access to improved alternate purchase and delivery systems, which are privately held. The County has not funded the purchase of much-needed storage racks that would accommodate file and document boxes. For those and other reasons, Stores is under-utilized, inappropriately furnished, and full of obsolete items.

It appears that over the last several years this facility is costing the County more money to operate than it saves, and needed upgrades would add to the county's cost. If there are more efficient and cost-effective private services that can duplicate Stores operation, the County should look into the feasibility of using the warehouse for some important county purpose, for example, a county law enforcement training center, homeless services, or a troubled youth center.

As a result of information obtained from public records, interviews with business and county officials and first-hand observations, this Grand Jury has reservations about the cost and efficiency of continuing to use the Stores warehouse facility as it is used today. General Services has options to explore, but the optimum outcome is using this facility more efficiently to reduce costs for the County. Without additional funds for file box racks, computerization, and the elimination of stored outdated equipment, this facility will continue to cost county taxpayers money that could be used in better ways.

The obvious questions:

- Why is food service for the Main jail and Rountree not handled in the same manner as office supplies, with a single-vendor that delivers?

- Why is the County paying to keep old wall partitions and used furniture stored for 20 years?
- Why have no additional storage racks been added to accommodate the increasing number of files?
- Where is the computer system to track inventory?

The standard answer, echoed in good or bad economic times, is “There is no money.”

Scope

County Central Stores warehouse operation was investigated to determine its cost effectiveness versus a private business model for purchase, delivery and storage.

Definitions

General Services Department Purchasing (Purchasing): unit responsible for purchasing/rent/lease of equipment, materials and supplies for all county departments and agencies.

Central Stores (Stores): This unit of the General Services Department’s Facilities Division maintains a warehouse to store a wide variety of consumable supplies, as well as some equipment items commonly used by various county departments. It assists Purchasing in the transfer, sale and other disposition of surplus property items. In addition, the warehouse provides a limited amount of moving, repair and special warehousing services. Warehouse staff also maintains the County records retention center.

CAL-Card: A payment mechanism (Visa card) with no fees and no interest cost unless late penalties are assessed. It is designed to streamline the procurement process and reduce purchasing costs for goods and services up to \$100,000 per transaction. It is offered by the State of California through a master contract with U. S. Bank.

Single-vendor Contract: A legal agreement established by a competitive bidding process. One party agrees to purchase certain goods or services from the other in order to gain advantages in pricing or service.

Background

In 2003, the County contracted to buy office supplies from a single-vendor that would deliver directly to each department. Already in place was CAL-Card, a credit card system that allows certain authorized county employees to buy any supplies that aren’t restricted by the single-vendor contract or county purchasing rules, again bypassing Central Stores. With the advent of the booming personal and commercial storage business, the County found it cheaper to lease space than to remodel or build large buildings to house the ever-increasing amount of paper files needing to be stored.

Findings

1. Central Stores charges other county departments for storage space used and delivery of stored supplies. Total charges to other departments should be equal to or greater than the cost to operate Stores. If total income is less than the cost, then money from

the county general fund must be used to supplement the Stores budget. The following graph details county cost to maintain the Stores facility over and above the revenue generated from billing individual departments for Stores services.

Net County Cost for Central Stores

Fiscal Year	Net Cost
1999-2000	\$ 42,854.74
2000-2001	\$ 11,259.11
2001-2002	\$ 50,202.18
2002-2003	\$102,963.65
2003-2004	\$ 76,881.37
2004-2005	\$ 35,870.59
2005-2006	\$ 63,996.81
2006-2007	\$ 79,319.90

Response: County of Santa Cruz Board of Supervisors – DISAGREES

Net cost shown in the above table is reversed. There is no net county cost for Central Stores. Salaries and benefits as well as services and supplies are less than revenues produced. Total charges to other departments are greater than the cost to operate Stores and result in annual Net County cost savings.

2. Purchasing orders large quantities of items the County needs, such as copy paper and canned and dry goods for the jails, to take advantage of volume price discounts. The items are stored until they are requested by and delivered to a department. Inventory items are done by hand and cannot be viewed on computers within other county departments.

Response: County of Santa Cruz Board of Supervisors – AGREES

3. A single vender contractor sells the same supplies at a similar cost and delivers in an as needed time frame.

Response: County of Santa Cruz Board of Supervisors – DISAGREES

Periodic checking on bids for stored products show that it costs more for a supplier to drop ship products on an as needed basis. This is due primarily to the increase in storage and shipping costs, and does not result in cost savings for the County.

4. Many county departments and agencies have a need for more record file storage space. Without additional file storage racks at Stores they cannot be properly accommodated.

Response: County of Santa Cruz Board of Supervisors – PARTIALLY AGREES
Additional storage racks are planned for a future budget cycle, resources permitting.

5. Because of the security needed to safeguard ballots and sophisticated voting machines, the County Clerk Elections Department decided to relocate them from Stores and lease outside commercial space rather than improve the county facility. The leased space is secured with building locks, chain link fence, internal room with key pad locks and monitored security cameras and also has a temperature controlled environment to protect ballots and computer voting machines.

Response: County of Santa Cruz Board of Supervisors – AGREES
The County Clerk notes that the facility itself stays sufficiently cool for the storage of the voting equipment and therefore did not require additional temperature controls.

6. In May 2006, the County signed a ten-year lease for 6,500 sq. ft. of commercial storage space. The lease was amended in March 2008 for an additional 2,600 sq. ft. Total rent is \$6,765 per month, or \$81,180 per year for the next 3 years. The lease includes annual increases in monthly rent beginning in July 2011. The cost of tenant improvements on the leased space totaled about \$107,200 of which \$100,000 was recuperated from the Help America Vote Act which is a federal law passed in 2002. One section of the law established a grant program for payments to states to improve election administration.

Response: County of Santa Cruz Board of Supervisors – AGREES

7. Warehouse space is currently being used to store outdated equipment, 20 year-old wall partitions, and ruined 100-year-old County Recorder books.

Response: County of Santa Cruz Board of Supervisors – PARTIALLY AGREES
Departments purchased reusable partitions in order to have reconfigurable workspace to meet current and future needs within their changing environments. Departments utilize these parts in order to make changes with minimal cost; disposal of the extra parts or outsourcing their storage would only increase costs. The damaged Recorder Books may not be destroyed by law and must be retained and restored as funds allow.

Conclusions

1. Central Stores is inefficiently using warehouse space.
2. Central Stores uses outdated record keeping.
3. Items that can be cost-effectively supplied by private business on an as-needed basis are instead being ordered in bulk and stored for months before being used.
4. The same \$100,000 granted under the Help America Vote Act to improve the rented storage space could have been used to update the County-owned warehouse for storage of elections supplies and equipment.

Recommendations

1. General Services should do an in-depth, detailed study on the efficiency and cost-effectiveness of Central Stores.

Response: County of Santa Cruz Board of Supervisors – WILL NOT BE IMPLEMENTED

It is not possible to conduct a detailed study at this time due to the limited County financial resources. However, in the future, a complete study and implementation of appropriate measures in the current Warehouse facility will be considered.

2. General Services should research options to purchase food and supplies on an “as needed” basis from private business.

Response: County of Santa Cruz Board of Supervisors – REQUIRES FURTHER ANALYSIS

Purchasing will continue to monitor commodity pricing with options for storage and/or drop shipping, which will be considered in future bids for restocking. An element of any consideration of such awards will be an analysis to determine the actual cost advantage to the County to have product drop-shipped on an as needed basis.

3. General Services should divest some stored items that are unlikely to be used again and invest in file box racks; or discontinue the Central Stores operation altogether and contract with the private sector instead.

Response: County of Santa Cruz Board of Supervisors – REQUIRES FURTHER ANALYSIS

Due to the financial situation facing the County, it is not feasible at this time to conduct the necessary study and purchase required equipment for the expansion of the records retention area. In the future, modernizing the Records Retention Program will be a priority when funding becomes available.

4. The County should consider moving items stored in the warehouse to smaller leased space or other available space and using the building as a Sheriff’s Office law enforcement training facility or for another needed county function.

Response: County of Santa Cruz Board of Supervisors – WILL NOT BE IMPLEMENTED

Based on the cost savings obtained by buying in bulk and the convenience of storing confidential items on site, the warehouse operation is currently cost effective. However, improvements, such as increasing on site records retention area and implementing computerized inventory control, will be considered as the County’s financial situation improves.

Responses Required *Note: The County of Santa Cruz General Services responses were included in the responses from the Board of Supervisors and are identified as responses from the Board.*

Respondent	Findings	Recommendations	Respond Within / Respond By
County of Santa Cruz General Services	1 - 4, 6, 7	1 – 3	90 Days October 1, 2009
County of Santa Cruz Board of Supervisors	1- 7	3, 4	60 Days September 1, 2009

Sources

Publications & Websites

Santa Cruz Sentinel article, “Santa Cruz County Execs, See Hefty Pay Raises in 2008.”
4/05/09

Santa Cruz County Government website <http://www.co.santa-cruz.ca.us/>

Santa Cruz County Audit reports

Santa Cruz County Clerk Elections Department report from the minutes of the Santa Cruz County Board of Supervisors meeting March 11, 2008

Interviews

Santa Cruz County Officials Representing:

General Services

Central Stores

Sheriff’s Office

Representative from Private Businesses;

Food warehousing and distributing company

Private storage facility

Who is Watching Our Special Districts?

Summary

The County of Santa Cruz has 92 special districts within its borders. There are special districts for water, fire, parks and recreation, cemeteries and many others. Each special district is created subject to a “principal act”, a set of individualized statutes pertinent to the purpose of the district. One of the tasks of the Grand Jury is to act as a “watchdog” over the special districts within the County in an attempt to ensure they are functional and operating within parameters that are in the best interest of the citizens they serve. Of the special districts in Santa Cruz County, 14 operate outside the purview of the Local Agency Formation Commission (LAFCO) and this report will not address those districts. Acting upon a complaint, the Grand Jury initiated an investigation into the operations of one of the districts, and determined that there is limited oversight of how this particular district functioned. Although statutes had been in place for years, the specific district was operating without written “rules for its proceedings” (otherwise known as bylaws) which is a violation of its principal act under Public Resources Code 5784.13(e). This special district had also only recently adopted parliamentary procedures for the conduct of its meetings.

Without bylaws and established parliamentary procedures, the governing board of a special district is virtually answerable to no one except the electorate, which in many cases is apathetic towards the operation of the district until an issue of critical neighborhood concern arises. Between election cycles, this leaves members of the public, as well as members of the district’s board, with no method of redress if there are concerns with the activities of the governing board.

This investigation opened the door to broader issues: One, how to ensure local special districts comply with state law; and two, the feasibility of compiling special district governing documents in a central repository for easy public access.

Initially, special districts were independent governmental agencies subject only to state and local laws until the California legislature created Local Agency Formation Commissions (LAFCO) in 1963. Among LAFCO responsibilities is to oversee the formation and/or modification of special districts within their counties. Another part of the LAFCO mandate is to perform Municipal Service and Sphere-of-Influence reviews of special districts every five years. Currently in this county, except for these reviews, once LAFCO approves creation of a new district, the interaction with that entity ceases. Additionally, little information about a special district is retained by LAFCO other than the original application.

LAFCO could confirm transparency to the public by making available for examination the following special district documents:

- Bylaws;
- Rules of parliamentary procedure, i.e., Robert’s Rules of Order or Rosenberg’s Rules of Order; and

- A mission/vision statement, if applicable, although not required by law, it gives their constituents a basic understanding of the district’s purpose.

The Grand Jury deems it appropriate that Santa Cruz County LAFCO expand its application and review process to include submission and retention of special district governing documents (mission statement, bylaws and parliamentary procedures) in a central repository as provided under LAFCO’s Municipal Service Review Guidelines: #7, Government Structure Options, #8, Evaluation of Management Efficiencies and #9, Local Accountability and Governance.

Definitions

Special District: An agency sanctioned under California law for the performance of a local government function within specific boundaries. Districts range in size from small to very large and often cross political boundary lines, such as city and county borders, to serve a common community interest.

Principal Act: A set of state statutes that allow for the creation of specific special districts.

Governing Board: Local elected officials of a special district.

Local Agency Formation Commission (LAFCO): Government agency authorized by state law with a variety of responsibilities, among which is regulation of the creation and boundaries of cities and special districts within its county, and any modifications thereof.

LAFCO Commissioners: Two county supervisors, two city council members, two from special districts boards and one member of the public at large.

Municipal Service Review: State law requires that LAFCO prepare service reviews of all governmental services once every five years for the purpose of identifying opportunities to improve the quality, efficiency or cost-effectiveness of local services.

Sphere-of-Influence: “A plan for the probable physical boundaries and service area of a local government agency (Government Code Section 56076).” A sphere of influence will reflect the limits of probable future growth of an agency during the applicable general plan period or twenty years. Spheres of influence are adopted by LAFCO following a public hearing and are required to be reviewed every five years.

Background

Of the 92 special districts within Santa Cruz County, many have been in existence 50 or more years. Special Districts have limited oversight and reporting requirements which include the four-year election cycle, the every-five-year Municipal Service and Sphere-of-Influence reviews performed by LAFCO and an annual financial statement submitted to the California State Controller’s Office. Both large and small districts (i.e., water vs. cemetery districts) have an obligation to be accessible and transparent to the public they serve. For the most part, larger districts appear to be professionally run, complying with the applicable statutes and the concerns of their constituents in fulfilling their intended purpose.

However, smaller districts operating with far less or no staff and often volunteer members of their governing boards, may fall into gray areas of minimal compliance with guidelines and statutes in the operation of their districts. It is in this area that the Grand Jury became

aware of problems that could affect all special districts in providing consistent, quality performance.

The Grand Jury investigated a complaint regarding the operation of a particular special district within Santa Cruz County and discovered many of the allegations made about the governing board of the district to be valid. It was found that the district in question (formed in the 1950s) had no written bylaws and to have only recently adopted parliamentary procedures to guide their meetings and operations. The combination of lack of formal procedures, bylaws and a mission statement led to ongoing problems and resulted in a breeding ground for hostility among the public and some members of its board.

Scope

The Grand Jury examined the statutory requirements and safeguards that ensure transparency to the public. In addition, the Jury looked at the benefits of expanding Santa Cruz County LAFCO's application and review process to include submission and retention of special district governing documents.

Findings

1. Each county LAFCO operates independently and may adopt local policies. [LAFCO 101]

Response: LAFCO – AGREES

2. LAFCO, through Municipal Service and Sphere-of-Influence reviews, may hold special districts accountable for meeting community service needs, including governmental structure and operational efficiencies. [Government Code 56439(a)(5)]

Response: LAFCO – PARTIALLY AGREES

There is no Government Code Section 56439(a)(5). Government Code Section 56430 requires LAFCO, when preparing the five-year service reviews, to make determinations regarding the services being provided to the various communities in the county. One determination subject is:

"(5) Accountability for community service needs, including governmental structure and operational efficiencies."

3. From the inception of special districts, they were required to operate by "rules," often redefined as bylaws or rules of proceedings as in (Kehoe) Government Code 61045(f).

Response: LAFCO – PARTIALLY DISAGREES

Government Code Section 61045(f) is located in the Community Service District law and states: "(f) The board of directors shall adopt rules or bylaws for Its

proceedings." This section of the law applies only to Community Service Districts formed under Government Code Section 61000 et seq. There are no such districts in Santa Cruz County. As pointed out in the comments LAFCO has received from some of the districts in Santa Cruz County, the enabling acts for other types of districts (such as fire protection districts and county water districts) do not contain a similar requirement.

4. All special districts fall under the mandate of the Ralph M. Brown Act, adopted in 1953 [Government Code 54950 to 54962], which requires agencies to have open meetings.

Response: LAFCO – AGREES

5. In Santa Cruz County the special district that initiated this investigation has operated, and others may continue to operate, in violation of statutes requiring adoption of bylaws and parliamentary procedures.

No Response Required

6. Santa Cruz County special districts have never been required to submit bylaws, parliamentary procedures and mission statements to LAFCO.

Response: LAFCO – AGREES

Response: County of Santa Cruz Board of Supervisors – AGREES

7. LAFCO special district files in Santa Cruz County contain very few, if any, copies of bylaws, parliamentary procedures or mission statements.

Response: LAFCO – AGREES

LAFCO also notes that, in reviewing the Grand Jury's report, several special districts have provided LAFCO with website references and paper copies of their bylaws, parliamentary procedures, and mission statements.

Response: County of Santa Cruz Board of Supervisors – DEFERS TO LAFCO

The County does not have access to LAFCO files and will defer to LAFCO to respond to this finding.

8. In Santa Cruz County no governmental agency has provided special district oversight to ensure existence of and operation within bylaws and parliamentary procedures.

Response: LAFCO – AGREES

Response: County of Santa Cruz Board of Supervisors – AGREES

Special districts operate under their own locally elected, independent board of directors and are not under the jurisdiction of any other governmental agency.

9. Among the 78 special districts within Santa Cruz county that are the subject of this report, all are authorized to operate under various principal acts and California statutes.

No Response Required

Conclusions

1. The Santa Cruz County LAFCO has not ensured compliance with the law requiring adoption of bylaws and parliamentary procedures within a special district.
2. The Santa Cruz County LAFCO has no mechanism to verify that parliamentary procedures and bylaws are followed in the operation of special district boards.
3. There is no central repository of legally-required special district documents to guarantee public access, review and utilization.
4. The Grand Jury believes that minimal oversight and the lack of public access to special district governing documents could create problems within any district.

Recommendations

1. Santa Cruz LAFCO commissioners should require that a mission statement accompany the initial application for formation of a special district.

Response: LAFCO – WILL NOT BE IMPLEMENTED

Consistent with applicable law, LAFCO currently has extensive application requirements for any party proposing the formation of a new district. These requirements include a purpose, a budget, and an operating plan. A LAFCO application requirement that a mission statement be included in the application would be duplicative. A district, if it is formed, may decide whether the adoption of a mission statement would be a helpful management tool.

Response: County of Santa Cruz Board of Supervisors – DEFERS TO LAFCO

LAFCO was created to regulate the boundaries of cities and special districts. The County defers to the LAFCO Board to determine whether this recommendation falls within its purview.

2. Santa Cruz LAFCO commissioners should require bylaws and parliamentary procedures be adopted, presented to and permanently lodged with LAFCO within 90 days of formation of a new district.

Response: LAFCO – HAS NOT BEEN IMPLEMENTED

This recommendation has not been implemented and it may exceed LAFCO's legal authority under state law. LAFCO notes that any new district will be subject to any of the other Grand Jury recommendations that LAFCO implements for all districts.

Response: County of Santa Cruz Board of Supervisors – DEFERS TO LAFCO

LAFCO was created to regulate the boundaries of cities and special districts. The County defers to the LAFCO Board to determine whether this recommendation falls within its purview.

3. Santa Cruz LAFCO commissioners should require all existing special districts to have bylaws and parliamentary procedures and to submit copies for LAFCO's files within six months.

Response: LAFCO – WILL NOT BE IMPLEMENTED

This recommendation will not be implemented and it may exceed LAFCO's authority under state law and may conflict with the enabling statutes for various special districts. If legal support existed for such a requirement, LAFCO would not choose to implement it because LAFCO believes that the decision to adopt bylaws and parliamentary procedures should be made by each district board, and that LAFCO should not prioritize its limited staff time in an effort to enforce special districts to adopt bylaws and parliamentary procedures.

Response: County of Santa Cruz Board of Supervisors – DEFERS TO LAFCO

LAFCO was created to regulate the boundaries of cities and special districts. The County defers to the LAFCO Board to determine whether this recommendation falls within its purview.

4. The Santa Cruz LAFCO office should act as a central repository and maintain copies of each special district's bylaws, parliamentary procedures and, if applicable, mission statement.

Response: LAFCO – HAS BEEN IMPLEMENTED

LAFCO has implemented this recommendation in the following manner:

-- The "Links" page of LAFCO's website has been expanded to include notations for the special districts that don't maintain websites. Only six independent districts do not have any website:

-- Alba Recreation and Park District

--Central Water District

--Opal Cliffs Recreation and Park District

--Pajaro Valley Public Cemetery District

--Reclamation District 2049 (College Lake)

--Salsipuedes Sanitary District.

--Santa Cruz LAFCO has opened a paper file that will be the permanent repository of all district bylaws, parliamentary procedures, and mission statements that districts submit in paper format.

--Santa Cruz LAFCO has added a notation on the "Links" page of its website that the paper versions of special district bylaws, parliamentary procedures, and mission statements that have been submitted to LAFCO may be accessed at the LAFCO office.

--In the next round of service reviews, LAFCO will inquire of each special district if they have bylaws, parliamentary procedures, and mission statements. LAFCO will ask if the documents are available on the district's website, and will invite districts that don't make the documents available on their website to file paper copies at the LAFCO office.

Response: County of Santa Cruz Board of Supervisors – DEFERS TO LAFCO

LAFCO was created to regulate the boundaries of cities and special districts. The County defers to the LAFCO Board to determine whether this recommendation falls within its purview.

5. The public should have access during normal County business hours or by electronic media to LAFCO copies of special district governing documents.

Response: LAFCO – HAS BEEN IMPLEMENTED

Response: County of Santa Cruz Board of Supervisors – DEFERS TO LAFCO

LAFCO was created to regulate the boundaries of cities and special districts. The County defers to the LAFCO Board to determine whether this recommendation falls within its purview.

6. The LAFCO commissioners and/or the County Board of Supervisors should draft enforceable penalties for failure to comply with these recommendations, following adoption.

Response: LAFCO – WILL NOT BE IMPLEMENTED

LAFCO will not implement this recommendation because:

--It may not be legal under state law

--LAFCO has major pending applications to review and significant state mandates to comply with. LAFCO must use its limited resources to provide thorough reviews and public hearings on applications, and to meet the state mandates

--The public and the Grand Jury should deal directly with any district they believe is failing to provide adequate transparency in conducting the public's business.

Response: County of Santa Cruz Board of Supervisors – DEFERS TO LAFCO
 LAFCO was created to regulate the boundaries of cities and special districts. The County defers to the LAFCO Board to determine whether this recommendation falls within its purview.

Responses Required

Respondent	Findings	Recommendations	Respond Within / Respond By
County of Santa Cruz LAFCO Directors	1 – 4, 6 – 8	1 – 6	90 Days October 1, 2009
County of Santa Cruz Board of Supervisors	6 – 8	1 – 6	60 Days September 1, 2009

Sources

Publications / Documents

California Special Districts Association informational publication;

CSDA website: <http://www.csda.net/>

Local Agency Formation Commission (LAFCO) publication “LAFCO 101”;

LAFCO website: <http://www.calafco.org/>

Santa Cruz County LAFCO

S.C.C. LAFCO’s new special district application

LAFCO’s Municipal Service Review Guidelines

Robert’s Rules of Order

Rosenberg’s Rules of Order

Ralph M. Brown Act

Public Resource Code 5780(b)

Public Resources Code 5784.13(e)

SB 135 (Kehoe) 2006 - 61045 California Government Code

Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000

Government Code 56000; 56439(a)(5); 56425(h)

California State Controller’s Report dated 09/04/08

California Senate Local Government Committee publication;

“What’s so special about special districts?” 2002 Mizany & Manatt

Governing board minutes from 2007 and 2008 of special district named in complaint

Interviews

Complainant of 2008/2009 Grand Jury complaint number five

Chairman of special district named in complaint

Past board member of special district named in complaint

Staff member of S.C. Treasurer/Tax Collector’s Office

Executive Officer, Santa Cruz County LAFCO

Member of County Counsel

Instructions for Respondents

California law (PC §933.05) requires that those responding to the Grand Jury Report must prepare responses for individual findings and recommendations within the Grand Jury Report rather than a generalized response to the entire report. Explanations for disagreements must be provided. (PC § 933.05 is included in its entirety at the end of this section.)

Please follow the format below when preparing your response.

Response Format

1. Find the response grid that appears near the end of each Grand Jury report, look for the row with the name of the entity you represent, and then only respond to those Findings and/or Recommendations listed on that row.
2. Provide the title and page number from the Grand Jury report.
3. Provide the date of your response.
4. For Findings
 - a. Provide a copy the original Finding.
 - b. Respond with one of the following:
 - i. **AGREE**.
 - ii. **PARTIALLY AGREE** (specify and explain disagreement).
 - iii. **PARTIALLY DISAGREE** (specify and explain disagreement).
 - iv. **DISAGREE** (specify and explain disagreement).
5. For Recommendations
 - a. Provide a copy the original recommendation.
 - b. Respond with one of the following:
 - i. **Has been implemented**.
 - ii. **Has not yet been implemented, but will be implemented in the future** (specify expected implementation date).
 - iii. **Requires further analysis** (specify the type of analysis required and the expected completion date, not to exceed six months)
 - iv. **Will not be implemented** (either because it is not warranted or is unreasonable; please include an explanation).
6. If responding to more than one report, respond to each in a separate document or on separate pages of one document.
7. For an example, see Response Report to the 2006-2007 Santa Cruz County Grand Jury Final Report: <http://www.co.santa-cruz.ca.us/grandjury>.

If you have questions about the response report, please contact the Grand Jury by calling (831) 454-2099 or by email: grandjury@co.santa-cruz.ca.us.

Where to Respond

1. Send a hard copy of your response to:

The Honorable Judge Paul Marigonda
Santa Cruz Superior Court
701 Ocean Street
Santa Cruz, CA 95060

2. Send an electronic version of your response via email to the Grand Jury:
grandjury@co.santa-cruz.ca.us. Please send all responses as either Microsoft Word or Adobe PDF files.

Due Dates

Elected officials or administrators are required to respond within sixty days of the Grand Jury Report's publication; responses by the governing body of any public entity are required within ninety days.

Penal Code § 933.05

- 1) For purposes of subdivision (b) of § 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:
 - a) The respondent agrees with the finding.
 - b) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.
- 2) For purposes of subdivision (b) of § 933, as to each Grand Jury recommendation, the responding person or entity shall report one of the following actions:
 - a) The recommendation has been implemented, with a summary regarding the implemented action;
 - b) The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation;
 - c) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the grand jury report; or
 - d) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.
- 3) However, if a finding or recommendation of the Grand Jury addresses budgetary or personnel matters of a county department headed by an elected officer, both the department head and the Board of Supervisors shall respond if requested by the Grand Jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision-making authority. The response of the elected department head shall address all aspects of the findings or recommendations affecting his or her department.
- 4) A Grand Jury may request a subject person or entity to come before the Grand Jury for the purpose of reading and discussing the findings of the Grand Jury report that relates to that person or entity in order to verify the accuracy of the findings prior to their release.
- 5) During an investigation, the Grand Jury shall meet with the subject of that investigation regarding the investigation, unless the court, either on its own determination or upon request of the foreperson of the Grand Jury, determines that such a meeting would be detrimental.
- 6) A Grand Jury shall provide to the affected agency a copy of the portion of the Grand Jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. No officer, agency, department or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report.

