

Continuity...The Beginning of the Never-Ending Report Follow-up on the 2008-2009 Santa Cruz County Grand Jury Final Report

Summary

This year's Grand Jury reviewed responses to the 2008-2009 Santa Cruz County Grand Jury Final Report for compliance with California Penal Code 933.05. The Jury found that additional information is needed from respondents for five of the six reports in order to fully address the recommendations of the Grand Jury and meet the Penal Code requirements.

Background

Each year county grand juries in California review and investigate selected aspects of county and city government. They report the results of their investigations to the relevant governing bodies and elected officials, and to the public. The reports include findings and recommendations that are intended to identify and provide alternatives to problematic operations and procedures discovered during the investigation.

Specified persons and agencies are required to respond to the report findings and recommendations. California Penal Code 933.05 provides the process and timeline for responders to follow. They send their responses to the presiding judge of the Superior Court. Elected persons must respond within 60 days and governing bodies are required to respond within 90 days.

For findings, respondents must indicate one of the following responses and provide associated additional information:

- **AGREES** with the finding,
- **PARTIALLY AGREES or PARTIALLY DISAGREES** with the finding and specifies the portion of the finding that is disputed and includes an explanation of the reasons therefore,
- **DISAGREES** with the finding and provides an explanation of the reasons therefore.

Regarding the recommendations, the responding person or entity must report one of the following actions:

- **HAS BEEN IMPLEMENTED**, with a summary regarding the implemented action,
- **HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE**, with a timeframe for implementation,
- **REQUIRES FURTHER ANALYSIS**, with an explanation and the scope and parameters of an analysis or study, and a timeframe for that analysis or study; this timeframe shall not exceed six months from the date of publication of the grand jury report,

- **WILL NOT BE IMPLEMENTED** because it is not warranted or is not reasonable, with an explanation therefore.

The 2009-2010 Grand Jury decided to review and consider the legal adequacy of the responses to the 2008-2009 Grand Jury Report, issued on June 30, 2009. This review communicates to relevant persons and agencies and to the public that the Grand Jury will consider and act on missing and/or inadequate responses to its findings and recommendations. Additionally, it provides assurance that the current Grand Jury recognizes the worth of the efforts of previous juries.

The 2008-2009 Grand Jury Report included six formal reports. Those reports were:

1. Alcohol, a Drug of Choice for Scotts Valley Teens
2. For Everything Else There's CAL-Card
3. Information Services Department – Stagnation or Migration?
4. A Tale of a SERP
5. What's in Store for Stores?
6. Who Is Watching Our Special Districts?

Following are synopses of the six reports and the current Grand Jury's findings regarding the responses. There are new recommendations in this Continuity Report where the responses were judged to be inadequate per Penal Code Section 933.05 or where the Jury concluded that additional information is warranted.

Section 1: Alcohol, a Drug of Choice for Scotts Valley Teens

Synopsis

Alcohol is reported to be the number one drug of choice among our 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. With underage alcohol use threatening the wellness of teens, the Grand Jury decided to investigate the Scotts Valley Unified School District (SVUSD) to determine student alcohol usage as well as the District's approach to intervention and prevention programs.

Current Findings

- F1.** The implementation of Recommendation 5 to reinstate the School Resource Officer was delayed due to staffing and budgetary restrictions but no timeframe was provided for the reinstatement.
- F2.** The responses to Recommendations 9 and 12 indicated the District would conduct further analyses of the suggestions in the recommendations but there were no explanations, no descriptions of the scope and parameters of the analyses or studies, and no timeframes.

| | 2008-2009 Recommendation | Respondent | 2008-2009 Response |
|----|--|------------|--|
| 5 | SVUSD should work with the Scotts Valley Police Department (SVPD) to reinstate the School Resource Officer to the high school campus when budgetary restrictions allow. | SVUSD SVPD | Has not been implemented but will be implemented in the future |
| 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. | SVUSD | Requires further analysis |
| 12 | SVUSD should involve students in self-help strategies such as peer counseling and conflict resolution, as well as county-wide programs such as Friday Night Live and the Together for Youth collaborative. | SVUSD | Requires further analysis |

Current Recommendations

R1. SVUSD and SVPD should provide the Grand Jury with an update on the status of reinstating a School Resource Officer to the high school campus.

Response: Scotts Valley Police Department – AGREE

Has not yet been implemented but will be implemented in the future. The Scotts Valley Police Department remains committed to reinstating a School Resource Officer (SRO) at Scotts Valley High School as soon as staffing allows. Unfortunately, we have lost one officer to another organization and are still understaffed by two positions. Recruitment, academy and field training for one new officer can take a year to complete, thus delaying a return to full staffing. Once training is complete and we have returned to full staffing, which should take approximately 1 to 2 years, we will dedicate an officer to Scotts Valley High School.

Response: Scotts Valley Unified School District

At the time of the district’s initial response, the district had set aside funds for an SRO, but the Scotts Valley Police Department had no personnel to provide. This year, because of the state funding crisis, the district no longer has funding for an SRO, as all funds are needed to maintain basic core programs. If and when funds again become available, and if the SVPD is able to provide an SRO, the district intends to fund a partial SRO position at the high school.

R2. SVUSD should provide the Grand Jury with status reports on the analyses associated with Recommendations 9 and 12.

Response: Scotts Valley Unified School District

Response to Recommendation #9: An advisory committee was convened during the 2009-10 school year by a high school counselor to investigate prevention and intervention options for students. The committee included high school staff involved with alcohol/drug abuse education, students, community members and law enforcement representatives who participated in defining a prevention/intervention strategy for the school, including parent programs and programs for students. This committee was instrumental in supporting the district's participation in the Reduce Alcohol Abuse Program (RAAP) federal grant described below, a grant built upon the resources and participation of the Santa Cruz County Office of Education, Youth Services, North County high schools and adult education programs. Alcohol/drug abuse prevention continues to be part of the ninth grade health curriculum for all students with additional education, prevention and intervention as described below.

Response to Recommendation #12: As one result of the RAAP grant, a student group, collaborating with Friday Night Live, will be arranging programs for district students. In addition, also as a result of the RAAP grant, Project Success will be providing prevention, intervention and parent programs. Project Success includes three components: 1) Twenty hours per week of counseling services are provided through Santa Cruz Community Counseling Program (Youth Services) onsite. All sophomores will participate in a small-group scripted curriculum (7 Challenges) for ten weeks focusing on resiliency and problem solving. 2) Students needing intervention will receive additional individualized services of the Youth Services counselor as needed. 3) The program will also provide parent events annually, to be determined by the committee. The intent is to ensure that students have the skills and strategies to make good choices for themselves and avoid drug and alcohol abuse.

Section 2: For Everything Else There's CAL-Card

Synopsis

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 allocated to individual departments based on the number of purchase orders processed for that department. Other purchasing options are available, including CAL-Card, a Visa card offered by U.S. Bank through a contract with the State of California. The Grand Jury investigated the benefits and drawbacks to using the CAL-Card system to encourage and maximize savings.

Current Findings

F1. The County Auditor-Controller and the Board of Supervisors (whose responses included input from the Purchasing Division of General Services) stated that further analysis was required for Recommendations 1, 2, 4, and 5. They also stated that the analyses and any proposed changes would be provided to the Board of Supervisors in December 2009, when the Board was scheduled to hear updates to the County's Policies and Procedures Manual.

F2. Recommendation 7 suggested an optimization audit from U.S. Bank to examine how the savings from CAL-Card could be maximized. The response from the County Board of Supervisors indicated that the recommendation had not been implemented but would be implemented in the future when Purchasing Division staff had sufficient time to provide the bank with the necessary information and to schedule a meeting, but no specific timeframe was provided.

| | 2008-2009 Recommendation | Respondent | 2008-2009 Response |
|----------|--|--|--|
| 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. | County of Santa Cruz: Board of Supervisors General Services – Purchasing | Requires further analysis |
| 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. | County of Santa Cruz: Board of Supervisors General Services – Purchasing | Requires further analysis |
| 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. | County of Santa Cruz: Board of Supervisors General Services – Purchasing | Requires further analysis |
| 5 | The County should automate CAL-Card billing and reconciliation to maximize rebates for on-time payments. | County of Santa Cruz: Auditor-Controller Board of Supervisors General Services – Purchasing | Requires further analysis |
| 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. | County of Santa Cruz: Board of Supervisors | Has not yet been implemented but will be implemented in the future |

Current Recommendations

- R1.** The County Board of Supervisors, the Purchasing Division of General Services, and the Auditor-Controller should provide status reports on Recommendations 1, 2, 4, and 5 indicating when the analyses were completed, describing any recommended changes to County procedures, and providing the date(s) the County Board of Supervisors reviewed and approved the changes.

Responses to 2008-2009 Grand Jury recommendations 1, 2, 4, and 5

Updated County Response: Santa Cruz County Board of Supervisors, responding also for General Services – Purchasing

Auditor-Controller Response: Santa Cruz County Auditor-Controller

2008-2009 Recommendation 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.

Updated County Response: This recommendation has been implemented.

On November 24, 2009 the Board of Supervisors approved several important changes to the CALCARD program section 9.0 of the County Policy and Procedures Manual, as recommended by the General Services Department, after review and approval by the Auditor-Controller's Office.

In the Manual, Section 9.2 Controls, was modified to eliminate some strict single purchase limits, modify how the card can be used for travel and training purchases and remove the restriction on purchasing certain items as well as to incorporate many other changes. The changes are extensive and are detailed in the attached strike out and clean copies of this new procedures section.

General Services presented a training workshop to its CALCARD user group on November 19, 2009, educating users regarding the changes, which were met with positive responses from staff. These modifications allow for greater use of the CALCARD program while balancing out the need for controls and oversight of County purchases.

Auditor-Controller Response:

2009-2010 Response: *On November 24, 2009 the Board of Supervisors approved several important changes to the CALCARD program section 9.0 of the County Policy and Procedures Manual, as recommended by the General Services Department, after review and approval by the Auditor-Controller's Office.*

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modifications allow for greater use of the CALCARD program while balancing out the need for controls and oversight of County purchases.

2008-2009 Grand Jury Recommendation 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.

Updated County Response: This recommendation has been implemented.

On November 24, 2009 the Board of Supervisors approved changes to the CALCARD program section 9.0 of the County Policy and Procedures Manual, as recommended by the General Services Department, after review and approval by the Auditor-Controller’s Office. These revisions included changes to section 9.2 (a) Single Purchase Limit, which allows the individual departments to work with the Purchasing Department to determine appropriate limits for its various staff and managers rather than restrict them to the previous maximum single purchase limit.

Auditor-Controller Response:

2009-2010 Response: On November 24, 2009 the Board of Supervisors approved changes to the CALCARD program section 9.0 of the County Policy and Procedures Manual, as recommended by the General Services Department, after review and approval by the Auditor-Controller's Office. These revisions included changes to section 9.2 (a) Single Purchase Limit, which allows the individual departments to work with the Purchasing Department to determine appropriate limits for its various staff and managers rather than restrict them to the previous maximum single purchase limit.

2008-2009 Grand Jury Recommendation 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.

Updated County Response: This recommendation has been implemented.

On November 24, 2009, the Board of Supervisors approved changes to the CALCARD program section 9.0 of the County Policy and Procedures Manual, as recommended by the General Services Department, after review and approval by the Auditor-Controller’s Office.

Changes made to section 9.2 Controls, and the inclusion of section 9.3 Procurement Card Invoice Payment, removed the requirement for certification of all purchases by each cardholder. This certification can instead be delegated to the departmental staff person preparing the CALCARD reconciliation. The removal of this step has increased the timeliness of processing CALCARD invoices.

No changes were made to the procedures for questioning items. The individual departments are currently required to handle their questioned charges and returns, because they are the ones most knowledgeable about the transaction. Departments can take advantage of filing any disputes related to charges directly with Visa and U.S. Bank online.

No other changes were made to the reconciliation requirements. 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. As with other purchases employees make on behalf of the County, the employee 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.

Auditor-Controller Response:

2009-2010 Response: *On November 24, 2009 the Board of Supervisors approved changes to the CALCARD program section 9.0 of the County Policy and Procedures Manual, as recommended by the General Services Department, after review and approval by the Auditor-Controller's Office.*

Changes made to section 9.2 Controls, and the inclusion of section 9.3 Procurement Card Invoice Payment, removed the requirement for certification of all purchases by each cardholder. This certification can instead be delegated to the departmental staff person preparing the CALCARD reconciliation. The removal of this step has increased the timeliness of processing CALCARD invoices.

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No other changes were made to the reconciliation requirements. 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. As with other purchases employees make on behalf of the County, the employee 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.

2008-2009 Grand Jury Recommendation 5: The County should automate CAL-Card billing and reconciliation to maximize rebates for on-time payments.

Updated County Response: This recommendation will not be implemented.

Changes have not made to this area. Information was gathered from other counties that have automated systems and it was determined that automation of the billing and reconciliation would need to be customized. Due to staffing and budget limitations, no additional work was done in this area. It is our intention that the potential for an automated system will be reviewed again in the future at such time as funding is available. No date has been established at this time.

Auditor-Controller Response:

2009-2010 Response: *Changes have not made to this area. Information was gathered from other counties that have automated systems and it was determined that automation of the billing and reconciliation would need to be customized and due to staffing and budget limitations, no additional work was done in this area. However it our hope that the area will be reviewed again in the future.*

- R2.** For Recommendation 7 regarding the optimization audit, the Supervisors and Purchasing Division should provide the results of the audit if completed or the anticipated timeframe for the audit if not yet accomplished.

2008-2009 Grand Jury Recommendation 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.

Updated County Response: This recommendation has been implemented.

U.S. Bank represents the County of Santa Cruz's Cal Card Visa account. On July 20, 2010, U.S. Bank/Visa provided an Optimization Interest Accounts Payable Analysis for 09/10 fiscal year based on the information provided by the Auditor's office. Further staff work and analysis is needed in order to determine how much additional use of the CalCard is feasible and appropriate under the current County Code, County Policy and Procedures, and State Codes. The Auditor-Controller staff are expected to complete their analysis by December 31, 2010. The Board of Supervisors would approve any policy changes the next year as part of the regular updating of the County Policies and Procedures Manual.

Section 3: Information Services Department **Stagnation or Migration?**

Synopsis

The Santa Cruz County Information Services Department (ISD) provides centralized information technology services to County departments. For many years the County used (and continues to use) a mainframe computer system of the type popular in the 1980's and 1990's, and ISD developed software in-house to address the County's needs. In the late 1990's with the advent of server-based computer systems and "commercial off-the-shelf software," it was determined that these newer programs operating on modern hardware would be more efficient for the individual County departments to use. They also would be less expensive for ISD to maintain and much easier and more reliable to use in backing up data. However, ISD had no formal plan or timeline for the technology changes. The 2002-2003 Grand Jury examined the way ISD used software and hardware and recommended "migrating to current ... technology" and discontinuing use of the obsolete mainframe. Shortly after the Jury published its report, the County committed to an ambitious timeline of four years to transition all applications and data to new hardware and retire the obsolete mainframe.

The 2008-2009 Grand Jury revisited ISD to see what progress had been made toward the stated goal of ending the County's dependence on obsolete technology. They found that there had been no significant progress towards eliminating the old mainframe system. However, during the course of the Jury's investigation, the County approved and initiated numerous major migration projects with an ambitious timeline. The Grand Jury commended the current progress and hoped the aggressive timeline could be accomplished. However, it did have concerns about the County's resources to successfully complete this critical mission during an era of budget crisis.

Current Finding

F1. The Grand Jury found that the responses to the two recommendations complied with Penal Code 933.05. The ISD and the Board of Supervisors stated that the recommendations had been implemented and also provided descriptions of those implementations.

Section 4: A Tale of a SERP

Synopsis

The Pajaro Valley Unified School District (PVUSD) offered a Supplemental Employee Retirement Plan (SERP) to staff in the district to encourage highly-paid personnel to retire so that the district could save money by hiring lower-paid replacements. The SERP was offered to three employee groups including management employees. A retired interim superintendent was among the management employees who took advantage of the offer. Although the procedure used to authorize and offer a SERP to PVUSD management employees followed District board policies and procedures, the Grand Jury identified several procedures to improve the SERP process and to ensure fiscal responsibility of public funds.

Current Finding

F1. PVUSD’s and the Santa Cruz County Office of Education’s (SCCOE) answers to Recommendation 8 were inconsistent, with PVUSD responding that the recommendation “Has Been Implemented” but without a description of the implementation, and the SCCOE responding that the recommendation “Has Not Yet Been Implemented But Will Be Implemented in the Future” without providing a timeframe for the implementation.

| | 2008-2009 Recommendation | Respondent | 2008-2009 Response |
|----------|--|-------------------|--|
| 8 | PVUSD and the SCCOE should discuss the SERP process and clarify the roles of each agency prior to, during, and after implementation. | PVUSD SCCOE | Has been implemented Has not yet been implemented but will be implemented in the future |

Current Recommendation

R1. PVUSD and the SCCOE should provide the Grand Jury with documentation verifying that they have collaborated and clarified the roles of each agency throughout the SERP process.

Response: Pajaro Valley School District – NO RESPONSE

Response: Santa Cruz County Office of Education

The 2008/09 Grand Jury Report contained a section on school district’s use of early retirement incentive programs. While the Grand Jury recommended that PVUSD and the SCCOE discuss the process and clarify the roles of each agency, as regards these programs, we believe it is appropriate that it be applicable to all LEA’s.

As discussed at the August B.I.G. Meeting, we indicated that we would be sending a memo to all districts regarding this issue.

The PERS Early Retirement Program already is processed through the SCCOE in accordance with PERS law. The regulations, eligibility and cost data is well documented. While the STRS Early Retirement Program does not directly come through the SCCOE, it is under similar rule sets and authorization as PERS.

District retirement incentive programs (for annuity-type payments) are not processed through the SCCOE and are not subject to the conditions and rule sets that govern PERS/STRS. The district programs are more at the discretion of the local school boards to design, and are subject to less control over parameters than PERS/STRS Programs.

Thus, in accordance with the Grand Jury recommendation, we are requesting that all supplemental Early Retirement Programs that are being implemented by school districts be forwarded to this office at the time of submittal to the district Board. This will permit the SCCOE to be aware of such program offerings and facilitate our review. We do not believe that we have authority to approve or disapprove such Agreements — with the exception of districts in negative Interim Certifications or disapproved Budget status. However, this will allow us to stay informed of district actions in this area and permit us an opportunity to clarify elements before final action by the local Board.

Section 5: What’s in Store for Stores?

Synopsis

Santa Cruz County owns and operates a Central Store warehouse (Stores) where materials needed by different departments and agencies are stored and/or distributed. The 2008-2009 Grand Jury had reservations about the cost and efficiency of the Stores operation and compared the cost effectiveness of the current storage and distribution system to a business model for the purchase and delivery of goods. The recommendations suggested that the County should assess the efficiency of the Stores operation and consider the purchase of food and supplies on an “as needed” basis directly from private sector vendors.

Current Finding

F1. General Services responded that Recommendations 2 and 3 require further analysis but no timeframes were supplied.

| | 2008-2009 Recommendation | Respondent | 2008-2009 Response |
|----------|--|---|---------------------------|
| 2 | General Services should research options to purchase food and supplies on an “as needed” basis from private businesses. | County of Santa Cruz: Board of Supervisors General Services | Requires further analysis |
| 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. | County of Santa Cruz: Board of Supervisors General Services | Requires further analysis |

Current Recommendation

- R1.** The Santa Cruz County Board of Supervisors and the General Services Department should provide details of the outcome of the analyses of the recommendations or, if the analyses have not been accomplished, they should provide the anticipated timeframes for these studies.

Responses to 2008-2009 Grand Jury recommendations 2 and 3

Updated County Response: Santa Cruz County Board of Supervisors, responding also for General Services

2008-2009 Recommendation 2: General Services should research options to purchase food and supplies on an “as needed” basis from private businesses.

Updated County Response: **This recommendation has been implemented.**

General Services’ staff has completed an informal analysis since the Grand Jury’s recommendation. Pricing was obtained on the cost to drop ship smaller orders directly to the jail on an as needed basis when a new food order was placed. Preliminary figures show the price for the smaller quantity shipments were higher than the cost to store those items and deliver from the Warehouse. Currently, the jail does not have the storage space necessary for bringing more stored food into their area.

Another advantage of having an on site storage facility is that during a major catastrophe such as an earthquake or fire, supplies from the warehouse have been made available to assist the community in recovery. Because the County of Santa Cruz is isolated with only three main roads into the county, it can take days to reach isolated areas during major emergencies. The Central Warehouse has served as an effective distribution point in the past and can hold quantities of needed items for such a purpose. The on site storage facility enables the jail to maintain necessary food supplies longer than would be possible with drop shipments that were interrupted. More research is needed on the appropriate cost effective use of the Warehouse, but because of the current financial constraints and staff reduction, no date or time for the further review has been set.

2008-2009 Recommendation 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.

Updated County Response: **This recommendation will not be implemented.**

Most County stored items are held for various departments that pay for this storage. These items consist of critical parts to maintain their obsolete workstations for which parts are unavailable or they are needed for future expansion. Other surplus equipment received into the warehouse is sold either at auction, monthly sales or deposited at the landfill on a regular schedule so that nothing remains in storage any longer than necessary. The General Services – Purchasing Division has modernization of the warehouse operations on an internal list of future projects, which includes enlisting the services of a consultant to engineer an increased, environmentally controlled storage area for records retention. At this time, no funds are available and there is a lack of staff to accomplish this analysis in

house. No date for completion can be determined until a funding source is identified and the project approved.

2009-2010 Recommendation 1: The Santa Cruz County Board of Supervisors and the General Services Department should provide details of the outcome of the analyses of the recommendations or, if the analyses have not been accomplished, they should provide the anticipated timeframes for these studies.

Updated County Response: This recommendation will not be implemented.

No analyses of the future of Stores has been conducted to date due to the lack of funding and sufficient staff time. It is the intent of General Services to conduct such analyses as staff time and funds exist. Because funding does not appear feasible anytime in the near future, no completion dates have been determined at this time.

Section 6: Who Is Watching Our Special Districts?

Synopsis

There are 92 special districts in Santa Cruz County. One of the tasks of a Grand Jury is to act as a watchdog over these special districts in an attempt to ensure they are functional and operating in the best interests of the citizens they serve. Acting upon a complaint, the 2008-2009 Grand Jury investigated the operations of one of the special districts and recommended that all special districts under the purview of the Santa Cruz County Local Agency Formation Commission (LAFCO) create uniform governance documents and that these documents be available to the public for review.

Current Finding

F1. The Grand Jury found that all responses to recommendations were appropriate and in compliance with Penal Code 933.05.

Current Recommendation

R1. While the responses to the 2008-2009 Grand Jury Final Report technically met the requirements of Penal Code 933.05, the current recommendation is that the County Board of Supervisors and LAFCO should clarify their roles and the responsibilities of each organization in the oversight of special districts.

Response: Santa Cruz County Board of Surpervisors – THIS RECOMMENDATION WILL NOT BE IMPLEMENTED BECAUSE IT IS NOT WARRANTED.

The 2008-09 Grand Jury's recommendation that LAFCO Commissioners and/or the County Board of Supervisors "draft enforceable penalties for failure to comply with these recommendations, following adoption" indicated an essential misunderstanding of the relationship of the Board of Supervisors to non-Board governed special districts. The Board has no legal relationship to independent special districts within the County and has no authority to provide oversight to their operations or draft enforceable penalties.

Residents of non-Board governed special districts elect their own independent Boards of Directors in whom all responsibility is vested. Non-Board governed special districts are not under the oversight or review of the Board of Supervisors.

The Board of Supervisors does serve as the Board of Directors for certain Board governed health and sanitation districts, recreation districts, road districts, and special districts operated through the County Redevelopment Agency. Information on those special districts which are under the Board's purview is provided on pages 24 through 38 in the Special District Budget Schedules in the 2011-12 Proposed County budget (attached).

However, the location of a special district within the boundaries of Santa Cruz County does not give the Board of Supervisors the authority to make requirements or enforce penalties on its Board of Directors as recommended by the 2008-09 Grand Jury.

Response: LAFCO

LAFCO's response is that it has already set up a repository of mission statements, bylaws, and parliamentary procedures voluntarily presented from special districts in Santa Cruz County. LAFCO has already committed to requesting website links and paper copies of these documents when preparing the next round of Municipal Service Reviews (Government Code Section 56430). The County of Santa Cruz and the Local Agency Formation Commission of Santa Cruz County often share information regarding special districts in the County. Neither the County nor LAFCO has operational oversight of the twenty-four independent special districts based in Santa Cruz County, and neither has statutory authority to enact penalties for a failure to adopt mission statements, bylaws, or parliamentary procedures. These districts are governed by elected Boards of Directors, who, under state laws, are directly responsible to voters and residents of the district. While LAFCO will not take any further measures at this time concerning district mission statements, bylaws, and parliamentary procedures, LAFCO agrees with the Grand Jury that these documents can be helpful to facilitate the orderly conduct of the public's business, and LAFCO believes that each district should consider the benefits of adopting one or more of these documents if it has not already done so.

2009-2010 Responses Required

| Respondent | Recommendations | Respond Within/ Respond By |
|--|--|---------------------------------------|
| County of Santa Cruz Auditor-Controller | Section 2 R1 | 90 Days October 1, 2010 |
| County of Santa Cruz General Services | Section 5 R1 | 90 Days October 1, 2010 |
| County of Santa Cruz General Services – Purchasing | Section 2 R1, R2 | 90 Days October 1, 2010 |
| LAFCO | Section 6 R1 | 90 Days October 1, 2010 |
| Pajaro Valley Unified School District | Section 4 R1 | 90 Days October 1, 2010 |
| Santa Cruz County Board of Supervisors | Section 2 R1, R2 Section 5 R1 Section 6 R1 | 60 Days September 1, 2010 |
| Santa Cruz County Office of Education | Section 4 R1 | 90 Days October 1, 2010 |
| Scotts Valley Police Department | Section 1 R1 | 90 Days October 1, 2010 |
| Scotts Valley Unified School District | Section 1 R1, R2 | 90 Days October 1, 2010 |

Sources

2008-2009 Santa Cruz County Grand Jury Final Report with Responses
California Penal Code 933.05