

# **Santa Cruz County Grand Jury**



**Responses to the Final Report of the  
2001-2002 Grand Jury**



# Responses to the Final Report of the 2001-2002 Grand Jury

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## ***FOREWORD***

Each year, on July 1<sup>st</sup>, the County of Santa Cruz impanels a new Grand Jury. The Grand Jury traditionally publishes a final report of its findings and recommendations shortly before the expiration of its one-year term. This Final Report is the only record of its deliberations.

By law, those agencies reviewed by the Grand Jury are required to respond to its findings and recommendations. These responses must be submitted within 60 to 90 days of the publication date of the Final Report. They are the culmination of the Grand Jury process and essential to any evaluation of the impact of an entire year of effort on the part of the Grand Jury.

The review of these responses falls to the incoming jurors who are not familiar with the detailed work of the preceding jury beyond what is contained in its published Final Report.

This is the first time responses to a Grand Jury report have been published and distributed as an independent document. As a result, we anticipate that readers of these responses will be in a better position to judge the impact of the annual work of each Grand Jury.

## ***INTRODUCTION***

In their response, each agency under review is required by law to provide a reply to each published finding and recommendation. They must indicate that they agree, partially agree, or disagree. Explanations for each disagreement must be provided.

If a recommendation is accepted, a timeline for implementation and completion must be indicated. If further analysis is required before undertaking implementation, an explanation and timeline must be provided.

This report is organized to conform to the same sequence used in the 2001-2002 Final Report, which can be found on the Internet at <http://www.co.santa-cruz.ca.us/grndjury/index.htm>. References are to pages that are drawn from that report. It is highly recommended that this report be reviewed simultaneously with a re-reading of that report.





# **Santa Cruz County**

## **Grand Jury**

**Response to the Final Report:**  
Section 1  
Reports in Response to the Judge's Request





## Substance Abuse on Campus

### 2001-2002 Grand Jury Report – Page 1- 4

Note: Pajaro Valley Unified School District is responding for its three high schools, Aptos High School, Watsonville High School and Renaissance High School.

The City of Capitola is responding for the Capitola Police Department.

The Santa Cruz County Board of Supervisors is responding for the Santa Cruz County Probation Department.

### Findings

1. Studies show that a majority of high school students are either currently using alcohol and/or drugs, or have used these substances in the past. Even as early as 7th grade, 52% of these youngsters have been or currently are using drugs or alcohol.

The data cited are from the “Healthy Kids Survey of Santa Cruz County,” a study conducted by the County’s school districts, and include alternative schools, The Ark, Loma Prieta and Renaissance High Schools, but not the County Office of Education Alternative Education schools. The data represent lifetime use.

Santa Cruz County Youth Survey, 2001						
Substance Used	Grade 7		Grade 9		Grade 11	
	Santa Cruz	Calif.	Santa Cruz	Calif.	Santa Cruz	Calif.
Alcohol	29%	25%	57%	50%	73%	70%
Been Drunk	11%	10%	33%	24%	53%	45%
Inhalants	12%	6%	15%	8%	16%	14%
Marijuana	11%	8%	32%	24%	50%	45%
Cocaine			7%	4%	9%	9%
Methamphetamine			7%	4%	8%	9%
Hallucinogens			7%	6%	10%	12%
Heroin			4%	2%	4%	3%

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

*The Sheriff's Office partially agrees with this finding. Drug and alcohol use are a constant issue with high school aged students. It can be difficult to determine the percentage of students who have experimented vs. those who have serious addictive issues and behavior.*

**Response: Santa Cruz City Police Department AGREES**

**Response: Scotts Valley Police Department AGREES**

*The Scotts Valley Police Department does not dispute the Healthy Kids Survey of Santa Cruz County.*

**Response: Watsonville Police Department AGREES**

*Watsonville Police Department Response to Findings 1 & 2 - We have no information to disagree with the Grand Jury's statistics. In the past the City, through the Police Department, has funded surveys on this subject. We assume the statistics you cite are valid.*

**Response: City of Capitola AGREES**

**Response: Scotts Valley High School PARTIALLY AGREES**

*On behalf of SVHS, the District agrees that the data cited from the "Healthy Kids Survey of Santa Cruz County" is accurately presented. However, there is no way to determine whether the data accurately reflects substance abuse at SVHS.*

**Response: San Lorenzo Valley High School AGREES**

**Response: Santa Cruz High School AGREES**

**Response: Harbor High School AGREES**

**Response: Soquel High School PARTIALLY AGREES**

*We have no way of verifying this information accurately. The statistics are alarming, but somewhat misleading because they fail to distinguish between one-time and habitual use.*

**Response: Pajaro Valley Unified School District PARTIALLY AGREES**

*The figure of 52% reported by the grand jury is inaccurate. It appears to be the addition of the 7th grade rates of lifetime use for alcohol (29%), inhalants (12%), and marijuana (11%). These survey items are independent and, because students may report more use in more than one category, it is not accurate to simply add the individual totals.*

*The survey report provides an unduplicated count of "Any Alcohol and Other Drugs Use" for lifetime and current use time periods. In 2001, 34% of Santa Cruz County 7th grade students reported having ever used alcohol or other drugs, while 21 % reported use during the past 30 days.*

*PVUSD agrees that the level of drug use by our county's students is a serious problem.*

2. Heroin use has shown a frightening rise among students at the 9th grade level. By 11th grade, another 4% of students are new heroin users. The 4% of the student population who are heroin users in 9th grade do not stay in regular public schools. By the 11th grade, these students have either dropped out of school, are in alternative schools, are in drug treatment programs or juvenile detention, or are deceased. This represents approximately 8% of the total high school student population who use heroin.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*The 2001 Santa Cruz County Youth Survey indicates that 4% of youth in 9th grade self report lifetime (using at any time) use of heroin. In 11 th grade the figure is 5%. The 2001 Survey also indicates heroin dependency for 1 % of the youth surveyed in 9th grade and 1 % of the youth surveyed again in 11 th grade. These figures cannot be combined to*

*indicate that all of the 4% of 9th graders who self report any amount of heroin use drop out of high school and an entirely new 4% self report in 11 th grade.*

*In addition, the County disagrees with the blanket statement that the 4% of students, who have ever tried heroin, either drop out of school, are in alternative schools, are in drug treatment programs or juvenile detention, or are deceased. Heroin use is, indeed, a local problem. It is important that information on this problem be accurately and appropriately used to develop effective prevention and intervention responses.*

**Response: Santa Cruz County Sheriff PARTIALLY AGREES**

*The Sheriff's Office partially agrees. Heroin usage is higher in the youth population of Santa Cruz County vs. other jurisdictions. Again, the Sheriff's Office relies on student survey data, along with arrest data. The schools may have better data on drop-out rate due to heroin.*

**Response: San Lorenzo Valley High School DISAGREES**

*During the 14 years that I have been an administrator here at San Lorenzo Valley High School I have not dealt with any active heroin cases. Seven years ago I had one student who admitted to me during an interview that he had been a user.*

**Response: Santa Cruz City Police Department AGREES**

**Response: City of Capitola AGREES**

**Response: Scotts Valley Police Department AGREES**

*Once again the Scotts Valley Police Department does not dispute the findings of the statistics provided by the Healthy Kids Survey; however, these statistics may not be reflective of the students in the Scotts Valley Unified School District.*

**Response: Scotts Valley High School PARTIALLY AGREES**

*On behalf of SVHS, the District agrees that the data cited from the "Healthy Kids Survey of Santa Cruz County" is accurately presented. However, there is no way to determine whether the data accurately reflects use at SVHS.*

**Response: Watsonville Police Department AGREES**

*Watsonville Police Department Response to Findings 1 & 2 - We have no information to disagree with the Grand Jury's statistics. In the past the City, through the Police Department, has funded surveys on this subject. We assume the statistics you cite are valid.*

**Response: Harbor High School PARTIALLY AGREES**

*We question the 8% -- we feel it is high.*

**Response: Santa Cruz High School PARTIALLY AGREES**

*During the 2001-2002 school year, there were no students suspended for being in possession of heroin and/or for using heroin at Santa Cruz High School.*

**Response: Soquel High School DISAGREES**

*Again, we lack the resources for verification, but we have yet to see any evidence of heroin use among Soquel High School students.*

**Response: Pajaro Valley Unified School District PARTIALLY AGREES**

*While there is evidence that heroin use has increased among Santa Cruz County teens, this increase has not been reflected in school-based survey data over the last five years. Lifetime use rates were as follows:*

*9th Grade 11 th Grade*

*1996 3% 4% 1998 4% 5% 2001 4% 4%*

*The survey data does not support the assertion that 8% of the high school population uses heroin. Although anecdotal data does suggest that heroin- addicted youth tend to drop out from the school system, not all youth who report ever using heroin become regular, addicted users, and it is extremely unlikely that every 9th grader who reports use of heroin will drop out within the next two years.*

*Probability suggests that use in the last 30 days is reasonable measure of on- going use, though it may include a small number who have just tried a substance for the first time. Although the California Healthy Kids Survey does not include measures of current heroin use (last 30 days), the American Drug and Alcohol Survey which was used in earlier years showed current rates of heroin use that were half or less that the lifetime rate: 9th Grade 11 th Grade 1996 1% 2% 1998 2% 1%*

*The finding presents a projected accumulative rate (the percentage of students who report any use at some time during the four years of high school) without reference to the total population size over four years. Because the survey does not represent an intact group over time, such an attempt to construct an accumulative rate is not statistically meaningful.*

*Heroin use by young people in Santa Cruz County is an extremely serious problem, one that needs a high level of community awareness and action.*

3. The Drug Abuse Resistance Education (DARE) program is offered to students from 5th grade through 9th grade. At the time of this report, no such program exists for high school students above the 9th grade.

**Response: Scotts Valley High School AGREES**

**Response: Harbor High School AGREES**

**Response: Santa Cruz High School AGREES**

**Response: Soquel High School AGREES**

**Response: Pajaro Valley Unified School District PARTIALLY AGREES**

*DARE is an age-specific intervention which is not designed to be implemented with older students. Prevention research shows that DARE-type interventions are unlikely to be effective among older students. The school district's DARE program does not go beyond 8th grade. As of the 2002-2003 school year, the Watsonville Police Department will not be providing the DARE program to the seven schools within the city limits.*

4. Santa Cruz County public high school students receive substance abuse education in a one-semester health class. Substance abuse is only one of many topics covered in this class.

**Response: Scotts Valley High School AGREES**

*SVHS 9<sup>th</sup> graders also participate in the 9<sup>th</sup> grade DARE Program which includes education related to substance abuse.*

**Response: San Lorenzo Valley High School AGREES**

*We do not use the D.A.R.E. Program as classroom instruction here at the high school. We provide a 9th grade health class, Triad counseling, and referral to other counseling programs to our entire student body.*

**Response: Harbor High School AGREES**

**Response: Santa Cruz High School AGREES**

**Response: Soquel High School AGREES**

**Response: Pajaro Valley Unified School District PARTIALLY AGREES**

*In compliance with the California Department of Education (CDE), PVUSD provides six hours of age-appropriate, developmentally based education programs for all students (K-12) on the prevention of drug, alcohol, and tobacco use and of violence. Instruction is emphasized at some grade levels and reinforced at other grade levels to meet student needs.*

*CDE defines substance abuse education to include a wide variety of reinforcement activities presented beyond curriculum, such as drug-free alternative activities, school-wide informational assemblies, conflict resolution, and insight groups. Teachers creatively take these opportunities, along with many other occasions, to give instruction emphasizing drug prevention.*

5. School officials and law enforcement officers both report that public and parental apathy contribute to a lack of meaningful consequences for substance abuse and juvenile crime incidents. Surveys show Santa Cruz County leads the state in support of medical and recreational marijuana use. Some parents shrug off what they consider to be “minor” drug incidents.

**Response: San Lorenzo Valley High School AGREES**

*I concur to a certain extent, but I do know that I have many active parents in a number of programs such as Valley Unity Action Group, Booster Club, Cougar Club, Friday Night Live, and Every 15 Minutes program who work very hard to address these issues.*

**Response: Santa Cruz County Board of Supervisors**

*The County can neither agree nor disagree with statements by unnamed school officials and law enforcement officers. The County is not familiar with any surveys regarding levels of support of medical or recreational marijuana use.*

*The County Juvenile Probation Division has found that there is a range of concern from parents whose children are involved in the juvenile justice system. Most parents are*

*extremely concerned over the discovery of their child's drug use, and some parents suffer from substance abuse themselves.*

**Response: Santa Cruz County Sheriff**

*As an example, recently deputies, serving a search warrant at the home of a graffiti suspect, seized photos of the juvenile smoking marijuana with his mother.*

**Response: Santa Cruz City Police Department AGREES**

**Response: Scotts Valley Police Department AGREES**

*While the Scotts Valley Police Department agrees that some parents may shrug off what they consider to be minor drug incidents, we do believe that the majority of parents are concerned about illegal drug use by their children.*

**Response: City of Capitola AGREES**

**Response: Scotts Valley High School PARTIALLY AGREES**

*On behalf of SVHS, the District finds it difficult to generalize this response to Scotts Valley parents.*

**Response: Watsonville Police Department PARTIALLY AGREES**

*In Watsonville, we believe some parents are apathetic, but very few. Many feel that they have lost control of a child, but want to stay connected. The second sentence seems more appropriate to northern Santa Cruz County than the Pajaro Valley.*

**Response: Harbor High School AGREES**

**Response: Santa Cruz High School AGREES**

**Response: Soquel High School AGREES**

**Response: Pajaro Valley Unified School District PARTIALLY AGREES**

*Schools recognize the importance of parental attitudes and modeling by parents. This is the reason for extensive parent education, including dissemination of information, parent education events and classes. There should also be recognized a transition of culture and attitudes that occurs in Santa Cruz County going from south to north.*

*PVUSD efforts to influence parental attitudes and engage parents in the serious issue of substance use include: Safe Homes directories, Aptos We Care parent group, parent education series, Migrant Education Parent programs and School Site Council meetings. Anonymous hotline phones have been installed at both traditional high schools for students, parents and community members to report any problems. PVUSD requires counseling for every student who is suspended for an alcohol, drug or violence incident. Counseling provides an opportunity for youth to change their behavior and there is an admitted need for more counselor time at both high schools to address this critical student need.*

6. Due to the rise in school violence, a full time SRO is assigned to each high school campus. These peace officers have to deal with every type of criminal behavior including vandalism, substance abuse, physical violence and weapons on campus. The SRO is ultimately responsible for the physical safety of students and faculty.

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

*The County is unaware of any statistics, which indicate that there has been a countywide rise in school violence. School Resource officers assist school personnel in their responsibility to provide a safe school environment.*

**Response: Pajaro Valley Unified School District PARTIALLY AGREES**

*Safety on school sites is a responsibility shared by school personnel and community policing officers. School staff take responsibility for 95% of the safety issues at school and the School Resource Officer (SRO) is invaluable in dealing with the other five percent and SROs prevent problems by their presence on school sites. PVUSD recognizes the value of SROs on campus and has expanded the SRO program to include four junior high/middle schools in addition to the two traditional high schools in the district. The SRO assignments also afford numerous positive interactions between law enforcement and youth.*

**Response: Santa Cruz County Sheriff AGREES**

*Deputies are assigned to Aptos High School, San Lorenzo Valley High School and Soquel High School. In addition to the high schools, deputies have been placed at Shoreline Middle School, Aptos Junior High and Lake View Middle School.*

**Response: Santa Cruz City Police Department partially AGREES**

*Different campuses have different incidents and behavior varies from year to year. The SRO is assigned to the school to prevent or deter criminal acts and to act as a mentor and counselor in addition to the need to be there to respond to an actual criminal incident. The school has the ultimate legal responsibility for the safety of the students and faculty. Their participation in the SRO program is one response to that responsibility. The County Office of Education no longer has an SRO assigned to their schools, as their SRO grant funding was lost: Every effort should be made to have an SRO assigned to COE schools.*

**Response: Scotts Valley Police Department AGREES**

*The Scotts Valley Police Department and the Scotts Valley Unified School District acted in a pro-active manner in placing an SRO in the new high school. We have not experienced a rise in school violence that required we do so.*

**Response: San Lorenzo Valley High School AGREES**

*We have a full-time Resource Officer assigned to our campus thanks to the help of the Santa Cruz Sheriffs Department. For the past 9 years we have received this support. I do not believe that we have violence on this campus. In fact, we have very little violence on this campus. Although nation-wide I do know that this is an issue. The SRO has been extremely helpful in issues of petty crime, vandalism, substance abuse, and truancy. Our current SRO is sought out by students as a mentor, as a counselor, and because of vocational interests of students. The SRO is also utilized by the other schools in our district.*

**Response: City of Capitola AGREES**

*There are however no high schools within the city limits of Capitola.*

**Response: Scotts Valley High School PARTIALLY AGREES**

*On behalf of SVHS, the District would like to point out that a SRO was planned from the initial beginning phases of planning for a new Scotts Valley high school. The intent of having an SRO on campus was to provide continuity of support that exists on our other campuses from Scotts Valley Police Department and to serve and support school programs and staff. The primary rationale was to stress prevention, therefore, the SRO was not placed primarily due to a rise in school violence.*

**Response: Watsonville Police Department PARTIALLY AGREES**

*The SRO at Watsonville High School was not assigned solely because of a rise in school violence. In fact, the latest record we have of California Safe Schools Assessment for Watsonville High School (2000/2001) shows crimes against persons down 31 %. However, in stark contrast Uniform Crime Reports, compiled by the FBI, from Watsonville Police Department shows an increase in crimes against persons. The difference may be in reporting criteria. CSAS is not required to report mutual combat as a battery. Starting in 2003, schools are no longer to report CSAS statistics.*

*Further, crime is not the sole criteria for an assignment to campus. The ability to teach, counsel, work with school administrators, parents, prevention programs, and conflict resolution teams are all considered to prevent crime and conflict and maintain order. Also, the SRO deals with non-students on campus and is the first responder to coordinate an "active shooter" critical incident such as occurred at Columbine High School in Colorado. SRO's do deal with the crimes listed by the Grand Jury. They are handled first within the disciplinary policy of the school district. Sometimes referrals are also made to the juvenile justice system, either by arrest or citation. Any disposition is then administered by the Probation Department and Juvenile Court Judge.*

*The SRO, in my opinion, is not ultimately responsible for the physical safety of students and faculty. By law, the school district is to provide a safe environment at schools. This was the case before there were SRO's, and it is still the case. SRO's are one strategy in many that is employed by our school district. Examples of others are: (1) Campus Supervisors, (2) Conflict Resolution Teams; (3) PVPSA (Pajaro Valley Prevention and Student Assistance), a non-profit dedicated to the district to help at risk kids and family members; (4) ASSETS (Accountability Support Services Ensure Safety), a grant program between Watsonville Police Department, PVPSA, and the Probation Department, which is a formal diversion program that attempts to keep selected kids from the justice system or getting deeper in the juvenile system; (5) Mandatory school policies and procedures regarding all safety issues crime, active shooter, earthquake or other natural disasters. There are many more.*

**Response: Harbor High School DISAGREES**

*We do not have a full-time SRO on campus. When here, he does an excellent job in the areas stated. Ultimately, site administrators are responsible for the safety of students and staff.*

**Response: Santa Cruz High School AGREES**

**Response: Soquel High School PARTIALLY AGREES**



*The statement is correct, but the phrase “The SRO is ultimately responsible for the physical safety of the students and faculty” may be misleading. We feel that responsibility ultimately lands on the shoulders of the school and district administration who use SROs as part of their safety plan.*

7. Aptos High School and Scotts Valley High School are the only public high schools with closed campuses. A closed campus restricts students from leaving school grounds during school hours.

**Response: Scotts Valley High School AGREES**

*On behalf of SVHS, the District would like to point out that SVHS is a closed campus. However, students are permitted to leave the campus to participate in specific programs or activities such as work experience and cross-age tutoring.*

**Response: Pajaro Valley Unified School District AGREES**

**Response: San Lorenzo Valley High School AGREES**

*We have a modified closed campus. Our students are free to leave at lunch and return, primarily because of lack of food facilities here. The campus is closed at all other times during the day.*

8. Five of the county’s public high schools have open campuses, which allow students to leave and return during the school day.

**Response: San Lorenzo Valley High School AGREES**

*Answered in No. 7.*

**Response: Harbor High School AGREES**

*Open campus only during 30-minute lunch break.*

**Response: Santa Cruz High School AGREES**

**Response: Soquel High School AGREES**

**Response: Pajaro Valley Unified School District AGREES**

*Watsonville High School has a modified closed campus, which is only open for lunch breaks. However, the school is extremely overcrowded with approximately two times the number of students for which it was designed.*

9. An open campus policy presents the opportunity for some students to leave the school grounds to use, buy or sell drugs or alcohol.

**Response: San Lorenzo Valley High School DISAGREES**

*Investigations by the Sheriffs Department and the school district indicate that most purchases of drugs are done after school and on the weekend.*

**Response: Pajaro Valley Unified School District AGREES**

*The Watsonville Police Department does attempt to provide a more visible presence during lunch breaks in the community surrounding the school campus.*

**Response: Harbor High School AGREES**

**Response: Santa Cruz High School PARTIALLY AGREES**

*The physical layout of existing campuses in general (SCHS specifically) makes it impossible to close them.*

**Response: Soquel High School AGREES**

10. School officials report 50 to 100 on-campus drug incidents per school year in each of the county's seven public high schools. The majority of these incidents involve possession of marijuana on campus.

**Response: San Lorenzo Valley High School AGREES**

**Response: Pajaro Valley Unified School District AGREES**

**Response: Scotts Valley High School PARTIALLY AGREES**

*On behalf of SVHS, the District agrees that the data cited from the "Healthy Kids Survey of Santa Cruz County" is accurately presented. However, the California Safe Schools Assessment for the time period of July 1, 2001, to December 31, 2001, showed only 13 incidents at Scotts Valley High School.*

**Response: Harbor High School AGREES**

**Response: Santa Cruz High School DISAGREES**

*During the 2001-2002 school year, there were 34 suspensions related to controlled substances at Santa Cruz High School.*

**Response: Soquel High School DISAGREES**

*This figure is misleading. At Soquel High School, there were 52 incidents involving drugs, alcohol, or paraphernalia. Although alcohol is a drug, the phrase "drug incidents" presents a different picture in the mind of the public.*

11. On or off campus, when apprehended by law enforcement officers for substance abuse, a student is detained, the drugs or alcohol are confiscated, and a report is forwarded to the Juvenile Probation Division for follow-up.

**Response: Santa Cruz County Sheriff AGREES**

*The Sheriff's Office agrees with this finding. Deputies do confiscate contraband and cite or arrest students who are in possession or under the influence of drugs.*

**Response: Santa Cruz City Police Department AGREES**

**Response: Watsonville Police Department AGREES**

*This is also a school disciplinary process.*

**Response: City of Capitola AGREES**

*An attempt is always made to contact the parent(s) or legal guardian. If contact is not made and the juvenile is under the influence, the juvenile is transported to Dominican Hospital for evaluation and then taken to Juvenile Hall. A report is always written and forwarded to either the Juvenile Diversion Officer of the Juvenile Probation Division.*

**Response: Scotts Valley Police Department PARTIALLY AGREES**

*The Scotts Valley Police Department partially agrees with this finding; however, the Scotts Valley Police Department has a Juvenile Diversion Program and the juvenile may in fact be diverted through our program in cooperation with the Scotts Valley Unified School District.*

**Response: San Lorenzo Valley High School AGREES**

*I concur, but additionally there are school sanctions under Ed Code 48900, including suspension and expulsion.*

12. A youth apprehended for selling drugs on campus is put under arrest and removed from the school campus. The youth is taken to Juvenile Hall for processing, and may or may not be held in custody depending on the risk assessment performed at Juvenile Hall. (See the second section of this report for further details on risk assessment.)

**Response: San Lorenzo Valley High School AGREES**

*I concur, but Education Code 48900 mandates that any student apprehended for selling drugs will be expelled from all schools in the district.*

**Response: Santa Cruz County Board of Supervisors AGREES**

*Each case is individually assessed for risk to determine whether detention is appropriate. If the youth is not detained, conditions of release to protect students and school staff may be imposed. When a minor is not detained for possession for sale of drugs on a school campus, the Probation Intake Supervisor makes contact with the appropriate school official to inform him/her of the conditions of release. A standard condition includes the directive not to return to school without first contacting the school official handling discipline, so that the school administrative sanctions (e.g., suspension or expulsion) coordinated with the Juvenile Justice System response.*

**Response: Santa Cruz County Sheriff AGREES**

**Response: Watsonville Police Department AGREES**

**Response: Scotts Valley Police Department AGREES**

*The Scotts Valley Police Department primarily agrees with this finding however, this is not always the case. The juvenile may be diverted, or released to a parent to be cited into juvenile probation at a later 'time. The Risk Assessment process is handled entirely by Juvenile Probation.*

**Response: Santa Cruz City Police Department AGREES**

**Response: City of Capitola AGREES**

13. A first time drug offense usually results in a three-day suspension by the school district, mandatory community service, or some other supervised activity.

**Response: San Lorenzo Valley High School PARTIALLY AGREES**

*I would concur only we provide a 3-5 day suspension, referral to counseling services, meetings with parents and a contract.*

**Response: Pajaro Valley Unified School District PARTIALLY AGREES**

*Counseling is mandatory, but not community service, in accordance with PVUSD policy and education codes.*

**Response: Scotts Valley High School DISAGREES**

*When suspension is indicated, the site administrator will determine whether the consequence should include, but not be limited to: home suspension, in-school suspension, Saturday school, intervention group, detention, or community service. If suspension is warranted, a 5-day suspension and notification of law enforcement is required. A copy of the discipline plan for SVHS is attached for your reference.*

**Response: Harbor High School AGREES**

**Response: Santa Cruz High School AGREES**

**Response: Soquel High School AGREES**

14. Drug testing is not a prerequisite for returning to campus.

**Response: Pajaro Valley Unified School District PARTIALLY AGREES**

*This is true in most cases except when specified for certain expulsion contracts for rehabilitation.*

**Response: Scotts Valley High School AGREES**

**Response: San Lorenzo Valley High School AGREES**

*I concur. State Education Code does not provide for drug testing. Penal Code with supervision by the Probation Department can mandate drug testing.*

**Response: Harbor High School PARTIALLY AGREES**

*First offense-no testing; second offense-possible; third offense-definitely*

**Response: Santa Cruz High School AGREES**

**Response: Soquel High School AGREES**

15. It can take up to three months from the time of an incident until a probation officer meets with the juvenile and his or her parents.

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

*In most cases where a juvenile is detained, Juvenile Probation Intake Officers conduct intake interviews with the juvenile and his or her parent within 24 hours from detention. It takes an average of 32.5 days from the receipt of a police report to the completion of an intake interview on juveniles who are not detained.*

*While it is possible that a case may occasionally be delayed for up to three months, this is not typical. Delays can occur when circumstances beyond the Probation Department's control exist, such as the law enforcement investigation was not completed, or a youth and parents failed to keep the appointment for an interview. The Juvenile Probation Division is presently working on ways to further streamline the process.*

**Response: San Lorenzo Valley High School AGREES**

16. The SRO can request information from the Juvenile Probation Division regarding specific individuals. The SRO is not provided with a list of students at their schools who are on probation, and is not informed of the disposition of pending cases.

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

*Information is available to law enforcement on an "as needed" basis. A list is not provided because it would immediately become outdated, given the daily number of changes in probation status. By statute Juvenile Court dispositions are provided to school personnel on most crimes and are available to law enforcement by request.*

**Response: Santa Cruz County Sheriff AGREES**

*A list should be provided as probation often includes terms or restrictions that can be enforced by peace officers. The probation department does not make lists available.*

**Response: San Lorenzo Valley High School AGREES**

*I concur and I see this as an absolute for not only SROs, but school administrators who can maintain the confidentiality of this information.*

**Response: Santa Cruz City Police Department AGREES**

**Response: City of Capitola AGREES**

**Response: Watsonville Police Department MOSTLY DISAGREES**

*The SRO's at Watsonville High School and County Office of Education Alternative Schools can and do request information on specific individuals. Also, the SRO at Watsonville High School reports that she has a list of probationers and can and does get dispositions if needed. I believe this is also true for the SRO at the Alternative Schools since in one school all kids are on probation, "Court and Community School." This level of cooperation stems in part from the ASSETS grant and that Probation Officers and SRO's meet at least once a month. All information is confidential within the justice system. The School District has access only within laws governing when information can be shared.*

**Response: Scotts Valley Police Department AGREES**

17. Many programs that provide care or counseling for youths involved with substance abuse or with the juvenile justice system exist throughout the county. However, a consolidated referral list of these programs has not been developed.

**Response: Santa Cruz County Board of Supervisors DISAGREE**

*The bi-lingual English/Spanish "Resource Guide for Youth in Santa Cruz County published by the Community Foundation is a comprehensive list of all community services to youth. This list includes substance abuse services available to youth and families. In addition, the Health Services Agency has also produced a comprehensive list of all referral agencies providing youth alcohol and drug prevention, intervention and treatment. Finally, the Santa Cruz County Children and Families Commission has developed an on line Information and Referral Directory which contains this information at helpsc.org .*

**Response: San Lorenzo Valley High School AGREES**

18. Except at Soquel High School, teen centers or other supervised gathering points for teens do not exist on school grounds at this time.

**Response: Scotts Valley High School PARTIALLY AGREES**

*SVHS offers a wide variety of supervised after school sports, clubs and activities. In addition, the City of Scotts Valley provides a wide variety of supervised recreational opportunities for teens.*

**Response: San Lorenzo Valley High School DISAGREES**

*There is a Teen Center within half a mile of the school. We also provide an extensive after school program including the following extracurricular activities: athletics, drama productions, counseling, peer court, mock trial, and community service projects (Key Club).*

**Response: Pajaro Valley Unified School District PARTIALLY AGREES**

*In the PVUSD, both Aptos and Watsonville High Schools use classrooms, the school's library and cafeteria for programs such as tutoring, school clubs and extended learning. Watsonville High School students also take advantage of the numerous community resources that are proximate to the campus for lunch time or before and after school use, such as the YMCA, YWCA, Veterans Hall, City Youth Center, Healthy Start, Girl Scouts and PVPSA's counseling center.*

**Response: Harbor High School AGREES**

**Response: Santa Cruz High School DISAGREES**

*At Santa Cruz High School, students are supervised in the following gathering points: Student Services office, the library, theater, quad, cafeteria, and various classrooms in and around the facility.*

**Response: Soquel High School DISAGREES**

*No such teen center exists at Soquel High School.*

19. Several agencies provide counseling on campus for a variety of different problems.  
(See report on Review of Initial Alcohol and Drug Intervention with High School Age Youth.)

**Response: Scotts Valley High School AGREES**

*Specifically, SVHS has a contract with TRIAD for counseling services.*

**Response: San Lorenzo Valley High School**

*We have had excellent service from the Triad agency and we make referrals out to a number of public and private counseling programs.*

**Response: Harbor High School AGREES**

**Response: Santa Cruz High School AGREES**

**Response: Soquel High School AGREES**

**Response: Pajaro Valley Unified School District AGREES**

**Conclusions.** While not required to do so, San Lorenzo High School responded to the following conclusions.

1. Substance abuse exists on every public high school campus in Santa Cruz County Alcohol and cigarette use is not considered exceptional. Marijuana use is fast approaching the same level of acceptance.

**Response: San Lorenzo Valley High School AGREES**

2. Despite the state-mandated “zero-tolerance” policy, school officials have not been able to provide a drug free environment for students.

**Response: San Lorenzo Valley High School AGREES**

*Zero tolerance means that we react for every offense that we are aware of. Zero tolerance also means that we offer a number of positive alternatives for students. (See findings 18.)*

3. Law enforcement officers have not been aggressive in preventing the sale or use of drugs on or near school grounds.

**Response: San Lorenzo Valley High School DISAGREES**

*I totally disagree with this. Our SRO, with the help of the Sheriffs Department Special Drug Intervention Program, has conducted a number of "sting" operations on and near the campus resulting in a number of arrests and successful prosecutions.*

4. When SROs do apprehend youthful offenders, there is little follow-through or appropriate consequences enforced by the juvenile justice system.

**Response: San Lorenzo Valley High School AGREES**

*The school system responds with support from the Education Code. Certainly our SRO and other law enforcement enforce the Penal code. The difficulty that we have faced, however, has been the end result of cases with Probation and in Juvenile Court.*

5. Santa Cruz County public high school students receive only minimal substance abuse education.

**Response: San Lorenzo Valley High School DISAGREES**

*As described in Findings No.3, we do provide health care instruction and other support. We are currently considering a second health course in the junior year.*

6. Not all SROs offer on-campus diversion programs to students.

**Response: San Lorenzo Valley High School AGREES**

*In our experience our SROs have not been given the responsibility of providing on-campus diversion programs. I believe the school would support this, but more details are needed as to what this would entail.*

7. A consolidated referral list of countywide care and counseling programs would aid school officials, law enforcement officers and parents in matching juveniles to appropriate programs.

**Response: San Lorenzo Valley High School AGREES**

## **Recommendations**

1. Santa Cruz County law enforcement agencies, the Juvenile Probation Division, and Santa Cruz County high school administrators must work together to ensure swift and effective consequences for drug abuse and juvenile crime.

### **Response: Santa Cruz County Board of Supervisors AGREES**

*The recommendation was implemented years ago and continues to be implemented through the Criminal Justice Council's Juvenile Justice Task Force, which contains School, Law Enforcement and Probation representation, and through a variety of joint grant programs. The Probation Department is presently involved in two projects within the Juvenile Justice Task Force. One project is focusing on truancy in order to improve and coordinate efforts between probation, education and law enforcement, and the purpose of the other project is to improve and coordinate efforts on repeat juvenile offenders.*

### **Response: Santa Cruz County Sheriff DISAGREES**

*This recommendation has yet to be implemented. The advent of the SRO position has bridged the gap between law enforcement and school officials. The probation department and law enforcement have drifted into an adversarial relationship. Law enforcement officials are concerned that current release policies may be in conflict with the need for public safety. Further work is needed to establish trust and ensure public safety and appropriate sanctions and treatment for juvenile offenders.*

### **Response: Pajaro Valley Unified School District AGREES**

*This recommendation has been implemented. The recommendation continues to be expanded by the school district's full participation in the Juvenile Justice Task Force of the Santa Cruz County Criminal Justice Council, participation on the BASTA collaborative, and monthly law enforcement (SRO) and school administration meetings for North Zone district schools at the Sheriff's community office in the Aptos shopping center and for South and Central Zone district schools at the district office.*

*PVUSD also conducts monthly School Attendance Review Board (SARB) hearings at the Watsonville Police Department that include representatives from Page 5 of 6 law enforcement, probation, community agencies and school district staff.*

*Monthly truancy mediation hearings take place at the Watsonville Courthouse, which includes the judge, assistant district attorney, probation, law enforcement and school district officials. PVUSD makes referrals to the Teen Peer Court. These are all opportunities to work together with probation, law enforcement, and the district attorney to ensure swift and effective consequences for drug use and juvenile crime. In addition, PVUSD's dedicated nonprofit agency, Pajaro Valley Prevention and Student Assistance (PVPSA), implements the ASSETS first offender program and the Watsonville Juvenile Community Court (WJCC) program.*

### **Response: Santa Cruz City Police Department AGREES**

### **Response: Watsonville Police Department AGREES**

### **Response: San Lorenzo Valley High School AGREES**



**Response: City of Capitola PARTIALLY AGREES**

*More analysis is needed. It is unclear what is meant by the word "consequences", and further, after decades of effort and billions of dollars, a swift and effective solution to the drug problem seems to have eluded us all. Whatever the solution, the City of Capitola agrees that it requires the cooperation of the agencies listed plus working with families and the religious community. The City of Capitola is willing to participate in such an effort, but given our limited resources leadership should come from a more regional group.*

**Response: Scotts Valley High School AGREES**

*This recommendation has already been implemented by the City of Scotts Valley, the Scotts Valley Unified School District and the Juvenile Probation Department.*

**Response: Scotts Valley Police Department AGREES**

*This recommendation has already been implemented by the City of Scotts Valley, the Scotts Valley Unified School District and the Juvenile Probation Department.*

**Response: Harbor High School AGREES**

*At the present time Harbor High School and the SCPO have a wonderful working relationship in regards to juvenile crime and drug abuse. Responses by the Santa Cruz Police Department are swift and thorough. The SRO Program agreement between the city schools and the police department is in large part responsible for this. Having officers on campus working with the student is a large part of the deterrence to crime and drug abuse. One area of concern is when students are arrested or cited and turned over to the Juvenile Court System, the communication breaks down. In support of the Juvenile system and the probation system, they are understaffed and have too many cases. Our area of concern is the communication from the juvenile court and probation system back to the schools. The school may have students on probation for various crimes committed while not on the school campus, but the school does not always get this information. Harbor High feels that it is important for the school system to be aware of students that are on probation for various crimes, especially but not limited to, gang-related offenses, drug arrests and crimes of violence. Harbor High believes the various public systems are working to correct this breakdown in communication and it is improving, but that more effort needs to be concentrated in this area.*

**Response: Santa Cruz High School AGREES**

*Santa Cruz High administrators welcome any opportunity to ensure a safe and healthy environment for all students. A consistent working relationship with these agencies will assist us in reaching that goal.*

**Response: Soquel High School AGREES**

*Working in collaboration with law enforcement agencies has proven to be the most effective manner to combat drug abuse and juvenile crime. We are very appreciative of the efforts of law enforcement, including the School Resource Officer, with whom the site has closely worked. We are committed to continue this collaboration and explore other potential partnerships directed toward the same end.*

2. 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.

**Response: Scotts Valley High School AGREES**

*We agree that further study of this topic is warranted. I will be asking the SVHS Principal to place this item on the agenda for the Santa Cruz County High School Principals’ Network and discuss this at the quarterly collaborative meeting with local law enforcement (including the SVHS Principal, the City of Scotts Valley Chief of Police and the SVHS School Resources Officer).*

**Response: San Lorenzo Valley High School AGREES**

**Response: Pajaro Valley Unified School District AGREES**

*This recommendation has been implemented. PVUSD revised its substance abuse policy to reflect the recent changes in state education codes. These policies redefine the meaning of "zero tolerance" to provide appropriate consequences and counseling for the violations. In addition all PVUSD students and parents receive an annual district enrollment packet that contains a letter from the superintendent with relevant excerpts from district policy; a district discipline chart is provided for students and parents to sign so there is a clear understanding of behavior standards and consequences (attached). Aptos and Watsonville High Schools present this same information in their student handbook provided for each student to read and review during the schools' annual orientation at the beginning of each school year. District alternative school programs with additional counseling services have also been put in place to address the individual needs of students and to serve as a solution for certain students trying to overcome their substance abuse issues.*

**Response: Harbor High School PARTIALLY AGREES**

*Enforcing the state's No Tolerance mandate is easy in theory and hard to enforce from a practical standpoint. If students are in possession, using or selling drugs and we are to claim a zero tolerance for first or repeat offenders, the problem becomes where to place the underage students if forced to attend a different school within the district. Harbor High believes the best deterrents to drug use and , possession on campus Involves: Informing students/parents of the schools policies/guidelines/consequences for drug or paraphernalia use or possession. Step up "drug education" within the school curriculum particularly in the required Health class. Physical Education, science and other related courses would be additional sources of information for students. . Attempt to increase the searches of individuals that fall under the category of reasonable suspicion. Another potential method of accomplishing the reduction in the use and possession of drugs on our campus is the unscheduled use of drug dogs to assist in the identification and location of illegal drug use and drug paraphernalia. The dogs are a sure and non-evasive method of checking for drugs and other contraband present on campus or on individuals.*

**Response: Santa Cruz High School AGREES**

*In response to drug incidents on campus, Santa Cruz High School administrators apply appropriate consequences for substance abuse and juvenile crime, being mindful to observe due process owed to students and parents.*

**Response: Soquel High School AGREES**

*Soquel high School is very open to exploring more effective ways of enforcing the state-mandated "zero-tolerance" policy. Efforts will be made to meet with job- alike at our other comprehensive high schools and work collaboratively toward enforcing zero tolerance.*

3. Law enforcement officers must fully enforce drug laws on or near school grounds.

**Response: Santa Cruz County Sheriff AGREES**

*It is the belief of the Sheriff's Office that this recommendation has already been implemented. Our full-time SROs are extremely mindful of the drug issues facing our diverse campuses. They have done numerous controlled substance investigations, including those involving rings of students engaged in the distribution of marijuana and other drugs.*

**Response: Santa Cruz City Police Department AGREES**

**Response: Scotts Valley Police Department AGREES**

*This has always been the case in the City of Scotts Valley.*

**Response: Watsonville Police Department AGREES**

**Response: City of Capitola AGREES**

*For the City of Capitola the enforcement of drug laws on or near school grounds has always been, and continues to be, a priority.*

**Response: San Lorenzo Valley High School AGREES**

*I believe that we are enforcing all drug laws on or near this campus.*

4. Teen centers should be located on all public high school campuses.

**Response: Scotts Valley High School PARTIALLY AGREES**

*This recommendation requires further analysis. It is our intention to work cooperatively with the City of Scotts Valley and prepare a more detailed response within six months.*

**Response: San Lorenzo Valley High School AGREES**

*Recent state initiative should help in the development of teen centers on school campuses.*

**Response: Harbor High School PARTIALLY AGREES**

*In theory this is a wonderful recommendation but impractical in the real world. At a time when funding for schools is tough, at best, declining enrollment, space for classrooms and qualified personnel to manage the teen centers makes the operation impractical on school sites. If outside funding were available to cover the operating costs including, but not limited to, building space, instructors, security, materials for activities and custodial services, a Teen Center would be a wonderful addition to every campus.*

**Response: Santa Cruz High School PARTIALLY AGREES**

*We agree that teen centers at each of the county's public high school campuses are a great idea and one that is welcomed by Santa Cruz High administrators. However,*

*administrators have concerns related to funding, location, and staffing for the teen centers at each of the sites.*

**Response: Soquel High School DISAGREES**

*Unclear as to what constitutes a teen center and what that would entail for Soquel High School.*

**Response: Pajaro Valley Unified School District AGREES**

*This recommendation requires further analysis. Please refer to PVUSD's response to Finding #18. The district will implement "teen centers" in the future as funding is available.*

5. The Juvenile Probation Division should provide a monthly list to the SROs identifying students at their respective schools who are on probation, and the disposition of pending cases involving students from these schools.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*The recommendation will not be implemented. Juvenile Court dispositions are provided to school superintendents by the juvenile court on a broad range of offenses outlined in the Welfare and Institutions Code. Law enforcement officers have access to information for all youth on probation.*

*Dissemination of monthly lists containing confidential information on probationers is not good practice and could lead to confusion and the possibility of action taken by officers based on outdated information. The Probation Department is committed to collaboration and partnership with law enforcement, education, and community based service providers and consistently works to develop better ways to communicate and work together effectively toward common goals.*

**Response: San Lorenzo Valley High School AGREES**

6. The County Board of Supervisors should prepare and maintain a comprehensive list of all community resources available to aid youths with substance abuse issues and/or involvement with the juvenile justice system. This list should be made available to school administrators, law enforcement officers on- and off-campus, Juvenile Court personnel, Santa Cruz County health agencies and providers, parents and other concerned citizens.

**Response: Santa Cruz County Board of Supervisors AGREES**

*This recommendation has been implemented as described in the response to finding # 17 above.*

**Response: San Lorenzo Valley High School AGREES**

**Santa Cruz County Juvenile Probation Division  
2001-2002 Grand Jury Report – Page 1-9**

**Note: The County Board of Supervisors is responding for the Juvenile Probation Department.**

***Findings***

**Juvenile Probation Division**

1. The Probation Department operates on an annual budget totaling \$13,138,054. The annual budget of the Juvenile Probation Division is \$6,370,722. In addition, the annual budget for Juvenile Hall is \$3,092,262. The remaining funds are allocated to the Adult Probation Division.

**Response: Santa Cruz County Board of Supervisors AGREES**

2. The Santa Cruz County Probation Department reports that it expects a \$2.5 million cut in its budget due to the current California state budget crisis.

**Response: Santa Cruz County Board of Supervisors AGREES**

*At the time of the Grand Jury investigation, the department anticipated losses of this size. The state budget for 2002-2003 has now been approved, and it appears that the Probation Department will lose approximately \$1 million in State funding.*

3. Staff for the Juvenile Division consists of the Division Director, 2.5 Assistant Directors, 34 Probation Officers, and 7 Probation Aides.

**Response: Santa Cruz County Board of Supervisors AGREES**

4. The Juvenile Probation Division has five distinct areas of responsibility:
  - A. The Intake Officer determines whether to detain or release an alleged offender based on the “Risk Assessment Form.”
  - B. The Investigation Unit reports to Juvenile Court.
  - C. The Field Supervision Unit ensures that probation terms are carried out.
  - D. The Home Supervision Unit follows a youth’s compliance with the terms of his or her probation, makes residential inspections, and supervises electronic monitoring.
  - E. Placement Services explores alternative housing or placement in a county ranch or camp outside Santa Cruz County. Santa Cruz County does not have ranch or camp facilities.

**Response: Santa Cruz County Board of Supervisors AGREES**

*In addition to the above, the Intake Officer also conducts a social study and assessment to determine the risk and needs of the youth and develops a case plan and service plan. The supervision unit also delivers services that promote accountability. These services include victim awareness education, parent education and "Thinking For A Change," an evidenced based program that promotes accountability by teaching the cause and effects of behavior.*

5. There were 2,517 total referrals to the Juvenile Probation Division for the year 2001.

**Response: Santa Cruz County Board of Supervisors AGREES**

6. There were 536 juveniles placed on supervised probation in 2001. Approximately 100 were placed on informal probation.

**Response: Santa Cruz County Board of Supervisors AGREES**

7. Many youthful offenders on probation state that from month to month, they are unaware of who their probation officer is.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*A survey taken of all youth in the Juvenile Hall on August 6, 2002, revealed that 83% could accurately give their probation officer's name.*

8. After an arrest for an alleged offense, a youth between the ages of 12 and 18 may be detained at Juvenile Hall. This detention in Juvenile Hall may be for public or personal safety or to ensure the juvenile will attend his or her court appearance.

**Response: Santa Cruz County Board of Supervisors AGREES**

9. Except in cases of extremely violent crime, most youths under the age of 12 who are arrested are turned over to Child Protective Services for placement in an appropriate facility or foster home.

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

*Youth under the age of 12 are assessed individually with regard to the offense behavior and social history. Appropriate action pending court may include juvenile hall detention, release to parent, release to parent with home supervision, or a referral to Child Protective Services if the matter meets their criteria.*

## **Risk Assessment**

10. The Juvenile Probation Division, in order to reduce the number of juveniles being detained in Juvenile Hall, has developed a system referred to as "Risk Assessment." Risk Assessment uses criteria for the Juvenile Probation Division to either release or detain a juvenile offender. These criteria measure the amount of risk to the community, to the victim (if any), and to the youth himself, posed by releasing the detainee.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*The purpose of the risk assessment is not to reduce the population of the Juvenile Hall; it is to provide an effective and objective decision-making process for determining who should be held in custody pending due process. State law, federal requirements, and judicial rules mandate that arrested juveniles who are pending court proceedings must be evaluated using specific detention criteria and be released to the least restrictive setting. Detention is to be used when all reasonable efforts to release have been tried or considered. The Juvenile Court Judge makes the final decision regarding detention status.*

11. When a sheriff or other law enforcement official arrests a juvenile offender, the Juvenile Intake Officer completes a “Screening Risk Assessment Form.”  
(See Figure 1.)

**SANTA CRUZ COUNTY SCREENING RISK ASSESSMENT**

MINOR \_\_\_\_\_ NAME OF RATER \_\_\_\_\_ ASSIGNED P.O. \_\_\_\_\_  
 ADMIT DATE \_\_\_\_\_ OFFENSES: (Code Section) \_\_\_\_\_

INSTRUCTIONS: CIRCLE THE SINGLE HIGHEST SCORE IN EACH APPLICABLE AREA LISTED BELOW.

SCORE

**AREA 1. MOST SERIOUS CURRENT OFFENSE (circle single highest scoring offense only)**

- a. Crimes Against People:
  - Group A - 707(b) offenses plus Bomb Possession/Detonation, 288.5 P.C. or 3 or more separate felony offenses----- 10
  - Group B - All Others----- 7
- b. Crimes Against Property:
  - Group A - 3 or more separate felony offenses----- 7
  - Group B - All Felonies----- 5
  - Group C - All Misdemeanors----- 3
- c. Other Crimes:
  - Group A - Possession of a Firearm----- 10
  - Sale of Narcotics/Drugs----- 10
  - 3 or More Separate Felony Offenses----- 7
  - Possession of Narcotics/Drugs for Sale----- 6
  - Felony Possession of Narcotics/Drugs----- 4
  - Group B - All Others----- 3
  - Probation Violations----- 0

**AREA 2. NUMBER OF PRIOR ARRESTS, LAST 6 MONTHS**

- a. 5 or more----- 5
- b. 4----- 4
- c. 3----- 3
- d. 2----- 2
- e. 1----- 1

**AREA 3. UNDER THE INFLUENCE OF DRUGS OR ALCOHOL AT TIME OF ARREST**

- Intoxication is not an element of admitting offense(s)----- 2

**AREA 4. STATUS (circle single highest applicable status score only)**

- a. Warrant/Escape/Placement Failure/Ranch Failure/I.C. Transfer- In/Home Supervision Arrest  
 Change of Placement (circle applicable status in this area)----- 10
- b. Active probation/parole, new felony offense or misdemeanor involving violence, the threat of violence, or possession or use of a weapon----- 6
- c. Active probation/parole, non-criminal violation or misdemeanors not listed in 4b above----- 4
- d. Currently on Home Supervision----- 8
- e. Petition filed, pending Court or active Court case----- 6

TOTAL SCORE: \_\_\_\_\_

DETAIN/RELEASE DECISION: Score of 3-7 = RELEASE

8+ = DETAIN (If active probation case receives 8 or 9, call minor's P.O. between hours of 7a.m.-11p.m. to determine whether releasable)

SCREENING RISK OVERRIDE CODES TABLE CODES (CHECK ONE)

Detention Overrides 3-7

- \_\_\_ Multiple Crimes
- \_\_\_ Severity of Crime(s)
- \_\_\_ Pending referral(s)
- \_\_\_ P.O. Hold/Police Request
- \_\_\_ No parent available/or refuses
- \_\_\_ Gang Membership
- \_\_\_ Beyond Control/Runaway Behavior from Home
- \_\_\_ Psychological
- \_\_\_ Out of County
- \_\_\_ Witness Intimidation
- \_\_\_ Victim Threats
- \_\_\_ Other \_\_\_\_\_

Release Overrides 8+

- \_\_\_ Release to family/guardian (stable & supportive family/caretaker)
- \_\_\_ Release to Youth Services
- \_\_\_ Release to placement
- \_\_\_ Release to CPS/Social Worker
- \_\_\_ Other County's Custody
- \_\_\_ Border Patrol/Illegal Alien
- \_\_\_ Other \_\_\_\_\_

D.P.O. APPROVED \_\_\_\_\_

RELEASE DATE: \_\_\_\_\_ RELEASED TO: \_\_\_\_\_ RELEASED BY - IS/DPO \_\_\_\_\_

Figure 1.



**Response: Santa Cruz County Board of Supervisors AGREES**

*However, the Figure 1 shown in the Grand Jury Report is a Risk Assessment form that has not been utilized for the past seven years. The current Risk Assessment has been in use since late fall of 2001 and is provided (Attachment A). This is the second full revision of this instrument in the last five years.*

12. The form was developed by the Juvenile Probation Division and sent to law enforcement agencies.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*The risk assessment is an internal document used by the Probation Department and was therefore not distributed to law enforcement agencies. However, information on booking criteria has been agreed upon and distributed to law enforcement agencies. All of the chiefs of the local police agencies agreed to booking criteria approximately three years ago. A document entitled "Suggested Booking Criteria" was distributed to law enforcement agencies to assist law enforcement personnel in making decisions whether to release or book juveniles. Training was conducted by the Juvenile Assistant District Attorney, the Supervising Intake Probation Officer, and the Assistant Division Director of Juvenile Hall for all local law enforcement agencies where the risk instrument was reviewed and questions and feedback were addressed.*

**Response: Santa Cruz County Sheriff AGREES**

*The risk assessment form was made available to law enforcement.*

**Response: Santa Cruz City Police Department AGREES**

**Response: Scotts Valley Police Department AGREES**

**Response: Watsonville Police Department AGREES**

*We were informed by Chief John Rhoads that an instrument was being developed. The explanation did not alert anyone that there would be any problems.*

**Response: City of Capitola PARTIALLY AGREES**

*The form was developed by Juvenile Probation, but the Police Department never received a copy.*

**Response: Office of the Santa Cruz County District Attorney AGREES**

*The form enclosed in the Santa Cruz County Grand Jury Report of 2001 - 2002 as figure 1 appears to be a dated form no longer being used by the Probation Department. A revised form is currently being used and has been distributed to county law enforcement agencies as well as the District Attorney's Office.*

13. Law enforcement officials were not included in the development of this system. Currently, a third draft of the Screening Risk Assessment form is being discussed. Law enforcement officials have been asked to participate in this revision. No date has been set for the review and acceptance of this revision.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*The risk assessment tool is an instrument which is entirely within the purview of the Probation Department to develop and administer. Law enforcement input has been included in the latest revision and will be sought in future revisions. The Probation Department constantly maintains and evaluates data to determine the effectiveness of detention alternatives and the validity of the risk assessment tool.*

**Response: Santa Cruz County Sheriff AGREES**

*Law Enforcement was aware of the document and does understand Probation's right to establish detention criteria. However, release policies can affect all public safety. A continuing review of this document would be healthy.*

**Response: Santa Cruz City Police Department AGREES**

*The Police Department was not included in the original risk management document although we were aware it was being developed. We were told that it would be a first draft and subject to review and later modification. Unfortunately, it has taken longer to modify it than originally expected.*

**Response: Scotts Valley Police Department AGREES**

**Response: City of Capitola PARTIALLY AGREES**

*The Department has not been asked to assist in the revision of the Screening Risk Assessment form.*

**Response: Office of the Santa Cruz County District Attorney PARTIALLY AGREES**

*The Probation Department did compile a team to explore the revision of the Screening Risk Assessment form. This team was comprised of an assistant district attorney, a public defender, and representatives from the Probation Department. No police officers were invited. This committee then informed the Juvenile Hall Overcrowding Task Force (an entity created by the Juvenile Probation Department) of its findings. Law enforcement agencies were invited to the Overcrowding Task Force Meetings.*

*It should be emphasized that the Probation Department ultimately had the final say as to the form's content. We strongly advocated the inclusion of victim impact issues and these were included. In other areas, we disagreed with some of the point values assessed. In addition to concerns regarding the subject matter of the Screening Risk Assessment form, we have concerns about its implementation. Not all Juvenile Hall staff appeared adequately trained in the use of the assessment. Some expressed the view that, in addition to the listed factors, the need to reduce the number of detained youth and manage the population at the Hall could also be considered. We do not feel this should influence the detention determination*

14. School administrators, law enforcement officials, juvenile court staff and the District Attorney's Office have not been regularly consulted regarding risk assessment procedures.

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

*All of the above personnel have been consulted, except school administrators, who do not make decisions to arrest. The Assistant District Attorney assigned to juvenile court was*

*actively involved in the development of the detention risk instrument used today. The District Attorney and Law Enforcement are represented at Detention and Crowding meetings where the risk instrument is a regular discussion topic and the outcomes of detention are tracked. Regular trainings have been offered to law enforcement to assist them in their decision to arrest or cite. The District Attorney's office, Public Defender and law enforcement representatives have attended conferences at the Probation Department's invitation, at which information on objective decision-making criteria was presented. The Juvenile Probation Division would be pleased to provide a description of the risk instrument and detention process to any interested school administrators.*

**Response: Santa Cruz County Sheriff PARTIALLY AGREES**

*Probation did present information about the risk assessment to various agencies. The concern was that law enforcement objection about current aspects of the assessment, i.e. no reference to gang involvement, was not included.*

**Response: Santa Cruz City Police Department PARTIALLY AGREES**

*We have attended a number of meetings to discuss risk assessment. We may disagree on certain issues over the assessment. We also realize it is the Probation Department's responsibility to develop, implement and monitor its use to see if it is effective or not.*

**Response: Scotts Valley Police Department AGREES**

**Response: Watsonville Police Department PARTIALLY AGREES**

*We do not think PVUSD school administrators were consulted during the development of the risk assessment or any of the numerous meetings regarding revisions. However, we must say on behalf of the Probation Department that since schools do not arrest or bring kids to Juvenile Hall, it may not be necessary or appropriate to consult them about procedures.*

*Regarding law enforcement, juvenile court staff, and District Attorney's office, it was apparent that the previous probation chief did not communicate or train clearly on procedures, which has partially led to the conflict with this instrument.*

*We believe the new Chief of Probation has worked on, and is clarifying the instrument, especially to juvenile intake staff, meeting regularly with law enforcement, District Attorney's staff, etc. on the provisions of the instrument.*

**Response: City of Capitola AGREES**

**Response: Office of the Santa Cruz County District Attorney PARTIALLY AGREES**

*We have been consulted regarding risk assessment procedures, however, our opinion has had little impact upon the implementation of these procedures.*

*We believe that the standards set forth in Welfare and Institutions Code (WIC) Sections 628 and 628.1 should form the foundation of any risk assessment procedure. The statute lists the circumstances under which a minor may be detained.*

- 1) The minor lacks proper and effective parental care.*
- 2) The minor is destitute, lacking the necessities of home.*

- 3) *The minor's home is unfit.*
- 4) *It is a matter of immediate and urgent necessity for the protection of the minor or a reasonable necessity for the protection of the person or property of another. (The circumstances and gravity of the offense figure in here. WQ. 635.)*
- 5) *The minor is likely to flee.*
- 6) *The minor has violated a court order.*
- 7) *The minor is physically dangerous to the public because of a mental or physical deficiency, disorder, or abnormality. If the minor needs mental health treatment, the court must notify the county mental health department. (WQ. 635.1 .)*

*The Probation Department has attempted to make the use of the statutory criteria objective by assigning point values to specific occurrences. This method causes an interpretation of some sections which we believe is more narrow and restrictive than intended by the statute. Two examples of our differing read of the statute can be seen in the approach to flight risk and potential danger. The code cites the likelihood that the minor will flee as a consideration. This is a subjective determination which may involve a number of factors. On the risk assessment form, this is reduced to a three item list: previous escapes, failures to appear, and pending referrals. Secondly, the question of whether the minor is dangerous is considered as it relates to elements of the offenses charged. We believe this is too complex to reduce to point values and is essentially a subjective determination for the court to make.*

15. The Juvenile Probation Division has expressed pride in its success in reducing occupancy at Juvenile Hall through the use of the Risk Assessment Form.

**Response: Santa Cruz County Board of Supervisors AGREES**

*The Probation Department is extremely proud that it has been able to fulfill its mandate to keep the appropriate youth at home during court proceedings without jeopardizing public safety. The Board of Supervisors wholeheartedly applauds these efforts.*

16. Figure 1 presents the Santa Cruz County Screening Risk Assessment form in use as of March 2002 by the Santa Cruz County Juvenile Probation Division.
  - A. In Areas 1 and 4, scoring for offenses is not cumulative.
  - B. In Area 1-C, Felony Possession of Narcotics/Drugs scores at 4.
  - C. Probation violations receive no score at all.
  - D. In Area 2, a juvenile arrested five or more times in the last six months is given only five points.
  - E. Area 3 demonstrates the Juvenile Probation Division's low-priority attitude toward drug and alcohol offenses.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*The County disagrees with this finding and strongly disagrees with the characterization of the Probation Department's attitude towards drug and alcohol offenses as "low-priority." The risk instrument used today has been validated and is extremely successful based on public safety outcome measures. As mentioned above, the risk instrument presented in*

Figure 1 has not been used by this agency for over seven years. The following corrections to the findings are submitted:

A. The risk instrument is cumulative.

B. In the updated instrument, both misdemeanor and felony possession of drugs score 3 points. Possession of drugs for sale scores 5. It should be noted that this is one of 9 areas to be scored.

C. Although the actual probation violation does not score points, often the behavior associated with this violation does - for example, use of drugs or runaway behavior. On any given day over a third of the juvenile hall population is composed of probation violators.

D. This score is directly related to current court status. If the minor is pending court, he/she scores 6 points and if it has been over a year since his/her last criminal offense, he/she receives 2 points. This is one of 9 areas that are cumulatively scored.

E. Drug and alcohol use is addressed in area 9. This area is research based and was developed with the assistance of the drug and alcohol counselor assigned to

Juvenile Hall. A minor admitting to intravenous drug use or showing signs of drug use in the past 72 hours scores a 10, causing them to be held in Juvenile Hall regardless of the scores in the other 8 areas.

17. Although substance abuse cases including heroin, methamphetamines, hallucinogens, cocaine, marijuana and alcohol make up the vast majority of juvenile referrals, these rarely result in a stay at Juvenile Hall, based on the Screening Risk Assessment.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

Substance abuse cases do not make up the vast majority of juvenile offense referrals; however, substance abuse is frequently identified as a factor in a significant number of referrals. Over 80% of the youth detained in juvenile hall have some level of substance use, abuse or dependency, even though they may be in custody for another crime. At the same time, a small percentage of these youth require medical intervention for detoxification symptoms due to drug addiction caused by prolonged and uninterrupted use of drugs and addiction. For youth detained in the juvenile hall, level of use, abuse and dependency of drugs and/or alcohol is assessed along with criminalgenetic factors, social history, and detention criteria as outlined in the Welfare and Institutions Code. All youth who pose significant risk to self or others are detained based on this assessment. Other youth are directed to the appropriate outpatient service. The Juvenile Hall is not and cannot be a residential substance abuse treatment center, but will continue to provide substance abuse assessment, programs and transitional services to the appropriate level of care.

18. Staff at Juvenile Hall report that youths who have substance abuse problems are not placed in substance abuse programs as a matter of need, but rather as a reward for good behavior.

**Response: Santa Cruz County Board of Supervisors STRONGLY DISAGREES**

*Probation Department policy does not allow participation in substance abuse programs to be used as a reward, and any staff using substance abuse treatment as a reward is in violation of departmental policy.*

*Drug and alcohol counseling is offered to detainees in both group and individual formats and is an integral part of Juvenile Hall programming. Juveniles whose behavior is too dangerous or disruptive for group counseling are allowed to receive individual drug counseling.*

19. Crimes against property are on the rise, but generally do not result in detainments.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*According to the most recent available data, crimes against property are not on the rise. Statistics provided by all county law enforcement agencies on juvenile arrests, show that property crimes (including burglary, robbery, theft and motor vehicle theft) fell by 4% in 2001 as compared to 2000. Juvenile felony arrests, which tend to involve injury or substantial property loss, have steadily declined since 1995. At the time of this response, 22% of youth detained in the juvenile hall on a law violation are in custody for a property crime. Property offenders are held in custody when they meet the detention risk criteria or upon judicial order.*

20. Reports and citations are referred to the Juvenile Probation Division for review and/or actions. Investigations are conducted and include meetings with the parents and the juvenile. Some cases are forwarded to Juvenile Court.

**Response: Santa Cruz County Board of Supervisors AGREES**

21. The delay between the time of arrest and initial contact with a probation officer is typically two to three months.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*All youth who are arrested and brought to the juvenile hall have immediate contact with a probation officer. For youth cited and referred by law enforcement (i.e. not in detention), reports are processed and assigned to an intake probation officer, reviewed by the district attorney if appropriate or mandated, and an appointment is set to meet with the youth and family at the soonest possible time. The average amount of time taken to complete an intake interview from the time the law enforcement report is received is 32.5 days.*

22. The Juvenile Probation Division interacts with the several law enforcement agencies conducting "Juvenile Diversion Programs."

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

**Response: Santa Cruz City Police Department AGREES**

**Response: Scotts Valley Police Department AGREES**

*We agree that the Juvenile Probation Division does interact with the Scotts Valley Police Department regarding our Juvenile Diversion Program.*

**Response: Watsonville Police Department AGREES**

*We have the ASSETS grant as previously mentioned. It is a partnership with Watsonville Police Department, Probation Department, and PVPSA. It is in it's last year of funding. It needs to be continued.*

**Response: City of Capitola AGREES**

23. The Sheriff's Department has no diversion programs in unincorporated areas policed by that agency. (See report on Review of Initial Alcohol and Drug Intervention with High School Age Youth.)

**Response: Santa Cruz County Board of Supervisors AGREES**

*However, all eligible youth living in the unincorporated area receive diversion services offered by the Probation Department and community providers.*

**Response: Santa Cruz County Sheriff AGREES**

*The Sheriff's Office does not maintain a formal diversion system. The Sheriff's Office has demonstrated its commitment to the youth of our County by being the only agency to have five dedicated school resource officers responsible for the Aptos High, Soquel High, San Lorenzo Valley High, Renaissance High, Aptos Jr. High, Lakeview Middle School and Shoreline campuses. These deputies perform these duties on a full-time basis despite the worrisome staffing shortage in our Patrol Services Division. The Sheriff's Office remains the busiest police agency in this County yet has the least amount of officers per 1000 residents of all County law enforcement agencies. Rather than enhancing our police services for Fiscal Year 2002-03, the Sheriff's Office received sizeable budget cuts, including deputy sheriff positions (one of whom was dedicated full time to our DARE Program and another dedicated to narcotics enforcement).*

*In addition, the Sheriff's Office has an unfilled Juvenile Detective position due to a staffing crisis in the Patrol Division. This detective will, when staffed, follow-up on case referrals from patrol deputies and our SROs, including a limited diversion program. The Sheriff's Office also maintains dedicated community deputies assigned to San Lorenzo Valley, the Summit area, North Coast, and Corralitos areas. These deputies frequently dealt with juvenile issues and monitored minor offenders in their respective areas. They are now working in Patrol, as well, due to our staffing crisis.*

*Lastly, a probation officer was supposedly budgeted some years ago to handle Aptos High students and be seen on campus with the SRO. Apparently, due to their caseload, this has yet to happen.*

24. The Juvenile Probation Division reports that law enforcement officers can access any of the division's information but that it does not routinely provide the information to officers.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

*Information is provided to deputies upon request. Probation does not provide lists of juvenile probationers as a routine measure.*

**Response: Santa Cruz City Police Department DISAGREES**

*Officers cannot routinely access information from Probation or about an individual. Officers have to go through a probation officer to obtain the information.*

**Response: Scotts Valley Police Department AGREES**

**Response: City of Capitola AGREES**

25. The average length of stay in Juvenile Hall has been reduced. In 1999 the average length of stay was 32 days. At the close of fieldwork, the average length of stay was 8.9 days.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*In 1999, the average length of stay was 12.3 days. In 2000 the average length of stay was 9 days. In 2001 the average length of stay was 10 days.*

26. Some parents have reported the Juvenile Probation Division has a very lax attitude toward marijuana use. Some parents stated they were told by the Juvenile Probation Division, "At least it's better than cocaine or methamphetamines."

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*The Juvenile Probation Department places a high priority on enhancing, expanding and improving substance abuse treatment, including partnership with Health Services Drug and Alcohol staff to provide drug assessment in the Juvenile Hall; the addition of \$250,000 in drug and alcohol services to expand the partnership with Health Services Agency to STAR and other local residential treatment providers to enhance and expand residential drug treatment services for court wards; the award of the Robert Wood Johnson, Reclaiming Futures initiative to identify system needs for substance abuse treatment; and collaboration on three grants to the Center for Substance Abuse Treatment. With additional resources and better assessment, probation officers have become more sophisticated at differentiating between use, abuse and dependency and using this information to form service plans.*

27. The County judicial system is evaluating juvenile detention reform.

**Response: Santa Cruz County Board of Supervisors partially DISAGREES**

*The County is aware of and appreciates the excellent work of the presiding Juvenile Court Judge who is involved in the continual evaluation of the detention system, however, the County is not aware that the judicial system is conducting an evaluation of detention reform.*

28. The Watsonville Police Department has been instrumental in initiating dialogue between the Juvenile Probation Division and other law enforcement agencies.

**Response: Santa Cruz County Board of Supervisors AGREES**

*The County appreciates the input of all law enforcement departments.*

**Response: Watsonville Police Department AGREES**

*Thank you. We are blessed with wonderful crime analysts (Linda Peters and Edward Delfin). They enable us to research issues and present them for discussions.*



**Conclusions** Note: Although not required to do so, the District Attorney responded to the following conclusions:

6. The shortened length of stay at Juvenile Hall makes it difficult for county agencies or other providers of services to influence behavior of youths in custody.

**Response: Office of the Santa Cruz County District Attorney AGREES**

*We agree with the Grand Jury's conclusion. The Probation Department's reluctance to detain minors has had a detrimental effect on our community's ability to rehabilitate and deter juvenile offenders. Drug addicted youth need a safe and comfortable environment to recover from withdrawal and break from long periods of drug abuse. Detention often may deter criminal conduct and promote rehabilitation.*

*Law enforcement officers in this have expressed grave frustration about their perception that juveniles who are arrested and transported to the detention facility are often released prior to the completion of the officer's paperwork. Some officers have indicated that they have simply stopped arresting and taking juveniles to the detention facility for certain offenses. Others report that arrested youth often brazenly comment that the officer is wasting his or her time as surely, the youth will be summarily released.*

*The District Attorney's Office has communicated concerns regarding detention policies to the Probation Department. We continue to welcome discussion on an issue that we feel is of paramount importance to public safety and our community.*

**Recommendations**

1. The Juvenile Probation Division should re-examine the length of stay at Juvenile Hall to ensure that juveniles not only stay at the Hall for a time commensurate with their offense, but that juveniles actually are detained long enough to benefit from the interventions offered at Juvenile Hall.

**Response: Santa Cruz County Board of Supervisors AGREES**

*This recommendation was implemented years ago and will continue to be implemented.*

*For the past five years, the Probation Department has continually examined the length of stay at the Juvenile Hall and the appropriate use of detention and juvenile hall commitment in each case. While the Juvenile Hall offers a variety of programs to promote accountability, skill development and treatment progress, the juvenile hall is a detention center, not a residential treatment program. The Probation Department has worked closely with Children's Mental Health, County Drug and Alcohol Services, and Community Treatment Providers to create a seamless service delivery from the detention center to residential treatment or outpatient community treatment and probation supervision. This is considered best practice, based on treatment research, detention standards and System of Care principles.*

2. First-time offenders and recidivists should be managed in different ways.

**Response: Santa Cruz County Board of Supervisors AGREES**

*This recommendation was implemented years ago and will continue to be implemented. The Probation Department has a long history of managing first-time offenders and recidivists differently.*

3. Mandatory substance abuse programs, not tied to behavior rewards, should be instituted at Juvenile Hall.

**Response: Santa Cruz County Board of Supervisors AGREES**

*This recommendation was implemented years ago and will continue to be implemented.*

*Drug and alcohol assessments are provided for all youth in Juvenile Hall. The Juvenile Hall provides mandatory substance abuse treatment for those youth for whom the court has ordered substance abuse treatment, and voluntary treatment is provided for those who elect to attend. Provision of treatment is not tied to behavior rewards nor is treatment withheld as a consequence for misbehavior.*

4. The Juvenile Probation Division must develop distinct and effective ways of dealing with youthful repeat offenders in order to make the consequences of recidivism unappealing.

**Response: Santa Cruz County Board of Supervisors AGREES**

*This recommendation was implemented years ago and will continue to be implemented.*

*The Santa Cruz County Probation Department had been recognized as a national leader in implementing best practice. The Juvenile Probation Division actively reviews the research literature and participates in program evaluations to ensure that evidenced based interventions which yield the best results are implemented. All of the recent programs have been developed utilizing best practice literature as well as a local analysis of system gaps and needs. Additionally, the Probation Department has implemented evaluations to measure the successful outcomes, including completion of restitution, completion of community service and reduction of recidivism. The Probation Department has written descriptions of these programs that cite the research upon which the programs are based, which are available for review.*

5. The Juvenile Probation Division should stop focusing on their perceived success at moving juveniles out of the juvenile justice system and concentrate on strong behavior modification efforts to prevent recidivism.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*This recommendation will not be implemented because the County disagrees with the recommendation.*

*The Juvenile Probation Division does not move juveniles out of the probation system unless youth 1) discontinue offense behavior 2) pay restitution 3) complete work or community service 4) comply the other terms of probation. Given these requirements, moving youth away from the justice system means moving youth into law abiding and productive citizenship. The Juvenile Probation Division and its community and agency partners provide a behavioral-cognitive program that teaches youth to anticipate the risks and consequences of behavior, develops the thinking skills needed to avoid impulsive and deviant action, and promotes accountability and victim empathy. These are the changes in behavior which prevent recidivism. The County disagrees with the characterization set forth in this recommendation.*

6. The revision process for the Risk Assessment system should include school administrators, law enforcement officials, the District Attorney's Office, and the presiding Judge of Juvenile Court.

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

*This recommendation has been partially implemented. Some components will not be implemented because they are not warranted.*

*Although input is sought, the Risk Assessment is an internal document which is based on legal criteria for detention, and the ultimate decision is legally vested in Probation and the Court. In the Fall 2001, the process of revising the risk assessment instrument included representatives from the District Attorney's Office, the Public Defenders Office, the Drug and Alcohol Department, Watsonville Police Department (other agencies were invited but did not attend), Juvenile Probation, Juvenile Hall, and the presiding Judge of the Juvenile Court. While school issues are considered, it is not within the scope or responsibility of school personnel to make detention decisions. Revisions to the instrument are based on outcome data, such as successful court appearances and no additional offenses pending court.*

**Response: Santa Cruz County Sheriff PARTIALLY AGREES**

*This recommendation has been partially implemented. The Probation Department has met with County law enforcement to discuss this issue. Most of the discussions were centered on data review and validity. Further discussion on the detention criteria would be useful.*

**Response: Santa Cruz City Police Department AGREES**

**Response: Scotts Valley Police Department AGREES**

*We believe that this process should include all the agencies listed in this recommendation; however, ultimately it will be up to the Juvenile Probation Division to make sure that this happens and to develop a proper time line. This is due to the fact that the Juvenile Probation Division is the agency ultimately responsible for the Risk Assessment system.*

**Response: Watsonville Police Department AGREES**

*We are not convinced school administrators need to be involved in the risk assessment.*

**Response: City of Capitola AGREES**

*This recommendation has not yet been implemented. Once the revision process has begun, the City of Capitola would be happy to participate if requested.*

7. The Juvenile Probation Division should lead the way in revising the Risk Assessment system to ensure that juveniles realize there are consequences for illegal behavior. The Juvenile Probation Division should especially consider:
  - A. Scores on the Risk Assessment Form should be cumulative.
  - B. Probation violations should receive points.
  - C. Repeat offenders should receive high scores for recidivism.
  - D. Drug and alcohol offenses should receive higher scores than the current system allows.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*The recommendation will not be implemented because it is not warranted.*

*It is not the purpose of the Risk Assessment to ensure that juveniles realize there are consequences for illegal behavior. As mentioned above, the purpose of the Risk Assessment is to provide an effective and objective decision-making process for determining who should be held in custody pending due process. It is inappropriate and illegal to make detention decisions in order to impose consequences or to teach a lesson regarding illegal behavior. Juveniles are entitled to due process through the court. Detention is only appropriate when necessary to protect public safety and to ensure court appearance. The judge has the sole authority to impose Juvenile Hall commitment time as a punitive consequence for illegal behavior as part of a dispositional order.*

*The A through D Grand Jury recommendations are already incorporated in the current Risk Assessment system, as shown below:*

*A. The scores for the 9 areas on the risk instrument are cumulative.*

*B. Probation violators receive points for the actual behavior, not the violation itself. For example, drug and alcohol use, new criminal behavior, or runaway behavior from home, all score points on the instrument. Over a third of the juvenile hall population, on any given day, is comprised of probation violators.*

*C. Offenders score more points depending on the number of sustained offenses in the last year (See area 3 on the attached risk instrument).*

*D. There is an entire drug and alcohol section in the latest revision (See area 9 on the attached risk instrument).*

**Response: Santa Cruz County Sheriff AGREES**

*This recommendation is directed at the Probation Department and Probation should answer. The Sheriff's Office believes the points made by the Grand Jury are worthy of consideration.*

**Response: Santa Cruz City Police Department AGREES**

**Response: City of Capitola PARTIALLY AGREES**

*This recommendation has not yet been implemented. As mentioned above the City of Capitola is willing to participate in revising the Risk Assessment Form if asked. Should that eventuality occur, we believe the process should determine outcome, and reserve our opinion on this matter until any such process would require it.*

**Response: Scotts Valley Police Department AGREES**

*Once again, we believe this is a good recommendation; however, it will be incumbent on the Juvenile Probation Division to implement these procedures and not the individual law enforcement agencies although we would like to be a part of the process.*

8. The Juvenile Probation Division should provide monthly data to law enforcement officials detailing the status and disposition of cases under their jurisdiction.

**Response: Santa Cruz County Board of Supervisors AGREES**

*This recommendation was implemented years ago.*

*All County law enforcement agencies have Affidavits for Juvenile Court Petition forms which are to be filled out, attached to police reports and provided to the Probation Department. The affidavits trigger a response from Probation and the District Attorney in which the disposition of the case is delineated. Additionally, law enforcement has 24 hour access to current information on any and all court probation cases. Generating confidential lists on a monthly basis could result in inappropriate action by law enforcement officials based upon inaccurate or out of date information.*

**Response: Santa Cruz County Sheriff AGREES**

*The recommendation has been implemented. There is a system currently in place that allows for this feedback, if requested, by individual officers.*

**Response: Santa Cruz City Police Department AGREES**

**Response: Scotts Valley Police Department AGREES**

*Once again, we fully agree with this recommendation; however, again it will be incumbent upon the Juvenile Probation Division to make this happen.*

**Response: Watsonville Police Department AGREES**

*Perhaps providing the information when the disposition is made would be even better.*

**Response: City of Capitola AGREES**

*This recommendation has not yet been implemented. Should the Juvenile Probation Division decide to provide such information, the City would find benefit from the information in our disposition of property and evidence, allow us to better implement our diversion program, and assist in future investigations.*

9. The Juvenile Probation Division should formulate policy and procedures as well as participate in the development of a countywide diversion program.

**Response: Santa Cruz County Board of Supervisors AGREES**

*This recommendation was implemented years ago.*

*Diversion services are presently available countywide. Diversion services have been available countywide for the past five year. They include Teen Peer Court, Neighborhood Accountability Boards and Educational and Youth Service diversion options, as well as the Assets program at Pajaro Valley Prevention and Student Assistance and Police Diversions. All youth who are eligible for diversion have the opportunity to be diverted.*

10. The Juvenile Probation Division should assign a specific probation officer or contact person to interact with administrative personnel and SROs at each public high school in the county.

**Response: Santa Cruz County Board of Supervisors AGREES**

*This recommendation was implemented years ago.*

*The Juvenile Probation Division has assigned a probation supervisor to attend SRO meetings. SRO's are encouraged to communicate with probation staff assigned to students at their school assignment. These probation officers are available to meet with SRO staff on a periodic basis. The Probation Department has expressed its interest to school and law enforcement personnel in being included in the funding opportunities to provide probation partnership when funding School Resource Officers.*

11. The Juvenile Probation Division should look for every possible means of reducing inefficiency, waste and duplication of efforts in response to pending budget cuts while maintaining necessary services provided to juveniles in Santa Cruz County.

**Response: Santa Cruz County Board of Supervisors AGREES**

*This recommendation will continue to be implemented as it always has been.*

**Response: Santa Cruz County Board of Supervisors GENERAL COMMENTS**

*Unlike other areas of this report, the section of the report on the Juvenile Probation Division is replete with inaccuracies and demonstrates a fundamental lack of understanding of the role of the Probation Department as distinguished from the roles of the Court and law enforcement. The report also fails to recognize the outstanding efforts of the department to reform the system based upon the best research-based data available in the nation. The Probation Department's efforts have been recognized by the Annie E. Casey Foundation and the Robert Wood Johnson Foundation for their excellent Juvenile Probation system. In addition, staff from the agency are frequent presenters on Restorative Justice, Disproportionate Minority Confinement, and Detention Reform at local, state, and national Juvenile Justice conferences. These efforts should be applauded.*

# Santa Cruz County Law Enforcement Agencies

## 2001-2002 Grand Jury Report – Page 1-16

### Findings

1. Census figures for the year 2000 indicate the number of youths under the age of 18 in Santa Cruz County as follows:

	Total Population	18 and Over	Under 18
City of Capitola	10,0333	8,187	1,846
City of Santa Cruz	54,593	45,130	9,463
City of Scotts Valley	11,385	8,446	2,939
City of Watsonville	44,265	29,228	15,037
<b>Total Santa Cruz County</b>	<b>255,602</b>	<b>194,861</b>	<b>60,741</b>

2. Countywide, 2,517 juvenile referrals were forwarded to the Juvenile Probation Division in the year 2001. These include reports or citations forwarded to the Juvenile Probation Division for disposition.

**Response: Santa Cruz County Board of Supervisors AGREES**

3. The four city police departments in the county made a total of 1541 juvenile arrests in the year 2001. Statistics for each department are shown below:

	Capitola Police Department	Santa Cruz Police Department	Scotts Valley Police Department	Watsonville Police Department
<b>Misdemeanor Arrests</b>	148	438	95	427
<b>Felony Arrests</b>	53	98	36	175
<b>Total Juvenile Arrests</b>	<b>*237</b>	<b>536</b>	<b>*166</b>	<b>602</b>

\*The Total Juvenile Arrests for the Capitola Police Department includes 36 arrests for curfew violations. The Total Juvenile Arrests for the Scotts Valley Police Department includes 35 other arrests for offenses such as truancy and curfew violations.

**Response: Santa Cruz County Sheriff AGREES**

*The Sheriff's Office agrees with the funding regarding statistics of juvenile arrest records in the four incorporated cities.*

**Response: Santa Cruz City Police Department AGREES**

**Response: Scotts Valley Police Department AGREES**

**Response: Watsonville Police Department AGREES**

**Response: City of Capitola DISAGREES**

*Capitola Police Department actually made 184 Misdemeanor arrests and issued nine curfew citations.*

4. The Sheriff's Department does not keep statistics on juvenile crime in the unincorporated areas of the county. The department reports there is currently no method of tracking this information.

**Response: Santa Cruz County Sheriff PARTIALLY AGREES**

*The Sheriff's Office somewhat agrees. The Sheriff's Office does maintain statistics for juveniles as part of the overall State Department of Justice's Criminal Statistics Center mandatory reporting. Statistics for 2001-2002 shows the Sheriff's Office reported a total of 571 arrests of juveniles for various felony, misdemeanor, and "status offense" charges. Since the Sheriff's Office has an Older records management system than the other agencies, setting specific search parameters for juvenile issues is more problematic. Sheriff Tracy is in the process of updating the Sheriff's Records Management System (RMS).*

5. A recent study by the Watsonville Police Department reports several flaws in the current Santa Cruz County Juvenile Probation Division philosophy:
  - A. Repeat offenders are processed with a revolving door philosophy. They are continually placed on probation and released to parents.
  - B. 17% of juveniles arrested account for 52% of the crimes committed in the county.
  - C. This same 17% of juveniles averaged 3–15 arrests in a three-year period.
  - D. 47% of juveniles were on probation at the time of an arrest for another offense.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*The Watsonville Police Department (WPD) research given to the Grand Jury was both inaccurate and incomplete. WPD shared their research and methodology with the Probation Department in January 2002. The Probation Department was able to assist the WPD in correcting errors in methodology and findings, and the Watsonville Police Department issued revised figures in February 2002. The Probation Department presented additional information to the police chiefs in May 2002. Unfortunately the Grand Jury apparently did not have access to the corrected information in preparing this report. Below is a point-by-point correction.*

*A. "Repeat offenders are processed with a revolving door philosophy. They are continually placed on probation and released to parents". The Probation Department review of the cases cited in the Watsonville Police Department Study did not support this conclusion. The review showed a continually increasing level of sanctions with each new sustained law violation. The study revealed that 48% of the arrests of offenders selected for study by the WPD were ultimately sustained in court, meaning that 52% did not hold up in court as charged by Watsonville Police. When an offense is sustained, the youth are continued as wards of the court. If youth are returned home by the court, they are given greater levels of supervision. Levels of supervision are increased to daily contact with probation for some youth.*



B. "17% of juveniles arrested account for 52% of the crimes committed in the county". In its review of the data, the Probation Department concentrated on actual "crimes committed" and, therefore, did not count technical violations of probation. Making that adjustment, results showed that 8.2% of juveniles arrested accounted for 29% of arrests for new crimes (the revision of methodology is consistent with studies conducted of repeat offenders in other jurisdictions and in Santa Cruz County). It should be noted that these figures are for Watsonville, not for the entire county, however the figure is consistent with the national studies on recidivism and is not considered unusual.

C. "This same 17% of juveniles averaged 3-15 arrests in a three-year period". The Probation Department and the WPD studies both reflected a range of 4-16 arrests rather than 3-16 arrests. The WPD revision of their data showed that 12% of the youth in the three year study committed 39% of all arrests. The Probation Department further refined the study to reflect only arrests for new criminal offenses, and the results showed that 8% of the youth in the study were arrested for 29% of all arrests for criminal offenses.

D. "47% of juveniles were on probation at the time of an arrest for another offense". The Probation Department shows that 34% of youth were arrested more than once. Fewer than that were on formal probation at the time of their subsequent arrest, since first time offenders were diverted when appropriate.

**Response: Watsonville Police Department PARTIALLY AGREES**

A. We believe this is more a reality than their philosophy. We believe the Probation Department wants to stop offenders from repeating. No one has the solution to that percentage of the juvenile offender population.

B. When written, our study concluded that slightly more than 14% of offending juveniles were repeat offenders, having between 3-15 arrests in a three-year period.

C. We presented that study to the County Chiefs Association, which includes the Probation Department, for discussion. The Probation Department responded with a presentation and information. One of our agreements from that study is that slightly more than 12% are repeat offenders.

D. We agree that a relatively small number of juveniles account for a large number of crimes. Until a strategy can be found to stop these juveniles from repeating, our position is that the neighborhoods and communities should come first and be protected from them. We continue a healthy dialogue on this subject, especially surrounding violent non-violent crimes.

6. Police officials asserted that the majority of resources for youths in the juvenile justice system deal with criminally sophisticated repeat offenders.

**Response: Santa Cruz City Police Department AGREES**

**Response: Scotts Valley Police Department AGREES**

**Response: Watsonville Police Department AGREES**

Our study concluded that the Probation Department does well with unsophisticated one and two time offenders.

**Response: City of Capitola AGREES**

7. Other law enforcement agencies in Santa Cruz County have not conducted similar studies to the Watsonville Police Department report.

**Response: Santa Cruz City Police Department partially DISAGREES**

*The City of Santa Cruz did a similar, but smaller spot check of juvenile offenders. The results were very similar to Watsonville's experience.*

**Response: Scotts Valley Police Department AGREES**

*The Scotts Valley Police Department has not conducted a study similar to Watsonville Police Department's, however, we do not believe it is necessary for our City. The City of Watsonville's youth problems deal with serious criminal violations and youth gang violence. We do not have this problem in the City of Scotts Valley. Therefore, we see no need to go to the time and expense necessary to complete a similar study.*

**Response: Watsonville Police Department AGREES**

*In all fairness, Capitola and Scotts Valley do not have the numbers to justify an in depth study. A very good picture of repeat offenders and their impact overall on the county's residences would occur if Santa Cruz County Sheriffs Office and Santa Cruz Police Department could also do a study. Having said that, we are sure it would show similar results as ours did; that a small number of juveniles commit a large number of crimes.*

*Our next step is to continue a dialogue with the Probation Department and the District Attorney's Office to place the community in the first priority of protection from these juveniles.*

**Response: City of Capitola PARTIALLY AGREES**

*A current groundwork study of juvenile offenses in the City of Capitola indicates that of 53 felony offenses, 14 percent were weapons violations and 11 percent were assault based. The largest group of juvenile violations was in the felony vandalism (tagging) category at 35 percent. This study is not as comprehensive as Watsonville's, but it tends to demonstrate juvenile crime does not have the same costs for Capitola as it does for the City of Watsonville.*

8. Substance abuse is a major factor in all categories of juvenile crime.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Scotts Valley Police Department AGREES**

*While we would agree that this is a problem in juvenile crime in Santa Cruz County, the majority of juvenile crime that we deal with in the City of Scotts Valley is not violent crime. The majority of juvenile crime we deal with are minor criminal violations.*

**Response: Watsonville Police Department AGREES**

**Response: City of Capitola PARTIALLY AGREES**

*This statement is far reaching, overstating the effect of "substance abuse" on "all" juvenile crime. There was no observed data in our study to substantiate the claim that substance abuse has a consistent relationship to all cause-and-effect dynamics of juvenile crime. However, our evidence tends to point to the use of illegal substances and/or abuse as a substantially vital factor influencing the minor's decision-making process. Our research*

*also seems to suggest a positive correlation between the use of controlled substances in criminal behavior of the developing, maturing juvenile- the 16 and 17 year old cohort. 42 percent of our misdemeanors are committed by these two age groups. Over one quarter of all felonies are committed by the same cluster.*

9. Law enforcement officers state they are reluctant to take action in cases of alcohol or cigarette possession by a minor because no consequences will be imposed by the Juvenile Probation Division.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*The County has no basis upon which to evaluate the accuracy of this anecdotal statement, but disagrees with the characterization of the consequences imposed by the Probation Department. The Juvenile Probation Division has and will continue to collaborate with Law Enforcement and School Administrations to provide diversion and pre-diversion responses to cigarette and alcohol possession.*

**Response: Santa Cruz City Police Department PARTIALLY DISAGREES**

*The SCPD takes enforcement action with minors regarding alcohol on a constant basis. Most are referred to our in-house diversion program. Tobacco cases are referred also, but enforcement is not as stringent due to time availability to enforce.*

**Response: Scotts Valley Police Department AGREES**

*We agree with this statement that many officers are reluctant to take enforcement action because of the fact that there are little to no consequences for minor violations. However, it's our position that our officers shall continue to enforce these laws vigorously and the consequences for those actions should be imposed by the Juvenile Probation Division.*

**Response: Watsonville Police Department PARTIALLY DISAGREES**

*Law enforcement officers may have told the Grand Jury that. However, statistics reflect lots of citations and arrests for alcohol violations. We also write some citations for minors in possession of cigarettes, especially around the high school. This is mostly because of our partnership with PVPSA. In most, if not all cases, juveniles and their families are referred to resources to deal with the underlying problems of alcohol or drug use.*

*There is no locked juvenile detoxification or rehabilitation facility in this county.*

**Response: City of Capitola DISAGREES**

*More times than not, our officers enforce alcohol and tobacco violations via citation/diversion/probation referral regardless of known or unknown outcomes.*

10. Some parents have reported that the Juvenile Court System's attitude toward marijuana use is very lax.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*The County has no basis upon which to evaluate the accuracy of this anecdotal statement, but disagrees with the characterization of the Juvenile Court*

*System's attitude towards marijuana use. Each first offender is seen with his or her parent(s) for an intake interview, and action is taken commensurate to the offense. Youth who have gone through the Juvenile Court System and are involved in substance use are*

*court ordered to abstain from drugs and alcohol and are ordered to submit to drug and alcohol testing. When there is a positive drug test the probation officer investigates the use and works with parents to determine an appropriate response, which may include further court action and/or treatment.*

11. Some parents stated that despite repeated requests to initiate consequences or diversion for their child after a first offense, these requests were ignored both by the Juvenile Court and Juvenile Probation Division officials.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*The County has no basis upon which to evaluate the accuracy of this anecdotal statement. Each first offender is seen by the Probation Department with his or her parent(s) for an intake interview and action is taken commensurate to the offense. The Juvenile Probation Division presently provides early referral to assessment and diversion programs for first-time offenders.*

12. Some law enforcement agencies offer diversion programs to youths in their jurisdiction.

**Response: Santa Cruz City Police Department AGREES**

*We have partnered with the Probation Department on a diversion program for about 8 years. It is a very worthwhile program.*

**Response: Scotts Valley Police Department AGREES**

*We offer a Juvenile Diversion Program and have since 1978.*

**Response: Watsonville Police Department AGREES**

**Response: City of Capitola AGREES**

13. There is no countywide process for the administration of juvenile diversion programs.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*The Probation Department administers juvenile diversion programs, and every youth who is eligible in this County receives diversion services.*

**Response: City of Capitola AGREES**

**Response: Watsonville Police Department AGREES**

*At least two diversion programs are partnerships with the law enforcement agencies and Probation Department. We are one of them.*

**Response: Santa Cruz City Police Department AGREES**

*Since we work in partnership with the County Probation Department, they have taken the lead on diversion coordination. I am not aware of a formal countywide process.*

**Response: Scotts Valley Police Department AGREES**

*We agree that there is no such administrative process countywide for juvenile diversion programs; however, we are not convinced a countywide process is necessary.*

## **Recommendations**

1. The Juvenile Probation Division should develop and implement a method of providing SROs at each public high school with a list of juveniles who have come into the Juvenile Probation system. The Juvenile Probation Division should distribute an up-to-date list containing information on the terms of a juvenile's probation on a monthly basis to the SROs.

### **Response: Santa Cruz County Board of Supervisors DISAGREES**

*The recommendation will not be implemented, as it is unreasonable and not warranted. As stated above, all County law enforcement agencies have Affidavits for Juvenile Court Petition forms that are to be filled out, attached to police reports and provided to the Probation Department. The affidavits trigger a response from Probation and the District Attorney in which the disposition of the case is delineated. Additionally, law enforcement has 24 hour access to current information on any and all court probation cases. Generating confidential lists on a monthly basis could result in inappropriate action by law enforcement officials based upon inaccurate or out of date information.*

### **Response: Santa Cruz County Sheriff**

*The recommendation has not been implemented. The recommendation is directed to the Probation Department.*

### **Response: Santa Cruz City Police Department AGREES**

*The Santa Cruz Police Department agrees with this recommendation. This was agreed to by Probation approximately 2 years ago. They have apparently had significant software programming issues. We have been informed that it is still "in process."*

### **Response: Scotts Valley Police Department**

*Once again, this recommendation is incumbent upon the Juvenile Probation Division to provide this information to the individual police departments. You will have to refer to their response to make a determination as to whether or not they intend to comply with this recommendation.*

### **Response: Watsonville Police Department AGREES**

*We believe this is already the case with our two high school SRO's.*

### **Response: City of Capitola DISAGREES**

*Requires further analysis. The City of Capitola is aware of the sensitive and confidential nature of such information, and while useful, would rely upon the Juvenile Probation Division's determination in this matter, especially so, since there are no high schools within the City of Capitola.*

2. The Santa Cruz County Sheriff's Department and the four city Police Departments must enforce state and federal laws by citation or arrest despite any failure by the Juvenile Probation Division to enforce those laws.

### **Response: Santa Cruz County Sheriff AGREES**

*The Sheriff's Office has implemented this recommendation and does actively enforce the laws surrounding juveniles.*

**Response: Santa Cruz City Police Department PARTIALLY AGREES**

*The Santa Cruz Police Department partially agrees with this recommendation. Local (state) officers generally do not have the legal ability to enforce federal statutes.*

**Response: Scotts Valley Police Department AGREES**

*This policy was implemented by the Scotts Valley Police Department years ago.*

**Response: Watsonville Police Department PARTIALLY AGREES**

*The word must is arguable. Law enforcement in a democracy has a lot of discretion. Spirit of the law v. letter of the law. Also, local law enforcement agencies in most cases do not have jurisdiction, alone, in federal violations of law.*

**Response: City of Capitola AGREES**

*The City of Capitola has been implementing such a program. Enforcing state and federal laws as they relate to juveniles is a priority with the City of Capitola.*

3. The Santa Cruz County Sheriff's Department and law enforcement agencies in the cities of Capitola, Santa Cruz, Scotts Valley and Watsonville must implement processes to track juvenile crime and detention statistics.

**Response: Santa Cruz County Sheriff PARTIALLY AGREES**

*The Sheriff's Office has not implemented this recommendation although base juvenile arrest statistics are maintained and reported to the State. A more in-depth analysis does require the purchase of a more modern records management system. This purchase will require funding support for the County. The Sheriff's Office has been in the planning stage for a new system and continues to work with the CAO's Office to identify funding sources.*

**Response: Santa Cruz City Police Department AGREES**

*We track the front end arrest. We need to coordinate better to track outcomes. We are currently in discussions to accomplish this and have asked the Probation Department to track dispositions after the arrest. This is similar to the adult tracking system.*

**Response: Scotts Valley Police Department DISAGREES**

*We believe the statistics we presently provide for juvenile related crimes are adequate and meet the needs of the City of Scotts Valley. We have no intention at this time of keeping additional statistics relating to juvenile crime; however, we would be open to suggestions should there be specific recommendations for tracking juvenile crime.*

**Response: Watsonville Police Department AGREES**

*Watsonville, Santa Cruz, Capitola, and Scotts Valley are in a better position to capture the front end data because we have the same automated records management system. The Santa Cruz County Sheriff's Office is in the process of implementing a different automated system. However, the capabilities will be similar or better. What is needed is the middle and disposition in an easily retrievable way. This requires the ability of the District Attorney and Probation Department to track and retrieve charges filed, reduced, increased, added, or dismissed, and what was the result- various levels of probation, programs, house detention, incarceration, etc.*

**Response: City of Capitola AGREES**

*The City of Capitola has not yet fully implemented such a program. The City of Capitola should have this data on or before the end of the 2002/2003 fiscal year.*

4. The Santa Cruz County Sheriff's Department should offer diversion programs to youths under their jurisdiction.

**Response: Santa Cruz County Sheriff AGREES**

*The Sheriff's Office will not be able to implement this recommendation. In our response to finding 23 on page 1-12, we discussed ongoing commitment to the juvenile justice system, i.e. five SRO positions, DARE deputy, etc. We are not able, due to staffing issues or funding, to establish a diversion program of our own. The Probation Department currently operates a number of diversion programs that are successful. The Sheriff's Office needs regarding youth diversion will continue to be addressed by the Probation Department.*

5. The Juvenile Probation Division, in conjunction with the Santa Cruz County Sheriff's Department and the police departments of the cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville should cooperate to develop a plan for the administration of countywide diversion programs.

**Response: Santa Cruz County Board of Supervisors AGREES**

*This recommendation was implemented five years ago and is in operation at this time*

**Response: Santa Cruz County Sheriff AGREES**

*This recommendation has not been implemented. The Sheriff's Office looks forward to discussion on this recommendation. Improved coordination of a diversion program would enhance the Juvenile Justice System.*

**Response: Santa Cruz City Police Department PARTIALLY AGREES**

*The Santa Cruz Police Department partially agrees with this recommendation. I believe we need to work together so we do not waste or duplicate certain resources and to benefit by others experience. I do not think this is a "one size fits all" situation. Each jurisdiction could and should have input on individual issues/concerns within each agency. I strongly feel that the Probation Department should take the lead in juvenile diversion issues.*

**Response: Scotts Valley Police Department AGREES**

*This department will cooperate in any manner whatsoever in order to develop a plan for the administration of countywide diversion programs even though we're not convinced of the need.*

**Response: Watsonville Police Department AGREES**

*Perhaps one ASSETS type grant that would standardize diversion throughout the county law enforcement agencies.*

**Response: City of Capitola AGREES**

*The City of Capitola has not yet implemented this recommendation. The City of Capitola would participate in such a process.*

6. The police departments of the cities of Capitola, Santa Cruz, and Scotts Valley should undertake studies of juvenile crime in their respective cities similar to the study done by the Watsonville Police Department.

**Response: Scotts Valley Police Department DISAGREES**

*The City of Watsonville has juvenile related crime that in no way represents the types of juvenile related crime that occur in the City of Scotts Valley. The needs for the City of Watsonville are much different than the needs of the City of Scotts Valley in relation to juvenile crime, therefore, we see no need to implement such a recommendation at this time.*

**Response: City of Capitola AGREES**

*The City of Capitola has not yet implemented this recommendation. The City of Capitola should have this data on or before the end of the 2002/2003 fiscal year.*

**Response: Santa Cruz City Police Department AGREES**

*The studies conducted by both the Watsonville Police Department and the Santa Cruz Police Department were very laborious and time consuming to put together. The probation information needs to be more easily accessible in order to track outcomes.*



# Review of Initial Alcohol and Drug Intervention With High School Age Youth

## High Schools' Initial Response to Substance Abuse

2001-2002 Grand Jury Report – Page 1-20

### ***Findings***

6. Those high schools students who are found to be in possession of alcohol or drugs on campus can expect to be cited by the School Resource Officer. The SRO is a peace officer from the local policing agency assigned to the school for security. The citation issued by the SRO will be sent to the Juvenile Probation Division. The Juvenile Probation Division investigates the incident and arranges for a conference with the student and parents.

**Response: Santa Cruz County Sheriff AGREES**

*Drug and alcohol on campus are actively investigated and referred to Probation.*

**Response: Santa Cruz City Police Department AGREES**

**Response: Watsonville Police Department AGREES**

*At Watsonville Police Department, the citation will most likely be forwarded to the ASSETS Probation Officer. The Probation Officer coordinates the appropriate course of action with input from school, law enforcement, and PVPSA.*

7. A first-time offender may be placed on probation or may be considered for a diversion program. The process of placing a first-time offender on a diversion program frequently takes two months to initiate. A diversion program will avoid a permanent record and will include several months of counseling, group sessions, contracts, community service, writing essays and possibly a waiver for search and seizure.

**Response: Santa Cruz County Sheriff AGREES**

*Diversion programs can be successful for many offenders. Probation has made efforts to get juveniles into diversion programs as quickly as possible.*

**Response: Santa Cruz City Police Department DISAGREES**

*Currently, our first-time diversion program placement is less than one month.*

**Response: Watsonville Police Department PARTIALLY DISAGREES**

*We believe the selection and placement process is a week or two.*

9. The high schools use the following programs for early assessment and counseling:
  - A. Students in the Pajaro Valley Unified School District, which include Aptos High School and Watsonville High School, are referred to Pajaro Valley Prevention and Student Assistance (PVPSA). It is a non-profit agency that supports Pajaro Valley School District. This model, which has a documented success rate, automatically and immediately places students in intervention programs.

- B. Students in the Santa Cruz City School District, which include Harbor, Santa Cruz and Soquel Highs, are referred to Youth Services for assessment and substance abuse counseling.
- C. Students from ScottsValley and San Lorenzo High Schools are referred to Triad Community Services for assessment and substance abuse counseling.

**Response: Santa Cruz City School District PARTIALLY AGREES**

*Students are referred to Youth Services, other community agencies or a family physician for a drug use assessment. The assessment is returned to the school and the school counselor and school social worker determine the appropriate intervention for the student, using the assessment and other information gathered regarding the students health status, school achievement, attendance and behavior.*

**Recommendations**

- 1. The School Resource Officers should develop and supervise their own diversion programs for first-time offenders, as they are more closely associated with the students and could more easily track the progress of the youth than can be done by the personnel in the larger juvenile probation system.

**Response: Santa Cruz County Sheriff DISAGREES**

*The Sheriffs Office will not be implementing this recommendation. The Sheriffs Office may, at times, work with school officials to divert certain juveniles from the criminal justice system. This will only be selected cases and will not develop into a full fledged Sheriff's Office diversion program.*

**Response: Santa Cruz City Police Department DISAGREES**

*Our first-time offenders program works in partnership with the Probation Department. The program works quite well. The first-time offender program is part of our Juvenile Unit and works very closely with our juvenile crimes detective and our school resource officers. On occasion, some of the juveniles on our diversion program are not even part of the city school system (see police response to recommendation, page 10).*

**Response: Watsonville Police Department DISAGREES**

*SRO developing and supervising diversion programs are less likely to succeed than what we are doing now. Trying to do it alone would create consistency problems between students and schools within districts. They do not have the time nor training to write logs and follow-ups, or professionally counsel students and family members. In our case, ASSETS is a good model. However, we should audit each program, including ASSETS or other diversion programs for rate of success.*

- 2. School Districts should give high priority to the development of school-based programs by non-profit agencies similar to PVPISA, to enable prompt and continuing assessment and intervention for first-time offenders.

**Response: Scotts Valley High School PARTIALLY AGREES**

*This recommendation requires further analysis. It is our intention to analyze data, communicate with stakeholders within our community and public and private agencies. A more detailed response will be submitted within six months.*

**Response: Santa Cruz City School District DISAGREES**

*School staff is responsible for being attentive to the overall health and well being of students. They must work closely with prevention and intervention partners such as Youth Services and the Parent Center. But when the primary responsibility for an aspect of student health, such as drug use, is transferred to a non-profit agency the coordination, integration and continuity of prevention and intervention services are lost. By coordinating efforts through school and district staff the needs of the child are met in their entirety. The school can provide a comprehensive response including a Student Study Team to analyze the academic, social and health needs of the student. Services such as group, individual or family counseling, student attendance consultation, access to health care, crisis intervention, mental health screening, risk of harm screening and other services are provided, on site, by trained staff thus providing a comprehensive approach to drug use and other barriers to learning.*

## **Review of Alcohol and Drug Intervention with High School Youth Outside of School**

**2001-2002 Grand Jury Report – Page 1-24**

### **General Findings**

7. School administrators, drug counselors and students are requesting the development of more Teen Center in their communities.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: City of Capitola DISAGREES**

*While it may be true that school administrators, drug counselors and students might be requesting more teen centers, in our experience the vision of a teen center varies widely among each of these groups.*

**Response: City of Santa Cruz AGREES**

*The City of Santa Cruz has invested significantly in creating a new teen center to provide teens with a safe environment. The Teen Center was designed with the direct input from teens. The City has created a Youth Advisory Board with youths ranging in age from 12-19. The youth are also actively involved in the operations and programming of the Teen Center. The Teen Center is centrally located in the heart of the City (Downtown).*

*The Teen Center opened on December 15, 2001. It cost just under \$500,000 to construct (refurbish an existing space that is leased) and has an annual budget of approximately \$330,000. It is operated with the assistance of one (1) regular full-time staff person and two (2) regular half-time staff persons plus a considerable amount of temporary hours. Hours of operation are Monday through Thursday from 2:00 p.m. to 9:00 p.m. and Friday and Saturday from 2:00 p.m. to 11:00 p.m.*

*Activities range from trips and special classes to computer labs and tutorial sessions. Staff schedules regular band nights and special events (trivia and Jeopardy games). Art and poetry events, tournaments, and lectures are also sponsored at the Teen Center.*

*Staff also provides information and referrals to teens seeking information and services not provided by the Teen Center. Teen Center staff networks with local non-profits and service providers and makes the center available for their meetings and gatherings.*

**Response: Watsonville Police Department PARTIALLY AGREES**

*Watsonville has six places teens can gather for various supervised activities. Ramsay Park and Center, Callaghan Park and Center, Marinovich Community Center, Gene Hoularis and Waldo Rodriguez Youth Center, all run by the City's Parks and Recreation and Neighborhood Services; Police Activities League Center run by the Watsonville Police Department; and Soccer Central, a privately run facility. There are three computer centers for students. There is a very large YMCA facility. We are looking for a site in the northern part of the city for a combined PAL/Boys and Girls Club. Watsonville is in pretty good shape on places for teens.*

## **Findings on Diversion**

A diversion program is meant to help the first-time juvenile offender turn away from substance abuse and avoid a permanent record in the juvenile justice system. A diversion program for a drug or alcohol offense may include treatment programs, contracts, writing essays, community service and signing a waiver for search and seizure.

8. Youth who have been cited or arrested with alcohol or substance abuse violations may be offered a local diversion program if they reside within one of the four cities in the Santa Cruz County, all of which offer such a program. If not, their case will be sent to Juvenile Hall where it will be reviewed by the Juvenile Probation Division who may refer the youth to a diversion program.

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

*The Juvenile Probation Division receives diversion referrals, not the Juvenile Hall. This ensures that every youth in this county will receive diversion services, if eligible, regardless of where they live.*

**Response: Santa Cruz City Police Department AGREES**

13. The Sheriff's Department deals with youth in the unincorporated area of the county, and does not have a diversion program. It relies on referral to the Juvenile Probation Division, who may refer the youth to a diversion program.

**Response: Santa Cruz County Sheriff AGREES**

*Diversion for the unincorporated population is provided by the Probation Department.*

14. Over half of the county's youth population reside in the unincorporated area and are under the Sheriff's jurisdiction. They receive no immediate response to their infractions, because they are processed through the Juvenile Probation Division system, a process that usually involves a waiting period of about two months before entering a diversion program.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*The average length of time for a diversion interview through the Probation Division for the cities of Watsonville and Santa Cruz is approximately 2 weeks. The time period for a diversion interview for youth living in the unincorporated area is approximately one month. The Probation Department is able to provide a swifter response when a case is rapidly processed from police contact to probation referral and when there is a probation officer dedicated to a diversion program in collaboration with law enforcement and a community provider.*

**Response: Santa Cruz County Sheriff PARTIALLY AGREES**

*Juveniles who commit infractions are referred to the Probation I Department. The Probation Department should work to reduce the time between the referral and diversion programs.*

15. The Juvenile Probation Division stated that it is faced with high turnover of staff and high caseloads. Because of this, many youth on probation don't know who their Probation Officer is and have not seen them for two months.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*Although the department is experiencing high turnover and some caseloads are high, as stated above, a recent study of youth in Juvenile Hall showed that it had been an average of 2 1/2 weeks since they had last seen their probation officer and that 83% of youth could accurately give their probation officer's name.*

**Recommendations**

1. The Santa Cruz City Police Department should initiate and administer its own diversion program.

**Response: Santa Cruz City Police Department DISAGREES**

*The Santa Cruz Police Department has had a Juvenile Diversion Program for well over twenty years. At one point, it was staffed by a police officer. Approximately eight years ago, we looked around at other diversion programs in the state. After careful research, the recommendation was made to partner with the Probation Department to staff the program with a probation officer. One of the primary reasons to staff the position with a probation officer rather than a police officer is the probation officer's familiarity with the rest of the juvenile probation system. The probation officer is located in our (Police Department) Investigation Section and is part of our Juvenile Unit and works closely with our School Resource Officers.*

*It has been our experience that this has worked out quite well and has benefited the Police Department, the Probation Department and the juveniles of our city. We now have a much closer working relationship, and each department is more aware of the strengths and weaknesses of the others system. By working together, we have tried to assist each other with the benefactor being the juvenile and the community. It is not a perfect system, but I believe the arrangement works to everyone's benefit.*

2. The Sheriff's Department should initiate a diversion program so that there are early intervention opportunities for youth in the unincorporated areas of Santa Cruz County. This would help reduce the backlog at Juvenile Probation Division's intake screening.

**Response: Santa Cruz County Sheriff DISAGREES**

*The Sheriff's Office will not be implementing this recommendation. The Probation Department has received substantial new funding over the past several years to add programs. At the same time, the Sheriff's Office has undergone budget cuts. The Sheriff's Office believes the Probation Department is funding a number of quality diversion programs and has the desire to see they remain effective.*

3. The Juvenile Probation Division should alter its intake procedures to ensure early referral to assessment and diversion programs for first-time offenders.

**Response: Santa Cruz County Board of Supervisors AGREES**

*This recommendation was implemented five years ago. The Juvenile Probation Division presently provides early referral to assessment and diversion programs for first-time offenders. The Probation Department will continue to streamline this process.*

4. After intake screening at Juvenile Hall, whenever possible, the same Probation Officer should continue to be assigned to the same youth offender.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*The recommendation will not be implemented because it is unreasonable. The Probation Department has developed highly specialized programs such as day treatment, family preservation, intensive supervision, intake, investigations and placement. Caseload functions and caseload size vary, depending on the level of structure, support and supervision required. The availability of specialized intensive services is of greater benefit than having the same Probation Officers.*

5. To help youth remain free from substance abuse, the cities and the County of Santa Cruz should develop more 'teen centers.'

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*This recommendation will not be implemented without further study.*

*The County of Santa Cruz provides a wide variety of programs designed to help youth remain free from substance abuse. The development of more "teen centers" is one method of prevention which will be considered in coordination with other methods as the County continually assesses and evaluates its overall substance abuse prevention program.*

**Response: Watsonville Police Department PARTIALLY AGREES**

*Key word is "more." We would like one more in the northern part of the city. Funding for building, maintaining and staffing these facilities is not readily available. Thus private grants or public/non-profit collaborations are necessary to get them built.*

**Response: City of Capitola**

*This recommendation requires further analysis. More empirical evidence is need before such an investment of public dollars can be made. While it is quite believable that school administrators and drug counselors would suggest the idea of a teen center to provide*

*after school diversion or a haven from the temptation of drugs, the Grand Jury report in this section is unclear in establishing the efficacy of such a program. On an anecdotal basis, it is the experience of staff that the term "teen center" has a different meaning to a student than it would to a drug counselor. This would make it difficult to invest resources into a teen center that would receive political approval, but may not be used by teens, and might not accomplish the goal of drug abuse reduction in youth.*

**Response: City of Santa Cruz AGREES**

*Please see response to Finding Number 7 above.*

**Response: City of Scotts Valley AGREES**

*The City has recognized that there is a need to develop not only teen centers but teen programming and safe places for teens to congregate. In the Fall of 1999, the City implemented an after school recreation program targeted at younger teens. This innovative program provides an alternative to the "latch key syndrome" for Scotts Valley teens. Recreation staff meet the children who are signed up for the program each day at the Middle School. The children and staff then take County Transit to the Teen room at Siltanen Park. At the Teen room the children are supervised in a relaxing and fun environment that includes: homework areas, pool table, Football, ping pong, kitchen area, couches, and TV area. This program is starting its fourth year in the Fall of 2002 and has proved to be an excellent alternative for the young teens of Scotts Valley.*

*The City also believes it is very important to provide safe fun areas for teens to gather and participate in positive activities. Toward this end, the City has approved the design for a 20,000 square foot skate park to be located at Skypark. This facility is getting close to becoming a reality as the final fund raising is currently being secured.*

*The City has also developed long range plans to address the needs of the teens in the community by developing a conceptual design plan for a teen center to be located at Skypark in Scotts Valley. This teen center will be very near the Scotts Valley skate park, soccer fields, playground, and only a block from the Santa Cruz County Metro Station which will allow easy access by teens who do not drive.*

## Report on the Juvenile Hall

### 2001-2002 Grand Jury Report – Page 1-30

Note: The County Board of Supervisors is responding for Juvenile Hall

### **Findings**

10. The Juvenile Hall facility is thirty-five years old and operates on a 24/7 basis. As acknowledged by Juvenile Hall staff, the building shows signs of aging and heavy use.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

11. Juvenile Hall does not have adequate heating and has no air conditioning systems.

**Response: Santa Cruz County Board of Supervisors partially AGREES**

*The heating system is adequate, but it is old and inefficient.*

**Response: Santa Cruz County Sheriff AGREES**

18. The facility does not have a covered gym.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

19. County buses do not service Juvenile Hall. The closest bus stop is one mile from Juvenile Hall. Although bus vouchers are available to parents and juveniles, these are not used often. Juvenile Hall staff confirms that the facility's location does create difficulties for parents in accessing the facility.

**Response: Santa Cruz County Board of Supervisors AGREES**

*Over the past ten years, this issue has been studied at great length by the Santa Cruz Metropolitan Transit District. On each occasion, the Transit District found it unfeasible to bring direct service to the Juvenile Probation Center. Instead, passengers are bused to the Scotts Valley Transit Center and given a free voucher for a taxi from the bus stop to the Probation Department.*

**Response: Santa Cruz County Sheriff AGREES**

**Response: Santa Cruz Metropolitan Transit PARTIALLY AGREES**

*While Santa Cruz Metro's bus service does not serve Juvenile Hall, it does provide routes that come within .5 miles of Juvenile Hall. The location of the facility probably does create difficulties for parents in accessing the facility, if they do not have another means of transportation besides bus service.*

### **Recommendations**

1. The Board of Supervisors should implement a feasibility study for a new Juvenile Hall located more centrally in Santa Cruz County.



**Response: Santa Cruz County Board of Supervisors DISAGREES**

*This recommendation will not be implemented. The County believes that there are both advantages and disadvantages in having a more centrally located Juvenile Hall. Nonetheless, the cost of building a new facility would be prohibitive. In 1999 a Juvenile Hall Needs Assessment Report was completed by the Criminal Research Foundation which calculated that the cost of construction alone (land not included) would come to \$17.5 million. The Probation Department will continue to search for funding opportunities which could be used to assist the County in addressing facility needs.*

**Response: Santa Cruz County Sheriff**

*The recommendation is addressed to the Board of Supervisors. The Board of Supervisors has already turned down State funds to improve the existing Juvenile Hall. State funding criteria would have required adding additional beds. The Board of Supervisors were willing to spend General Fund monies for improvements and turn down possible State funding as they did not want to increase the capacity of the facility.*

*In deference to the Board of Supervisors locating a site for a new facility would be very difficult. Improvement of the existing facility or on-site expansion might prove to be more practical.*

2. The Grand Jury acknowledges that undertaking the relocation and construction of a new Juvenile Hall will be a lengthy process. Restoration of the present facility and the addition of heating and air conditioning systems at the Graham Hill location should be undertaken to upgrade the facility until such time as a new juvenile facility is built.

**Response: Santa Cruz County Board of Supervisors AGREES**

*This recommendation will be implemented.*

*In 2000 and 2001, the Probation Department applied for two different grants, which would have provided funding to remodel and upgrade the Juvenile Hall. Unfortunately, the Probation Department was not funded for either of these grants. The Board of Supervisors at that time set aside \$700,000 for remodeling of Juvenile Hall. This funding is supporting the construction of a new medical/mental health wing, replacement of the showers in both units as well as the plumbing to all of the individual rooms. Those funds were also used to replace 20 of the room doors to allow the doors to open out into the hall rather than into the rooms. This modification expands the living area of the rooms and increases safety.*

**Response: Santa Cruz County Sheriff AGREES**

*The recommendation has been partially implemented. Improvements to the existing facility are under way.*

3. Santa Cruz Metropolitan Transit District should offer a bus route(s) with stops available at Juvenile Hall.

**Response: Santa Cruz Metropolitan Transit DISAGREES**

*Santa Cruz Metro does not agree that it should offer a bus route with stops available at Juvenile Hall. Most recently, in 1998, Santa Cruz Metro made efforts to accommodate a request for bus service to Juvenile Hall by operating a trial shuttle service from the Scotts*

*Valley Transit Center to Juvenile Hall that proved unsuccessful. This service was marketed by Juvenile Hall staff to generate ridership. Over the trial period of six weeks, beginning on June 15, 1998, it was determined that less than one customer per day was using the service. Santa Cruz Metro could not financially justify continuing this service when the passenger usage was so low.*

*Additionally, there are no sidewalks that access Juvenile Hall and the parking lot at the Hall does not accommodate a turn around for a bus. Further, Santa Cruz Metro is currently facing a budget deficit that would preclude it from adding a route to Juvenile Hall at this time.*



# **Santa Cruz County**

## **Grand Jury**

### **Response to the Final Report:**

Section 2  
Audit and Finance Committee Reports



## Procedures Followed by Local Governments in Selecting Independent Auditors

2001-2002 Grand Jury Report – Page 2-3

### *Findings*

1. The cost of an annual audit for some small entities is a financial burden.

**Response: Santa Cruz County Auditor/Controller AGREES**

*We agree with the Grand Jury's findings. The cost of required audits is a financial burden, for smaller districts, and the cost does indeed become a critical factor in the selection of an auditor. Because of the complexity of auditing standards and the high cost of liability insurance, many CPA firms no longer offer auditing services. There are few CPA firms in the County that perform audits, and even fewer that perform governmental audits.*

2. The law allows for less frequent audits for smaller entities.

**Response: Santa Cruz County Auditor/Controller AGREES**

3. There is a perception among special districts that there is a lack of choice in Certified Public Accountant (CPA) firms willing to audit special districts in Santa Cruz County.

**Response: Santa Cruz County Auditor/Controller AGREES**

4. Guidelines for the audit of special districts state that cost should not be the sole factor in choosing an auditor.

**Response: Santa Cruz County Auditor/Controller AGREES**

5. The responses of some local government entities to the Grand Jury's survey of procedures followed in the selection of an auditor leaves the appearance that they use price as the sole criterion for selecting an auditor.

**Response: Santa Cruz County Auditor/Controller AGREES**

6. Other than school districts, most special districts in Santa Cruz County use one of two auditing firms among the several available choices.

**Response: Santa Cruz County Auditor/Controller AGREES**

7. Many small firms decline to do local school and government audits because of the special requirements of these audits.

**Response: Santa Cruz County Auditor/Controller AGREES**

8. There is no legal requirement to change auditors.

**Response: Santa Cruz County Auditor/Controller AGREES**

9. Many financial professionals believe a periodic change of auditor should be a requirement in order to ensure the independence of the audit.

**Response: Santa Cruz County Auditor/Controller AGREES**

10. Most special districts do not have a term limit policy for changing auditors.

**Response: Santa Cruz County Auditor/Controller AGREES**

## **Recommendations**

1. The retention of an auditor should be reviewed at least every 3 years and changed at least every 6 years.

### **Response: Santa Cruz County Auditor/Controller AGREES**

*This has been implemented. The County of Santa Cruz does review the retention of their auditors every three years, and does not retain an auditor for more than five years.*

2. The County Auditor/Controller should develop and publish guidelines for:
  - A. Frequency of audit for special districts for which an annual audit is a financial burden; and
  - B. Alternate safeguards in lieu of an annual audit for entities for which a formal audit is not warranted.

### **Response: Santa Cruz County Auditor/Controller DISAGREES**

*This recommendation will not be implemented. It is beyond the legal authority of the Auditor-Controller. Government Code Section 26909 establishes the audit requirements for all special districts and gives the Board of Supervisors some discretion to determine the frequency of those audits. The code does not provide for alternatives in lieu of audits.*

3. The Auditor/Controller should take an active role in encouraging competition among audit firms by:
  - A. Facilitating joint solicitations for audit services; (same comment)
  - B. Soliciting more CPA firms to do business in Santa Cruz County; and
  - C. Apprising Special Districts of their auditing choices.

### **Response: Santa Cruz County Auditor/Controller PARTIALLY AGREES**

*This recommendation has been partially implemented. We disagree with the recommendation that the Auditor-Controller should take an active role in encouraging competition among audit firms. Soliciting CPA firms to do business in Santa Cruz County is beyond the statutory duty of the Auditor-Controller, which is to obtain or conduct financial audits of the special districts. Over the last few years the Auditor-Controller has encouraged special districts to have their audits performed by local CPA firms rather than by the Auditor- Controller. Special districts are apprized of their auditing choices and, if interested, are given a listing of local firms that perform audits or have informed us of their interest in doing so.*

## **Response of Local Governments to the Recommendations of their Auditors**

### **2001-2002 Grand Jury Report – Page 2-4**

#### **Findings**

1. Board members and management of some special districts lack training in financial and insurance matters.

**Response: Santa Cruz County Audit Committee AGREES**

**Response: Santa Cruz County Auditor/Controller AGREES**

2. Local governments often receive the same recommendations for corrective action from their auditor year after year but fail to act despite agreement to do so.

**Response: Santa Cruz County Audit Committee AGREES**

**Response: Santa Cruz County Auditor/Controller AGREES**

3. Santa Cruz County school districts are required by state law to follow a formal process to ensure that they adequately respond to the recommendations of their auditor. In this process, prior to submission to the Office of the State Controller, the Chief Business Officer of the County Office of Education reviews each school's documentation of the corrective action it has taken in response to each recommendation.

**Response: Santa Cruz County Audit Committee AGREES**

**Response: Santa Cruz County Auditor/Controller AGREES**

4. The law does not require a formal process to ensure that non-school special districts respond to the recommendations of their auditor.

**Response: Santa Cruz County Audit Committee AGREES**

**Response: Santa Cruz County Auditor/Controller AGREES**

## ***Recommendations***

1. The Auditor/Controller should consider presenting an annual Financial Managers' Training Session for management of small districts. This session would provide training in the following areas:
  - A. Selection of an auditor;
  - B. Use of an audit as a management tool;
  - C. Evaluation of an entity's insurance needs;<sup>1</sup>
  - D. Selection of an insurance provider; and
  - E. Responsibilities when participating in self-funded insurance programs.

Additionally, this program could serve as an opportunity for potential audit and insurance firms to market their services to local governments; thus increasing available choices.

**Response: Santa Cruz County Auditor/Controller DISAGREES**

*This recommendation may not be implemented. The Auditor's office can provide training sessions for the management of special districts if the districts are willing to pay for the training because it would require additional staffing. The districts will need to make their wishes and needs known to us. The Auditor-Controller's office often provides accounting guidance for special district personnel, but the Auditor-Controller does not have the expertise to give advice on insurance matters. We have, as needed, contacted special*

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<sup>1</sup> For further discussion of insurance issues see page 2-11 of this report.

*districts and their auditors to ensure that insurance coverage is disclosed in the districts' audit reports.*

2. Non-school special districts, in concert with the County Auditor/Controller and the County Audit Committee, should adopt a formal process similar to that followed by school districts to ensure that they adequately respond to the auditor's recommendations:
  - A. Each non-school special district should be required to submit to the County Audit Committee the corrective actions it has taken in response to the recommendations of the auditor; and
  - B. The County Audit Committee should compile and submit a report of this information to the Board of Supervisors and to the Grand Jury on an annual basis. This report should be made available to the public through the public library system and by posting on the County website.

**Response: Santa Cruz County Audit Committee DISAGREES**

*This recommendation will not be implemented. We agree that that special district audit reports should be monitored and corrective actions taken. However, those activities are beyond the scope of the Audit Committee's duties and authority. The Auditor-Controller already provides some oversight to the special districts, but ensuring that corrective actions are taken is the responsibility of the special district board of directors and management. The Auditor-Controller makes himself available to special district boards for consultation and advice when the special district boards or management make such a request.*



# Procedures Followed in the Transfer of Funds between Local Government Entities and between County Government Departments<sup>2</sup>

2001-2002 Grand Jury Report – Page 2-6

## Findings

1. It is the practice of many local government entities to bill each other for services provided. This practice is intended to prevent unnecessary duplication of staff and at the same time to correctly reflect the full cost of government services. In most cases, these services and reimbursements are documented and the entities are formally billed.

**Response: Santa Cruz County Auditor/Controller AGREES**

**Response: City of Capitola PARTIALLY AGREES**

*The practice of billing for services is primarily to recover costs, rather than to reflect the full cost of government services. The full cost of government services should be reflected in the governmental agency's budget.*

**Response: City of Scotts Valley AGREES**

**Response: City of Watsonville AGREES**

**Response: Santa Cruz County Office of Education AGREES**

*The County Office of Education has numerous relationships with local districts. Some involve direct fee for services programs and, in some instances, the County Office of Education is funded to provide services directly with or without supplemental fees. The COE is responsible to four Direct Support Districts as authorized by statute. Those districts with over 1,000 average daily attendance receive support as needed. County offices of education are mandated to provide certain services. The mandates are directed by legislation and the California Constitution. County superintendents have some discretion about how mandated services are provided.*

2. Not all services provided by one entity to another are documented and billed. For example:
  - A. The Santa Cruz County Assessor, Treasurer-Tax Collector, and County Auditor/Controller provide services related to property tax collection for school districts for which they cannot by law receive reimbursement.
  - B. The County Office of Education in some cases chooses not to seek reimbursement for accounting and financial services it provides to small school districts that lack sufficient staff because of the burdensome nature of determining and allocating such expenses.

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<sup>2</sup> For the purposes of this report a Government entity is defined as an organization with an independent budget which may or may not be audited separately. In practice, whether or not an organization is a separate entity may not be easy to determine.

- C. The City of Capitola recently decided to recapture expenditures for services provided to its Redevelopment Agency (RDA). The City of Capitola did not keep records for these services at the time they were provided. Later the city chose to engage in a process purportedly designed to estimate these expenses.

[Note: See Cities and other County Agencies Committee Reports page 3-4 for a more detailed discussion of this issue.]

**Response: Santa Cruz County Auditor/Controller AGREES**

**Response: City of Capitola AGREES**

**Response: City of Scotts Valley DISAGREES**

*To the best of the City's knowledge, all services provided by/to the City of Scotts Valley to/from other entities are documented and paid.*

**Response: Santa Cruz County Office of Education PARTIALLY AGREES**

*The County Office of Education provides many different services and support functions for local school districts. County offices of education are mandated under AB1200 to provide certain services. Funding for core services reflects attempts by the Legislature to ensure that county offices of education can provide mandated and discretionary services without regard to a district's size or ability to purchase services.*

**Response: City of Watsonville PARTIALLY DISAGREES**

*The City of Watsonville bills all services performed for other agencies. However, it does not make financial sense to not bill for some services if the cost to determine a fair service cost and billing for that service cost exceeds the reimbursement.*

3. Government funding sources are generally divided into two types: restricted and unrestricted. Restricted funds must be used for a defined purpose while unrestricted funds may be used for any purpose.

**Response: Santa Cruz County Auditor/Controller AGREES**

**Response: City of Watsonville AGREES**

**Response: City of Capitola DISAGREES**

*All government funds are restricted in use for public purposes. Some funding sources are restricted more than others. The types of restrictions are many and vary significantly in severity.*

**Response: City of Scotts Valley AGREES**

*The City of Scotts Valley accounts for restricted funds separately so the identity of the funds can be preserved.*

**Response: City of Watsonville AGREES**

**Response: Santa Cruz County Office of Education AGREES**

4. Misuse of restricted funds creates a potential liability because discovery of the misuse may jeopardize future funding and may lead to a requirement that the funds be returned to their source.

**Response: Santa Cruz County Auditor/Controller AGREES**

**Response: City of Watsonville AGREES**

**Response: City of Capitola PARTIALLY AGREES**

*Misuse of public money has many ramifications one of which for certain type of funds, such as grants, is the return of the money, and another is jeopardizing future funding. Other consequences of misuse include but are not limited to: forgiveness, fines, imprisonment, discipline of other sorts, and replacement funding from other accounts and funds.*

**Response: City of Scotts Valley AGREES**

*As stated in Finding 3, the City of Scotts Valley accounts for restricted funds separately thereby eliminating the chance of accidental misuse.*

**Response: City of Watsonville AGREES**

**Response: Santa Cruz County Office of Education AGREES**

*We are not aware of any instances of misuse of restricted funds now or in the recent past that have required funds to be returned to the source.*

## **Recommendations**

1. To ensure their proper use, the Auditor/Controller should prepare and distribute to all local government entities a summary of potential consequences for misuse of restricted funds.

**Response: Santa Cruz County Auditor/Controller DISAGREES**

*This recommendation will not be implemented. Each entity has the responsibility of maintaining its accounting systems in accordance with generally accepted accounting practices. The Auditor-Controller has no authority to set standards for other entities. The Auditor's staff is hard pressed to complete financial reports required by the State and by the Governmental Accounting Standards Board; there are insufficient resources to develop and publish additional reports.*

**Response: City of Capitola AGREES**

*Should the Auditor/Controller decide to distribute such information, the City of Capitola would receive and review it.*

**Response: City of Scotts Valley AGREES**

*The City of Scotts Valley has not implemented this recommendation because it first requires action on the part of the County Auditor/Controller. The City would accept these summaries from the County if and when they are prepared and distributed.*

**Response: City of Watsonville AGREES**

*The County has not implemented this recommendation, but the City would accept a report from the Auditor/Controller with the summary of potential consequences for misuse of restricted funds and forward it to various staff responsible in monitoring the city's restricted funds.*

*Nevertheless, this action is not warranted. The City receives various restricted funds that are kept in special revenue funds. With each restricted revenue, specific restrictions are generated by the funding source. It is critical to the City that these requirements be met and documents audited by the City's external auditors through the Single Audit, grant audits or specific compliance audits. Also, the City may be audited by Federal, State and local funding agencies. We do not feel that the County should be responsible to monitor the restricted funds of the City of Watsonville as this would be a task too great for anyone entity to undertake. Further, the task is largely assigned to existing State and Federal agencies.*

*In fact, the 1984 Single Audit Act of Congress recognized the problem with having every Federal grant being audited by the granting agency. As a result, the Single Audit Act required that all Federal grants be audit by a single agency. This oversight agency was the agency which granted the most funds to the recipient government. Although this process is not perfect, it is much better than previous times when grant audits were continuously being performed by numerous agencies.*

2. The Auditor/Controller should prepare and distribute a summary of accounting standards for documenting and billing for services provided by one entity to another. All entities in this county, including cities, should follow these standards. Should an entity desire not to adhere to these standards, the appropriate governing body should approve this deviation prior to the provision of services, and only after a discussion and vote in a public meeting.

**Response: Santa Cruz County Auditor/Controller DISAGREES**

*This recommendation will not be implemented. Each entity has the responsibility of maintaining its accounting systems in accordance with generally accepted accounting practices. The Auditor-Controller has no authority to set standards for other entities. The Auditor's staff is hard pressed to complete financial reports required by the State and by the Governmental Accounting Standards Board; there are insufficient resources to develop and publish additional reports.*

**Response: City of Capitola AGREES**

*Should the Auditor/Controller decide to distribute such information, the City of Capitola would receive and review it. The City Council reserves its right to refer all such information to staff and receive City of Capitola staff direction and guidance. The City's first priority for accounting standards is Generally Accepted Accounting Principals (GAAP); any recommendations by the Auditor/Controller would be submitted to the City's Financial Advisory Committee for their review and recommendations to City Council.*

**Response: City of Scotts Valley AGREES**

*The City of Scotts Valley has not implemented this recommendation because it first requires action on the part of the County Auditor/Controller. After receiving these standards from the County, the City could then make a determination if it would be possible to abide by them.*

**Response: City of Watsonville DISAGREES**

*The City will not implement the recommendation because it is not warranted. The City of Watsonville is a Charter City that follows GASB (Government Accounting Standards Board), and GAAP (Generally Accepted Accounting Practices). Within these standards, the City finds guidance on how to handle documenting and billing for services provided by one entity to another. For example, the City of Watsonville follows the League of California Cities white paper on transactions between local governments and redevelopment agencies. The City of Watsonville does not need another layer of standards to follow. The City is also audited each year for compliance with other agencies by its external auditors. In order to gain an accurate picture of the real costs of education in each school district, the Chief Business Officer of the COE should create and publicly distribute a report detailing expenses incurred supporting each district for which the COE is not reimbursed.*

**Response: Santa Cruz County Auditor/Controller DISAGREES**

*This recommendation will not be implemented. Each entity has the responsibility of maintaining its accounting systems in accordance with generally accepted accounting practices. The Auditor-Controller has no authority to set standards for other entities. The Auditor's staff is hard pressed to complete financial reports required by the State and by the Governmental Accounting Standards Board; there are insufficient resources to develop and publish additional reports.*

3. In order to gain an accurate picture of the real costs of education in each school district, the Chief Business Officer of the COE should create and publicly distribute a report detailing expenses incurred supporting each district for which the COE is not reimbursed.

**Response: Santa Cruz County Office of Education DISAGREES**

*Will not implement because it is not warranted.*

*The Santa Cruz County Office of Education does not believe that categorization of such costs has a material impact on the determination of the cost of education in each entity. "Cost" varies among students and is dependent upon several factors such as grade level, special services programs and other factors. Cost cannot be tracked nor attached to a specific student. While a significant portion of our budget is dedicated to the students directly served by the COE, the cost of maintaining the information would outweigh the value of the information obtained. Additionally, much of the information is duplicated in reports compiled by the State but specific districts are not identified.*

4. The County Auditor/Controller should create and publish a report describing expenses the County incurs for supporting other entities for which the County is not reimbursed, in order to get an accurate picture of the real cost of the services provided by these entities.
5. Each city should create a report detailing expenses it incurs for supporting other entities such as joint ventures and redevelopment agencies for which the city is not reimbursed, in order to gain an adequate picture of the real costs of these entities.

**Response: City of Capitola AGREES**

*Please see the City's responses to the items under "An Investigation of the City of Capitola Redevelopment Agency Reimbursement Loan agreement". The City of Capitola reserves its rights and privileges on how it allocates its limited resources to meet its service demands. Certainly, clarity of reporting and fair reimbursements are a priority for the City.*

**Response: City of Scotts Valley AGREES**

*The City of Scotts Valley will implement this recommendation.*

**Response: City of Watsonville DISAGREES**

*The City will not implement the recommendation because it is not warranted. The City of Watsonville does not provide substantial services that are not reimbursed by other agencies. If the City waives a cost for a specific service, the cost to track these fees is not cost effective for an entity with an \$81.5 million budget. Cities are not allowed to record in kind services or revenues as non-profits are under GAAP or GASB and would not be able to record the fees.*

6. Local government entities should include in their annual budgets a summary of services provided to them by other local government entities without reimbursement in order to reflect better the actual costs of their programs.

**Response: City of Capitola DISAGREES**

*It is unclear what is meant by this recommendation. If both public agencies list a program as an expense the recognized program expenses will be doubled. In some cases it is impossible to identify the expense to an individual agency. For example, mutual aid agreements when exercised are done so at no expense to the receiving agency, consequentially these expenditures are unknown until the time of each event, \ I and are not recognized as an expenditure by the Agency receiving the mutual aide.*

**Response: City of Scotts Valley AGREES**

*The City of Scotts Valley will implement this recommendation with the next budget (2003-04).*

**Response: City of Watsonville DISAGREES**

*The City will not implement the recommendation because it is not warranted. The City of Watsonville does not provide substantial services that are not reimbursed by other agencies. If the City waives a cost for a specific service, the cost to track these fees is not cost effective for an entity with an \$81.5 million budget. The City has received the Government Finance Officers Association's Distinguished Budget Presentation Award because it meets program criteria as a policy document, as an operation guide, as a financial plan and as a communication device. The City feels that the time and cost for preparing a schedule not required by government standards out weighs any benefit for displaying these costs (if any). At the same time, City Council always has the prerogative to review and manage the City as it sees fit. An internal policy towards obtaining this type of information may be helpful for them. However, an additional external authority placing additional requirements upon the City is not needed.*

**Response: Santa Cruz County Office of Education AGREES**

*Will not implement because it is not warranted or is not reasonable.*

*The Santa Cruz County Office of Education does not believe that categorization of such costs has a material impact on the determination of the cost of education in each entity. The budget is highly categorized and services described. The services the COE receives from other agencies are minimal and the majority are informational communication, thus it would be difficult if not impossible to quantify with an associated cost. The cost of maintaining such information would outweigh the value of the data obtained.*

# The Participation of Local Government Entities in Joint Powers Authorities

## 2001-2002 Grand Jury Report – Page 2-9

### Findings

[Note to Reader: The Joint Powers Act (Government Code Sections 6500 et seq.) allows two or more government entities to enter into an agreement to jointly exercise powers common to them all or to create a separate entity (referred to as a joint powers agency) to carry out those common powers. For example the cities of Scotts Valley, Santa Cruz, Capitola and the County of Santa Cruz have formed a JPA for the purpose of administering the library services throughout the county.

In this report we will use the term “joint powers authority” or “JPA” to refer to both a joint powers agency and an agreement to jointly exercise common powers. Additionally, in recent years many government agencies have created JPAs for the purpose of sharing the risk of self-funded insurance. This section of the report deals with traditional “power exercising” JPAs, while insurance related JPAs are covered separately in the next section of the report.]

1. JPAs are generally audited separately from their members.

**Response: Santa Cruz County Auditor/Controller AGREES**

**Response: Santa Cruz County Office of Education AGREES**

2. Member entities may be liable for the debts of their JPA.<sup>3</sup>

**Response: Santa Cruz County Auditor/Controller AGREES**

**Response: Santa Cruz County Office of Education PARTIALLY AGREES**

*We partially agree with the statement as it does not apply to all situations.*

3. Many entities fail to disclose their membership in JPAs in their annual audit.

**Response: Santa Cruz County Auditor/Controller AGREES**

**Response: Santa Cruz County Office of Education DISAGREES**

*The COE disagrees to the statement. It does not apply to the COE and local school districts.*

4. Many local JPAs have the same or similar make-up of directors because these directors are provided by the forming entities.

**Response: Santa Cruz County Auditor/Controller AGREES**

**Response: Santa Cruz County Criminal Justice Council AGREES**

5. Some JPAs have citizen members, which allows for greater participation of interested citizens in the policy decisions of these entities.

**Response: Santa Cruz County Auditor/Controller AGREES**

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<sup>3</sup> A joint powers agency, as a separate entity, is responsible for its own debts and liabilities. These debts and liabilities would not legally extend to the entities that created the agency. However, in practice, the terms of the agreement to form the JPA or the remaining interests of the forming entities after its collapse often leave the forming entities stuck with the bill.



**Response: Santa Cruz County Criminal Justice Council AGREES**

6. The Santa Cruz County Criminal Justice Council and the Region M Criminal Justice Planning Board are both JPAs created by local government agencies to coordinate policy in the law enforcement area. These JPAs contain no citizen members.

**Response: Santa Cruz County Auditor/Controller AGREES**

**Response: Santa Cruz County Criminal Justice Council PARTIALLY AGREES**

*As to those references to the Santa Cruz County Criminal Justice Council, the Criminal Justice Council partially agrees. While the Criminal Justice Council does participate in the coordination of policy in the law enforcement area, the Criminal Justice Council was established to provide for a coordinated, responsive and efficient criminal justice system for all of the residents of the Cities and County of Santa Cruz. The membership of the Criminal Justice Council does include two citizen members representing community based organizations.*

## **Recommendations**

1. Local government entities that participate in JPAs should ensure that this fact is adequately reflected in their annual audits.

**Response: Santa Cruz County Auditor/Controller DISAGREES**

*This recommendation will not be implemented. It is the responsibility of an entity's independent auditor to ensure that annual audits provide the appropriate disclosures.*

**Response: Santa Cruz County Office of Education AGREES**

*Implemented. This is an existing practice of the Santa Cruz County Office of Education.*

*The Santa Cruz County Office of Education agrees that JPAs in which the member entity has a potential financial impact (positive or negative) should be disclosed as part of the annual financial report/audit. School district auditors have disclosed this information in each school district's audit. The COE continues to audit this practice in the school districts.*

2. Local government entities that participate in JPAs should ensure that these JPAs are adequately audited and insured.

**Response: Santa Cruz County Auditor/Controller PARTIALLY AGREES**

*This recommendation has been partially implemented. JPA's and special districts are required to have financial audits and it is the Auditor-Controller's responsibility to ensure that the audits are performed or to conduct such audits. It is beyond the scope of the Auditor's responsibility or expertise to determine whether entities are adequately insured.*

**Response: Santa Cruz County Office of Education AGREES**

*Implemented. This is an existing practice of the Santa Cruz County Office of Education.*

*The Santa Cruz County Office of Education agrees that its representatives on the JPA boards will exercise due diligence in ensuring the financial stability of JPAs of which it is a member.*

3. Local government entities that participate in JPAs should examine the make-up of the governing boards of these JPAs to determine if citizen members should be added to improve the capabilities of these boards.

**Response: Santa Cruz County Criminal Justice Council AGREES**

*This recommendation has been implemented. In 1995 the Criminal Justice Council carefully examined the make-up of the board and at that time amended the JPA to include a second representative of a community based organization. The representatives of the community based organizations separately represent both North and South Santa Cruz County. These members are each very active in their respective communities and thus provide an added voice for the community.*

4. Because there is strong public interest in the exercise of their powers, the Santa Cruz County Criminal Justice Council and the Region M Criminal Justice Planning Board should be encouraged to add citizen members to their governing boards.

**Response: Santa Cruz County Criminal Justice Council AGREES**

*This recommendation has been implemented. See response to recommendation number three.*

5. The Santa Cruz County Volunteer Initiative Program should be asked to create a system for recruiting and assigning qualified independent citizen volunteers to serve on JPAs that would benefit from the advice of experienced members or the input independent members of the public.

**Response: Santa Cruz County Criminal Justice Council DISAGREES**

*This recommendation will not be implemented. The issue of including experienced members of the public was successfully addressed and accomplished by the Criminal Justice Council both at its inception in 1986, then again in 1995.*

# The Participation of Local Government Entities in Joint Powers Authorities for the Purpose of Self-Funded Insurance

2001-2002 Grand Jury Report – Page 2-11

## Findings

1. Failure to adequately fund JPAs formed for the purpose of self-funded insurance may result in unexpected demands on members' budgets and an inability to pay claims.

**Response: Santa Cruz County Office of Education AGREES**

**Response: Santa Cruz Fire Agencies Insurance Group AGREES**

**Response: Santa Cruz San Benito County Schools Insurance Group (SC-SB CSIG) PARTIALLY AGREES**

*SC-SB CSIG partially agrees with finding number one. Currently, SC-SB CSIG does not have any self-funded claims, and has not since October 1997. The group, however, has been and will continue to self-insure when that decision is financially acceptable. If decision is made to return to self-insurance it will be based on an actuarial study with recommended funding levels.*

2. The Santa Cruz-San Benito County Schools Insurance Group is a JPA formed to provide self-funded workers' compensation insurance to local school employees. This joint powers authority has not provided self-funded insurance to its members since 1995. As of year-end June 30, 2001, the JPA had reserves totaling \$2,948,286. Pajaro Valley Unified School District has announced its intention to withdraw from the JPA and asked that it receive its portion of the reserve, which it estimates at \$1,300,000.00.

**Response: Santa Cruz County Office of Education AGREES**

*The JPA was formed to provide workers compensation until 1995, after which time, workers compensation was procured commercially*

**Response: Santa Cruz San Benito County Schools Insurance Group (SC-SB CSIG) PARTIALLY AGREES**

*SC-SB CSIG agrees with the Grand Jury finding number two with the exceptions noted below.*

*First exception to finding number two: "The Santa Cruz-San Benito County Schools insurance Group is a JPA formed to provide self-funded workers' compensation insurance to local school employees."*

*SC-SB CSIG partially agrees with this finding. The function and purpose of the Authority are described as follows in the Joint Exercise of Powers of Agreement:*

*A. The Authority is established for the purposes of administering this Agreement, pursuant to the provisions of the California Government Code, and of providing the services and other items necessary and appropriate for the establishment, operation and maintenance of a Joint Program for Workers' Compensation protection for the public agencies who are Members thereof, and to provide a forum for discussion, study,*

*development and implementation of recommendations of mutual interest regarding other programs.*

*B. The functions of The Authority are:*

*(1) To provide a Joint Program and system, as stated in the Basis of Contribution and given to each Member, for Workers' Compensation claims against the Members of The Authority and as such, to perform, or contract for the performance of, the financial administration, policy formulation, claim service, legal representation, safety engineering, and other services as necessary for the payment and handling of all Workers' Compensation claims against Members.*

*(2) To pursue the Member's right of Subrogation against a third party when in the discretion of the Board of Directors the same is appropriate. Any and all proceeds resulting from the assertion of such Subrogation rights shall accrue to the benefit of The Authority.*

*(3) To enter into contracts necessary to accomplish the purposes of this Agreement.*

*(4) Establishes one of the functions as to obtain appropriate commercial insurance coverage as determined by the Board of Directors. SC-SB CSIG has purchased commercial insurance for its members since 1995.*

*(5) To acquire, hold, and dispose of property, real and personal,, all for the purpose of providing the membership with the necessary education, study, development, and implementation of a Joint Program for*

*(6) Workers' Compensation including, but not limited to, the acquisition of facilities and equipment, the employment of personnel, and the operation and maintenance of a system for the handling of the Joint Program.*

*(7) To incur debts, liabilities, and Obligations necessary to accomplish the purposes of this Agreement.*

*(8) To receive gifts, contributions, and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, associations and any governmental entity.*

*(9) To invest funds as deemed appropriate by the Board of Directors, and as subject to law.*

*(10) To provide a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding other Joint Programs.*

*(11) To sue and be sued in the name of The Authority.*

*(12) To perform such other functions as may be necessary or appropriate to carry out this Agreement, so long as such other functions so performed are not prohibited by any provision of law.*

*(13) To join other joint powers authorities to provide services and coverages to The Authority.*

*Second exception to finding number two "As of year-end June 30, 2001, the JPA had reserves totaling \$2,948,286. Pajaro Valley Unified School District has announced its*

*intention to withdraw from the JPA and asked that it receive its portion of the reserve, which it estimated at \$1,300,000.00.”*

*The cash reserves at June 30, 2001, were \$2,948,286.00, and the retained earnings as of June 30, 2001 were \$2,949,391, which verifies SC-SB CSIG's solvency, however, Pajaro Valley Unified School District did withdraw from membership and \$1,289,769.00 was returned to Pajaro Valley Unified School District. SC-SB CSIG remains fiscally sound and had retained earnings of \$1,860,481 as of June 30, 2002. (see Attachment A)*

## **Recommendations**

1. Local government entities who participate in self-funded JPAs should ensure that this fact is adequately reflected in their annual audits

### **Response: Santa Cruz County Office of Education AGREES**

*Implemented. This is an existing practice of the Santa Cruz County Office of Education. The Santa Cruz County Office of Education agrees that JP As in which the member entity has a potential financial impact (positive or negative) should be disclosed as part of the annual financial report/audit. School district auditors generally disclose this information in each school district's audit.*

### **Response: Santa Cruz Fire Agencies Insurance Group AGREES**

### **Response: Santa Cruz San Benito County Schools Insurance Group (SC-SB CSIG) AGREES**

*Recommendation has been implemented. Please see the accompanying notes to the financial audit statements in the June 30, 2002, Financial Audit. (see Attachment A)*

2. Local government entities that participate in self-funded JPAs should ensure that these JPAs are adequately funded.

### **Response: Santa Cruz County Office of Education AGREES**

*Implemented. This is an existing practice of the Santa Cruz County Office of Education. The Santa Cruz County Office of Education agrees that its representatives on the JP A boards should exercise due diligence in ensuring the financial stability of JP As of which it is a member.*

### **Response: Santa Cruz Fire Agencies Insurance Group AGREES**

*Please note response to Recommendation 6.*

### **Response: Santa Cruz San Benito County Schools Insurance Group (SC-SB CSIG) AGREES**

*Recommendation has been implemented. SC-SB CSIG is fiscally sound. (see Attachment A)*

3. Local government entities that participate in self-funded JPAs should ensure that these JPAs are audited annually.

**Response: Santa Cruz County Office of Education AGREES**

*Implemented. This is an existing practice of the Santa Cruz County Office of Education. The JPA agreement by laws require that an annual audit be conducted. The JP As also conduct annual actuarial studies to establish liabilities and determine appropriate rates. The Santa Cruz County Office of Education representatives to the JPA boards, are aware of their responsibilities to maintain prudent business practices to maintain the financial stability of the JPAs.*

**Response: Santa Cruz Fire Agencies Insurance Group AGREES**

*This has been implemented since the JPA inception in 1978.*

**Response: Santa Cruz San Benito County Schools Insurance Group (SC-SB CSIG) AGREES**

*Recommendation has been implemented. SC-SB CSIG is annually audited. (see Attachment A)*

4. Local government entities that participate in self-funded JPAs should ensure that these JPAs are reviewed by a qualified actuary on a regular basis to determine their required funding level.

**Response: Santa Cruz County Office of Education AGREES**

*Implemented. This is an existing practice of the Santa Cruz County Office of Education. The JP A agreement/bylaws require that an annual audit be conducted. The JP As also conduct annual actuarial studies to establish liabilities and determine appropriate rates. The Santa Cruz County Office of Education representatives to the JPA boards are aware of their responsibilities to maintain prudent business practices to maintain the financial stability of the JPAs.*

**Response: Santa Cruz Fire Agencies Insurance Group AGREES**

*This has been implemented. In the past we procured an actuarial review every three years. This will now be done annually. Please note response to Recommendation 6.*

**Response: Santa Cruz San Benito County Schools Insurance Group (SC-SB CSIG) AGREES**

*Recommendation has been implemented. SC-SB CSIG engages an actuary on an annual or biennial basis as deemed appropriate.*

5. If the Santa Cruz-San Benito County Schools Insurance Group is not going to provide self-funded insurance, it is not serving its intended purpose and should be closed out.

**Response: Santa Cruz County Office of Education AGREES**

*The Santa Cruz County Office of Education will not implement because it is not warranted. While the Santa Cruz / San Benito County Schools Insurance Group JP A is not ~ currently providing a self-insured workers compensation program, it is providing a "group purchase" workers compensation program which is consistent with the JP A agreement/bylaws creating efficiency and cost savings. The JP A was not formed solely to provide "self-insured" programs, but a financial solution that best meets the need of the members. Additionally, the administration of the prior year claims still require some level*

*of JP A responsibility/oversight until all liability is dissolved. Also, if economic conditions warrant, the JP A will likely move back to commercial self-insurance.*

**Response: Santa Cruz San Benito County Schools Insurance Group (SC-SB CSIG) AGREES**

*The function and purpose of the Authority is described as follows in the Joint Exercise of Powers of Agreement:*

*A. The Authority is established for the purposes of administering this Agreement, pursuant to the provisions of the California Government Code, and of providing the services and other items necessary and appropriate for the establishment, operation and maintenance of a Joint Program for Workers' Compensation protection for the public agencies who are Members thereof, and to provide a forum for discussion, study, development and implementation of recommendations of mutual interest regarding other programs.*

*B. The functions of The Authority are:*

*(1) To provide a Joint Program and system, as stated in the Basis of Contribution and given to each Member, for Workers' Compensation claims against the Members of The Authority and as such, to perform, or contract for the performance of, the financial administration, policy formulation, claim service, legal representation, safety engineering, and other services as necessary for the payment and handling of all Workers' Compensation claims against Members.*

*(2) To pursue the Member's right of Subrogation against a third party when in the discretion of the Board of Directors the same is appropriate. Any and all proceeds resulting from the assertion of such Subrogation rights shall accrue to the benefit of The Authority.*

*(3) To enter into contracts necessary to accomplish the purposes of this Agreement.*

*(4) Establishes one of the functions as to obtain appropriate commercial insurance coverage as determined by the Board of Directors. SC-SB CSIG has purchased commercial insurance for its members since 1995.*

*(5) To acquire, hold, and dispose of property, real and personal, all for the purpose of providing the membership with the necessary education, study, development, and implementation of a Joint Program for Workers' Compensation including, but not limited to, the acquisition of facilities and equipment, the employment of personnel, and the operation and maintenance of a system for the handling of the Joint Program.*

*(6) To incur debts, liabilities, and Obligations necessary to accomplish the purposes of this Agreement.*

*(7) To receive gifts, contributions, and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, associations and any governmental entity.*

*(8) To invest funds as deemed appropriate by the Board of Directors, and as subject to law.*

(9) To provide a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding other Joint Programs.

(10) To sue and be sued in the name of The Authority.

(11) To perform such other functions as may be necessary or appropriate to carry out this Agreement, so long as such other functions so performed are not prohibited by any provision of law.

(12) To join other joint powers authorities to provide services and coverages to The Authority.

6. The Santa Cruz Fire Agencies Insurance Group should be adequately funded at the earliest possible opportunity. The member fire districts should consider this a priority.

**Response: Santa Cruz Fire Agencies Insurance Group AGREES**

*Our member fire districts agree that there is no greater priority for our JP A than that of financial adequacy. To this end we have looked into several options designed to alleviate and or eliminate the funding deficiencies of our JP A. In the end it was determined that the most responsible course of action was to join a larger and more adequately funded workers' compensation program. We were also acutely aware that there was a significant financial obligation needed to meet our expected claims reserve costs for our current "tail claims".*

*Both of these issues and concerns have been positively addressed as of July 1,2002, with our affiliation with and inclusion in the CSAC Excess Insurance Authority primary workers' compensation insurance program, and additionally we have also contracted with CSAC for the transfer all SCCFAIG financial liability from prior claims into their program. This contract that transfers our "tail claims" liability secures an agreed fixed cost to our claims liability that we will repay in annual installments over a five year period.*

*We feel very confident that this change will more than adequately satisfy the concerns shared by both the Santa Cruz County Grand Jury and our Board of Directors.*

*I am enclosing the 2001 annual report for the CSAC Excess Insurance Authority as well as an insurance review and evaluation from our legal counsel, for your scrutiny.*

## **The Participation of the Grand Jury in the Audit Process in Santa Cruz County**

### **2001-2002 Grand Jury Report – Page 2-12**

#### ***Findings***

1. Some local government entities form audit committees to oversee their audit process. Members of these committees are required to exercise their full independent judgment in the interests of the audit process.

**Response: Santa Cruz County Audit Committee AGREES**

2. In 1998, the county formed an audit committee composed of representatives of county government and two members of the Grand Jury. This committee meets twice a year.



The first meeting is to ratify the choice of an auditor and the second meeting is to review the results of the audit and the auditor's recommendations.

**Response: Santa Cruz County Audit Committee AGREES**

3. The Grand Jury has no formal arrangements with other local government agencies to participate in their audit process.

**Response: Santa Cruz County Audit Committee AGREES**

4. The Grand Jury is intended to serve as an independent reviewer of the local government audit process.

**Response: Santa Cruz County Audit Committee AGREES**

5. The Grand Jury is required by law to maintain the confidentiality of its sources and subjects in the course of its investigations.

**Response: Santa Cruz County Audit Committee AGREES**

### ***Recommendations***

1. Future Grand Juries should adopt the following Memorandum of understanding with the County Office of Education:

#### **Proposed Memorandum of Understanding between the Santa Cruz County Grand Jury and the County Office of Education**

- A. The Assistant Superintendent for Business should contact the Audit Committee of the Grand Jury early in their term to arrange a meeting to explain the school audit process.
- B. The Assistant Superintendent of Business should send a report to the Grand Jury Audit Committee detailing corrective actions taken in response to the audit findings.
- C. The County Office of Education and all school districts should add the Grand Jury Audit Committee to their distribution list for annual budgets and audits, and forward any auditor recommendations that are not included in the audit.
- D. It is highly recommended that Grand Jury committees consider contacting the County Office of Education prior to submitting information requests directly to school districts.

While both parties recognize that they cannot bind their successors, it is highly recommended that successive grand juries and County Office of Education staff adhere to this Memorandum of Understanding until modified by mutual agreement.

**Response: Santa Cruz County Office of Education DISAGREES**

*The Santa Cruz County Office of Education will not implement as the recommendation is not warranted.*

*The County Office of Education sees the benefit of coordinating Grand Jury information requests with the COB prior to contacting school districts directly and encourages the presiding judge and the Grand Jury to initiate coordination of those issues that impact*

*education. The County Office of Education is best poised to coordinate data resource collection. The County Office of Education, however, will not enter into a Memorandum of Understanding for many of the same reasons as cited by the Grand Jury report; however, the County Superintendent of Schools has gone on record in the past, and did again this year, request that the Grand Jury's requests for information and response relative to schools be coordinated, as appropriate, through the County Office of Education. The County Office of Education will arrange meetings to review areas of study and will coordinate making all information available to the Grand Jury. The County Office of Education will add the Grand Jury to its distribution list for the annual audit and annual budget as adopted.*

2. Future Grand Juries should adopt the following Memorandum of Understanding with the County Auditor/Controller, the County Audit Committee, and non-school Special Districts:

**Proposed Memorandum of Understanding Between the Santa Cruz County Grand Jury and the Santa Cruz County Auditor/Controller and Non-School Special Districts**

- A. The County Auditor/Controller should contact the Audit Committee of the Grand Jury early in their term to arrange a meeting to explain the County audit process.
- B. The County of Santa Cruz and all non-school special districts should add the Grand Jury Audit Committee to its distribution list for budgets, audits and notes to managers
- C. The County Audit Committee should annually prepare and send a report to the Grand Jury Audit Committee detailing corrective actions taken by the County in response to the audit findings.
- D. In order to maintain Grand Jury independence, grand jury members should not be members of the County Audit Committee.
- E. The two Grand Jury positions on the County Audit Committee should be replaced with citizen members.
- F. The County Audit Committee should meet more than twice a year to encourage a more active role in its oversight of the audit process.

While both parties recognize that they cannot bind their successors, it is highly recommended that successive grand juries and Auditor/Controller adhere to this Memorandum of Understanding until modified by mutual agreement.

**Response: Santa Cruz County Audit Committee DISAGREES**

*This recommendation will not be implemented. As each Grand Jury establishes its own agendas, interests and recommendations, and can not be obligated by any Memorandum of Understanding, we believe that any Memorandum of Understanding would have no benefit.*

*A. The County's annual financial report is very detailed and voluminous, and some Grand Juries are not as interested as others in reading financial reports. The reports are all public documents and are available on request.*

*B. This recommendation has been implemented by the County. Budgets, financial reports and management letters are distributed to the Grand Jury when the reports are published. The County's budget and annual financial report are also on the County's website.*

*C. This recommendation has been implemented. The County does prepare responses and corrective action plans, if appropriate. Our responses to audit findings are generally included in the independent auditors management letter. In addition, the independent auditor usually includes a status update on recommendations in the subsequent audit report. The management letter is made available to the Grand Jury, and all recommendations and corrective actions are discussed at the audit committee meetings.*

*D. We believe that the best way for the Grand Jury to exercise its audit oversight responsibility and to understand the audit process is by participating in the County Audit Committee meetings. Grand Jury participation on the Audit Committee does not impair the independence of the audit process, but gives the Grand Jury the opportunity to meet with the independent auditors and express concerns or special requests. The Grand Jury is always invited to County Audit Committee meetings, although some Grand Jury members have chosen not to participate.*

*E. This recommendation will not be implemented. Previous Grand Juries have made other recommendations as to the composition of the County's Audit Committee, and future Grand Juries are likely to make additional recommendations. There is currently one member of the public on the Committee, and that person, a Certified Public Accountant, educator, and former city finance director, is very well qualified. We are satisfied with the current composition of the Committee and will keep it this way. We will continue to invite the Grand Jury Audit Committee members to participate.*

*F. This recommendation will be implemented as circumstances require. The County Audit Committee meets at least twice each year. During years that the County issues requests for proposals for audit services, the Committee schedules additional meetings to review the proposals and recommend the CPA firm to be awarded the contract. The Audit Committee is flexible and meetings are scheduled whenever the Committee's participation or oversight is appropriate.*





# **Santa Cruz County**

## **Grand Jury**

### **Response to the Final Report:**

#### **Section 3**

**Cities and Other County Agencies Committee Reports**



# An Investigation of the City of Capitola Redevelopment Agency Reimbursement *Loan Agreement*

## 2001-2002 Grand Jury Report – Page 3-4

### ***Findings***

The following findings delineate the process followed by the Capitola City Council in choosing to adopt the reimbursement plan laid out in its *Loan Agreement* of December 13<sup>th</sup>, 2001.

1. The originating 1981 Agreement states: “The City will keep records of activities and services in order that an accurate record of the Agency’s liability to the City can be ascertained.”

#### **Response: City of Capitola AGREES**

2. Time and performance records are currently unavailable to confirm reimbursement amounts.
3. The City has not applied for full reimbursement of its RDA expenses since 1995–1996.

#### **Response: Treasurer of the Capitola Redevelopment Agency AGREES**

4. The Capitola City Council, by a unanimous vote on December 13, 2001, adopted a *Loan Agreement* to receive reimbursement from the Capitola RDA for administrative expenses.
5. The eligible years for reimbursement have been limited, as the City Council chose to forego the expenses and interest incurred during 1995 and 1996. This was due to concerns, conclusions and a legal opinion referencing the statute of limitations and the eligibility of the City to collect on all past expenses.
6. The Capitola City Attorney and General Counsel offered several legal opinions that addressed the statute of limitations and the need for documentation. Included was the statement urging the Council to be aware of: “...surprises through the revival of claims that have been allowed to slumber till evidence has been lost, memories have faded, and witnesses have disappeared.” “That a creditor who has been especially slow in asserting its rights must not be allowed to profit by that delay.”
7. The method for reimbursement for the target years 1997 – 1998 through 2000 – 2001 is to be the flat fee of 15% of the adjusted net tax increment.

Definition: The net tax increment equals the total of the gross tax increment revenues of the RDA, less the exempted pass through agreements of the County, Fire, Library, and Special Districts. This resulting total is the net tax increment upon which the 15% flat fee deduction for administrative expenses is calculated. After this, 20% of the original gross tax increment is deducted for the set-aside for affordable housing. A final, major deduction accounts for accumulated debt service.

The following Table offers a calculated example of a 15% flat-fee administrative reimbursement amount and its erosive effect on the balance remaining for “capital projects.” The figures reported are for 2000–2001 Actual, as derived from:  
Redevelopment Agency — The Source & Use of Funds, Years: 2000–2004, Table 1

2000-2001 Actual Gross Tax Increment	\$1,675,000
Minus the 2000-2001 Pass-Through Agreements	-600,900
Total of the Net Tax Increment (NTI)	= 1,074,100
15% of the N.T.I. for Flat-Fee Administrative Fee	-161,115*
Minus 20% of the Gross T.I. for Housing Set-Aside	-335,000
Minus the listed amount of 2000-2001 Debt Service	-382,200
Minus the listed amount for Professional Services	-57,600
Total Example Amount Remaining for “Capital Projects”	= 138,185†
Reported amount spent on “Capital Projects” for 2000–2001	zero — no entry

\*Example calculation only. The amount for 2000-2001 as shown in Figure 1 Exhibit A to the adopted *Loan Agreement* is 139,117. The difference is due to the difference between Actual and Early Calculated projections.

†In this calculation, the total amount remaining for “capital projects” represented as a percentage of the Gross Tax Increment is only 8.25%.

**Response: City of Capitola AGREES**

*The flat fee of 15% of the adjusted net tax increment was used in the calculation; this figure is less than 9% of the gross tax increment. As future pass-through agreements are implemented; such as the County Library Fund and Special Districts; the percentage of gross incremented attributed to reimbursement fees paid to the City will continue to decrease.*

**Response: Treasurer of the Capitola Redevelopment Agency AGREES**

*Please consider adding to the Findings a statement, which draws attention to an important fact revealed by the data in the Table in Finding #7. Specifically, the Reimbursement Loan Agreement has the City charging the RDA \$110,865 (\$161,115 - 15% of the \$335,000 Housing Set Aside) in administrative fees during fiscal 2001-2002 for administering redevelopment projects, but there were no projects during the entire year.*

*Currently six out of seven of the programs that comprise Capitola's Housing Program, which expends the 20% Housing Set Aside monies, are administered by outside agencies, not City staff. Nonetheless, the Reimbursement Loan Agreement has the City charging the RDA \$50,250 in fees (15% of the \$335,000 Housing Set Aside) for administering the Housing programs during fiscal 2001-2002. Furthermore, it has been reported in City Council and RDA Board meetings that the outside agencies also charge administrative fees that amount to 5%-20% of the budgeted monies, which is in addition to the 15% already paid to the City for administering those programs.*

8. These reimbursement amounts for 1997–2001 have been developed as a loan, with a structured amount of simple interest that currently ranges from 5% to slightly over 6%.



- A. Fifteen percent of this figure for the years 1997 through 2001 equals: \$539,213.
- B. An additional \$78,815 has been added to that amount for accumulated back interest. For specifics, see Exhibit A at the end of this report.
- C. These amounts are to be paid, “as funds are available,” as determined by the City Council, over a period “*not to exceed twenty-five years.*”

**Response: City of Capitola AGREES**

*The interest rate is based upon the annual March LAIF rate, for 2001-02 that rate was 2.96%.*

- 9. The original draft of the *Loan Agreement* stated that the amounts owed from 1997 to the present were to be considered estimates. This draft recommended the use of time cards for a two-year period in order to measure and to confirm the accuracy of the fifteen percent flat fee. (This original draft is dated: Sept. 26, 2001 as a report by senior city staff to the Oct. 11, 2001 meeting of the City Council). This provision was deleted from the adopted agreement.

**Response: City of Capitola AGREES**

**Response: Treasurer of the Capitola Redevelopment Agency AGREES**

*It would have been helpful to have a clear Finding as to whether the current City Council/RDA Board of Directors is legally bound by the promises the previous City Councils/RDA Boards made to the Grand Jury. The promises were to implement a timecard system and use the information from it as the basis for reimbursing the City for services on behalf of the RDA. While it would seem some level of obligation was created by those written promises, it is unclear whether a legally binding obligation was created.*

- 10. In a separate and earlier report from June of 2000, General Counsel emphasized against, “...vague documentation, especially given the contractual provision that the City periodically invoice the RDA and keep accurate records of its costs.” Refer to the originating 1981 Agreement.
- 11. The current City Manager estimated the various percentages of total time allocated to the RDA by city staff. These specifics have been detailed for review by the City Council:
  - A. A tabulation of all direct and overhead costs of the City were listed, since a portion of those expenses were deemed attributable to maintaining the offices of the RDA.
  - B. An example of percentage reimbursement was pulled from the operations of the Santa Cruz County Office of Redevelopment. These offices use an annually variable percentage — versus a fixed flat fee percentage — to recover the costs of administering this Agency. For the period 1999–2000, the actual percentage of expenses to revenues was 9.56%; and for 2000–2001, this ratio was 10.35%.
- 12. All of the above information is part of the progress report; the “well documented” case, to quote the City Attorney, developed by city staff to justify two important decisions:

- A. To decide how the City was to obtain past reimbursement without any written records.
  - B. To determine what percentage of the net tax increment the City could expect to adopt.
13. The normal range with flat-fee, percentage based reimbursements for similar agencies, as suggested by a redevelopment official, is in the range of five to fifteen percentage points, provided that it is supported by legitimate documentation.

**Response: City of Capitola DISAGREES**

*The City is unfamiliar with this guideline as suggested by a redevelopment official. The current process for the city of Capitola uses a percentage that is less than 9% of the gross tax increment and therefore falls within this range. Furthermore, this 9% of tax increment must also cover the cost of direct staff time.*

**Response: Treasurer of the Capitola Redevelopment Agency AGREES**

*It would also have been helpful to have a Finding whether the City's contractual obligation to "...keep records of activities and services in order that an accurate record of the Agency's liability to the City can be ascertained", which is in the agreement that formed the RDA in 1981, is still in force. If the Reimbursement Loan Agreement did not waive this obligation, then there are conflicting resolutions. While this may be viewed as a minor housekeeping matter, it does create a reason to reconsider the Reimbursement Loan Agreement. Perhaps a compromise would be to phase-in the Reimbursement Loan Agreement after several years of documenting expenses, as set forth in the RDA's founding document.*

14. There remains dissent within the Finance Committee regarding the use of a flat-fee reimbursement schedule instead of time cards.

**Response: City of Capitola AGREES**

15. A new time-keeping system for payroll purposes is being procured for all of City Hall. However, its use is not being prepared for monitoring the time and performance costs of administering the RDA.

**Response: City of Capitola DISAGREES**

*The CUITent time keeping system is being upgraded. Implementation is targeted for January 2003; there is a job cost system that will be used. The City Council may choose to assign job costing to the RDA.*

**Response: Treasurer of the Capitola Redevelopment Agency AGREES**

*It would have been helpful for the Findings to reflect one of the main reasons the Reimbursement Loan Agreement was favored over timecards. A proposal was considered to track actual expenses for two years and thereafter use that data to establish the RDA's financial obligation to the City for services rendered in past years. However, it appeared that taking two years to track actual costs would prevent the City from obtaining reimbursement for its services to the RDA during Fiscal 1997-98 and Fiscal 1998-99, based on the four-year statute of limitations that applies to this situation, according to an opinion letter from the previous City Attorney.*

*The statutes of limitations is in our laws to facilitate justice. There is general agreement that as time passes, memories fade, key people are no longer available and pertinent records get misplaced. Therefore, statutes of limitations provide predictability and protection. However, in this situation, I do not believe the issues that are the basis for statutes of limitations are pertinent. I wonder whether the City and RDA could agree to waive the four-year statute of limitations in this case, without violating statutory requirements. If so, the City would not incur a financial penalty for conducting a two-year study to determine the actual cost of the services it provides to the RDA, and there would be firm data upon which to base a determination of the RDA's obligation to the City for the past years of service.*

16. It is the City Manager's responsibility to provide to the City Council, a balanced budget for its approval.
17. The RDA is required to have its annual report audited by the City, and its annual Statement of Indebtedness approved by the County Auditor.
18. The County Auditor, who chose to approve the report, reviewed the 2000–2001 Statement of Indebtedness. In this instance, the auditor chose to send an annotated copy of this report to the State Finance Department for further review. The State Finance Department has the authority under state statute SB1711 to sue a redevelopment agency, but has no active monitoring system to review a Statement of Indebtedness.

**Response: City of Capitola PARTIALLY AGREES**

*The City cannot speak to the actions of the County Auditor. To date the RDA has not received any comments from the State Finance Department related to the SOL. Furthermore it is our understanding that the Auditor Controller sent the SOL to the State Finance Department for reasons other than are being considered in this matter.*

**Response: Treasurer of the Capitola Redevelopment Agency AGREES**

*The City is scheduled to implement a timecard system later this fiscal year. Therefore, there will soon be a system in place that will make it possible to conduct a study regarding the actual costs the City incurs providing services to the RDA*

19. The County Auditor disbursed the tax increment funds for 2000–2001 to the Capitola RDA.
20. The 2001–2002 Statement of Indebtedness is due for submission on September 30, covering the year inclusively through June 30th, 2002.

***Recommendations***

1. In the light of past challenges to the fiscal responsibility of RDA/City officers, and in full knowledge of two separate Grand Jury reports directly recommending time card reporting, and in acknowledgement of the City's previous agreement to do so, the City should look to, and proceed with, implementing procedures that build the trust and confidence of the public.

**Response: Capitola City Manager AGREES**

*We concur that a past City Council did agree to put into place a time keeping system to account for RDA activity and to assist in the reimbursement to the City General Fund for costs spent on behalf of the RDA. While in most respects we would recommend that the City keep faith with its agreements, in any individual matter it is within the Council's discretion to make that decision. One City Council is not bound by the decisions of a past Council. It is within the authority of a current City Council to change the direction of policy, and we believe that any such change of policy is the sole province of the Council.*

*The City General Fund during this time, and for years previous, is paying costs that are being incurred by the Redevelopment Agency. This means that there is less money available for Police Services, code enforcement, park maintenance, Jade Street Park acquisition, street maintenance, recreation programs and many other services which are provided by the City's General Fund. In order to accommodate the current demands on Finance, protect the fiscal interests of the City General Fund, and avoid making any further commitments that may not be able to be kept, the City Council, with the recommendation from the Finance Committee by a majority vote, agreed with the RDA to use the 15% of net tax increment model to identify RDA costs.*

*We still support that decision. This support is predominantly based upon the multi-page analysis, submitted by staff to the RDA Board and the City Council. This analysis audited key positions and the time they spent performing RDA duties. In addition, labor rates, administrative costs and other overhead costs were identified. The 15% of net tax increment model was reflective of these results. Furthermore, the results from the 15% of net tax increment model were consistent with charges from other RDA agencies, if not with formula, giving the City Council, RDA Board and the Finance Committee an acceptable level of comfort.*

*It is important to understand that different cities calculate RDA reimbursements to the General Fund in different ways. From the research completed by City of Capitola, it has been observed that smaller cities often do not directly staff the RDA and use a formula other than time cards to calculate the reimbursement. We further believe that the 15% of net increment model is conservative especially so considering that the City does not collect its pass through from the RDA tax increment.*

*Finally, the fact that the 15% of net tax increment model is being used does not preclude implementing, at a later date, an effective time card and job costing system. City staff is in the process of making arrangements with its payroll vendor to do just that. The soonest this may be implemented is January 1, 2003 to coincide with the new calendar year and W2's. The Finance Committee will continually review the progress of the planned time card system and evaluate its merit for RDA cost reimbursement analysis.*

**Response: City of Capitola AGREES**

*We concur that a past City Council did agree to put into place a time keeping system to account for RDA activity and to assist in the reimbursement to the City General Fund for costs spent on behalf of the RDA. While in most respects we would recommend that the City keep faith with its agreements, in any individual matter it is within the Council's discretion to make that decision. One City Council is not bound by the decisions of a past Council. It is within the authority of a current City Council to change the direction of policy, and we believe that any such change of policy is the sole province of the Council.*

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**Response: Treasurer of the Capitola Redevelopment Agency AGREES**

*It is inconceivable that any responsible elected official would not desire to "...build the trust and confidence of the public ." The underlying issue is how to accomplish that objective within the practical constraints faced by the City Council/RDA Board of Directors. Reasonable minds differ on this point.*

*The Reimbursement Loan Agreement does not instill the high degree of trust and confidence that is called for in this situation. I believe the history of misuse of RDA funds by previous City management, combined with the promises that were made to the Grand Jury, call out for a reimbursement process that is beyond reproach.*

*However, we should keep in mind that the flat 15% administration fee seems to be reasonable in other situations, as reported in Finding #13. However, is a flat fee the best way to "...build the trust and confidence of the public"? I believe that a comprehensive timecard system, administered in strict adherence to stringent guidelines, policies and procedures, including contemporaneous supervisory review as part of the expenditure approval process, will best meet the needs of our current situation.*

*In my judgment, the criterion to use in forming opinions on these matters is to ask "How would an RDA Board of Directors that is separate and independent from the City Council have acted?" Since the same officials serve on both the City Council and RDA Board of Directors, there is an inherent conflict of interest. I believe this means a higher standard of accountability is called for than is provided by a flat 15% administrative fee. Clearly, there are problems with using the flat fee approach. For example, under the first year of the Reimbursement Loan Agreement, the City is due to receive \$110,865 in reimbursements for administrative costs associated with Redevelopment projects, even though it is quite likely there were very little actual administrative expenses, because there were no active Redevelopment projects during the entire year.*

*A key question to consider is whether the main function of Capitola's Redevelopment Agency is to provide redevelopment, or do something else. For example, during fiscal 2001-2002, 92% of the tax increment Capitola received was used for four purposes. They were pass throughs, debt service, housing and City administrative fees. The breakdown was 36% of the total tax increment went to pass throughs, 23% to debt service, 20% for Housing, 10% (of the total tax increment) for City administrative support, and 3% for professional services. That left only 8.25% of the total tax increment for actual redevelopment projects. From another perspective, about one-half of the redevelopment funds (i.e. 36% in pass throughs, 10% for the City, and 20%-35% of the 20% housing monies) went to other governmental bodies.*

*This sheds important light on the predominant function of Capitola's Redevelopment Agency. Six times more money was allocated to other governmental bodies than was available for redevelopment projects. Only one out of every 12 dollars received for redevelopment was available for redevelopment projects. To draw an analogy, under the laws of our land, a drink called "apple juice" must be comprised mainly of juice from apples. But, a redevelopment agency is not required to use most of its funds for redevelopment. Therefore, the moniker "redevelopment agency" seems misleading. In actuality, most of Capitola's redevelopment funds are used to sustain bureaucracies; and only a relatively small portion is spent on redevelopment projects.*

2. The City Council should reconsider its actions, revisit the advice of its City Attorney and that of other paid counsel, and develop the systems necessary to carefully monitor and report the actual expenses incurred on behalf of its RDA. It is further suggested that this resulting system be applied to confirm the accuracy of requested reimbursement amounts relating to 1997–2001.

**Response:Capitola City Manager DISAGREES**

*We disagree with the Grand Jury's interpretation of the two attorney opinions, both of which support the action taken by the City Council and the Redevelopment Agency Board of Directors. Once a time card system is developed, which we note is not a system that measures actual expenses, it will be up to a future Council to determine whether to change the current expense reimbursement model.*

**Response: Treasurer of the Capitola Redevelopment Agency AGREES**

*The City plans to implement a timecard system in the near future. Therefore, it should not be very difficult to get the information that would prove the amount of reimbursement money flowing from the RDA to the City is justified.*

*Timecard systems will not provide all of the cost information that will be needed. There are overhead and indirect costs, which should also be measured and included, such as rent, utilities, insurance, etc. The system that's used must be carefully designed to yield comprehensive, totally accurate and representative information.*

*Creating a cost accounting system that provides comprehensive, totally accurate and representative information is an art form. Cost accounting systems are easily manipulated. That is what brought down Enron and has put other high-profile companies under intense scrutiny. So, the bottom-line is the design and administration of whatever cost accounting system/program the City may use must be carefully conceived.*

3. The City Council should not accept a City budget that relies on inappropriate contributions from its Redevelopment Agency.

**Response: City of Capitola DISAGREES**

*We are unclear as to the meaning of the word "inappropriate" as it relates to the adoption of the budget. The City Council/RDA Board of Director and Finance Committee reviewed the budget. We were aware of the RDA expense compensation model used. Two different attorneys informed us that the model was acceptable. We have seen that the model identifies costs in a proportion that is similar to that of other agencies. In terms of identifying the amount due to the City, we forgave the first two years of nonpayment. We recognize the authority of the Council and the RDA Board of Directors to approve these reimbursements; and, we made the recommendation that the budgets be approved. In our opinion this defines appropriate.*

# Investigation of the Lack of Affordable Housing in Santa Cruz County

2001-2002 Grand Jury Report – Page 3-14

## **Findings**

1. A Housing Element is an integral part of the General Plan of a city or county or a city and county including the County of Santa Cruz.

### **Response: Santa Cruz County Board of Supervisors AGREES**

2. California law requires that the Housing Element (plan) of each county be certified by the California Department of Housing and Community Development (HCD) as meeting legal requirements. Failure to comply results in Santa Cruz County being ineligible to apply for millions of dollars per year in State funding.

### **Response: Santa Cruz County Board of Supervisors DISAGREES**

*State law does not 'require' the County to have a certified Housing Element; it requires that the County submit a Housing Element that is consistent with State law. To this end, the Board of Supervisors has approved the Housing Element and has determined that the Element was prepared in accordance with State law.*

3. The Santa Cruz County Board of Supervisors, as the responsible executives of the County, with full knowledge and understanding are, and for a number of years, have been out of compliance with California and Santa Cruz County housing laws.<sup>1,2</sup> Even in the face of repeated memos from high level County officials advising the Supervisors of same and recommending corrective actions, they failed to vote as a majority to bring the County into compliance.

### **Response: Santa Cruz County Board of Supervisors DISAGREES**

*The Board of Supervisors has certified the County's Housing Element per the requirements of state law, according to County Counsel and maintains that the approved Housing Element complies with State law. Furthermore, the County continues to implement a multitude of State housing laws, (e.g. laws pertaining to density bonuses, second units, and the approval of low income housing developments, etc.) and County programs to promote affordable housing opportunities.*

4. Many employed individuals and families in the very low-income category live in condemned structures, abandoned vehicles, sheds, storage bins and camps for the homeless. They endure living with unacceptable health and safety violations: without plumbing, without sanitary facilities, without electricity, without heat and with infestations of vermin.

A quoted response from the 2001 Farmworker Housing and Health Survey:

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<sup>1</sup> California Government Code 65580 et seq., and Santa Cruz County Codes, Chapter 17.10, et seq.

<sup>2</sup> Housing Element Compliance Report, State of California Dept of Housing and Community Development, dated February 1, 2002, page 8, Santa Cruz County. [www.hcd.ca.gov/hpd/hrc/plan/he/status.htm](http://www.hcd.ca.gov/hpd/hrc/plan/he/status.htm)



“...some people were living in a hotel room with one bedroom, a small bathroom, kitchen...there were eight people there...they were in wretched conditions, dead cockroaches, rats, and the roof in bad condition.”

**Response: Santa Cruz County Board of Supervisors AGREES**

5. The crisis is not limited just to those with very low incomes. The drastic rise in the cost of housing, and the lack of remedial action, has forced an exodus of people in the public and private sectors with essential skills and an inability to attract replacements. Included are medical providers, educators, law enforcement and firefighting personnel, other professionals and service workers, all of whom are vital to a healthy community. Also, many of the professional and highly skilled individuals have accepted higher salaries in nearby counties, but continue to occupy their Santa Cruz County residences, thus increasing the problem.

**Response: Santa Cruz County Board of Supervisors AGREES**

6. One Supervisor produced an affordable housing proposal to help public employees only. Although not adopted, the proposed remedy was to provide public employees with (a), preferential treatment in affordable housing opportunities and (b), financial assistance using County funds. Santa Cruz County Code 17.10.100 describes this practice as an illegal Conflict of Interest.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*The proposal was developed in the context of a wide range of programs to address affordable housing needs. Clearly, the lack of affordable housing has become a critical issue for local public employers, and it is appropriate for those entities to explore how they might be able to use their assets to stabilize their workforce through providing housing affordable to their workers. In the event that such a program were to proceed, it would not be illegal as suggested by the Grand Jury. Chapter 17.10 simply refers to conflict of interest for staff directly involved in the administration of the Measure J program and would have no bearing on these new programs.*

7. The ongoing failure of the County Supervisors to take actions that would result in meeting affordable housing laws has resulted in Santa Cruz County being ineligible to apply for millions of dollars per year in State funding for:<sup>3</sup>
  - A. Acquisition, development, rehabilitation and financing of rental or ownership housing for low-income families.
  - B. Assistance for first time homebuyers.
  - C. Infrastructure improvements, community facilities and some community services.
  - D. Business attraction, retention and revitalization activities.
  - E. Capitalization of a loan fund for local businesses for working capital, revolving lines of credit, equipment renovation and other.

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<sup>3</sup> Board of Supervisors Meeting, agenda item 65, October 19, 1999. Letter from the Director, Santa Cruz County Planning Department and the County Administrative Officer to the Santa Cruz County Board of Supervisors, dated October 19, 1999.

F. Economic development and related infrastructure improvements.

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

*While it is true that the County was in a position to be non-competitive for various funding sources due to the lack of certification of the Housing Element, it is not correct to suggest that the County Supervisors were taking no action. In fact, the Board made numerous efforts to negotiate with State HCD to receive certification of the Housing Element.*

8. When questioned in public debates about the loss of these funds, high-level County officials have asserted that no loss of funds has occurred because such funds can, and have been obtained by non-profit organizations and that grants of such funds could not be received by both non-profits and the County. A closer examination of the facts revealed these assertions to be misleading.

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

*The State supports a wide variety of housing and economic development programs which, through a competitive process, make available funds to local communities either directly through municipalities or through other third parties. A small portion of these funds require a State-certified Housing Element prerequisite prior to submitting funding application. The County has been extremely effective in obtaining competitive State housing funds. Since 1988, the County has leveraged almost \$60 million in State housing funds, which has assisted over 435 units of affordable housing from State-funded sources.*

9. The number of primary and 2nd or vacation homes created for moderate income (fewer than 15% of County households) and high income has been disproportionate to the economic ratio of those in need. In parallel, according to County documents and the testimony of County housing officials, the number of affordable dwelling units has actually been declining. Among the reasons for the decline:
  - A. Builders are permitted to demolish affordable dwelling units and replace them with larger, market rate homes.
  - B. Construction of expensive single-family dwellings is being permitted in areas zoned for affordable multifamily dwellings
  - C. The number of dwelling units carrying time limited affordable deed restrictions by agreement with landlords is shrinking.<sup>4</sup> The agreements are expiring at a higher rate than they are being replaced.
  - D. Funding mandated for affordable housing is being excessively used on rehabilitation of existing dwelling units, instead of being used to increase the overall number of dwelling units.

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

*A. Existing, non-restricted, housing stock is often demolished to make way for new construction, either as a replacement house on a single-family lot or to facilitate the construction of a number of new houses approved as a part of a development project. County Code Chapter 12.06 requires that these units-to-be-demolished be offered for*

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<sup>4</sup> Landlords are subsidized for the difference between the affordable rate and the prevailing market rate.

*relocation to another lot prior to demolition. The County has recently amended the Affordable Housing Ordinance to remove a feature of the ordinance that allowed developers to be exempt from affordable housing requirements for demolished units.*

*B. The County recently adopted an ordinance to better ensure that project approvals comply with the minimum General Plan density range, which would, discourage the construction of expensive single-family dwellings in areas zoned for multi-family dwellings.*

*C. The County monitors units with expiring affordability restrictions and, when appropriate, helps facilitate the extension of affordability restrictions within existing legal parameters.*

*D. Funding mandated for affordable housing is being used to support new construction, rehabilitation and the preservation of expiring affordable housing subsidies. In the last two years alone, projects involving over 120 new units have been built utilizing local affordable housing funds, with another 140 units about to begin construction.*

10. Affordable housing has not been attractive to developers and realtors. Given the ample opportunities to build and sell very expensive homes, there have been no economic incentives to consider affordable housing.

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

*High housing prices in our community are a result of many complex regional and macro-economic factors far beyond the purview of the Board of Supervisors. Because of those factors, it is not practical to expect developers to construct a substantial number of affordable housing units. In this economic environment, it is essential that developers access federal, state, and local special housing funds to provide the critical financing needed to make affordable housing work. The County Redevelopment Agency has an active program to work with non-profit housing provider, which have the most direct access to these special funds, to build and rehabilitate affordable housing.*

11. There is a widely communicated misconception – touted by those who advocate it – that encourages the false belief that meeting legal requirements for affordable housing mandates high rise developments and/or unacceptable growth.<sup>5</sup> The law requires neither. It merely says if a county or city plans to increase (or decrease) the number of dwelling units, the housing element must address the needs of all income segments of the community and cannot unfairly favor certain income groups at the expense of others.

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

*The issue of state-mandated housing requirements and unacceptable growth is very complex. On one hand, the State requires that all jurisdictions maintain a General Plan that reflects the goals and policies of the community regarding future land use development, and specifically states that each jurisdiction is free to decide how it will develop under the General Plan, as long as all requirements of the State law are met. On*

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<sup>5</sup> The Mid County Post, May 7- 20, 2002, "New Housing Policies Could Bring Crowding," and "Your Neighborhood Might Be Next," by Jan Beautz, Santa Cruz County Supervisor.

*the other hand, the law allows the State to forecast housing needs numbers for the cities and counties of the state without consideration of their General Plans and other adopted local land use policies. For the County, the issue is how the mandated housing requirements will be met given the policies of the General Plan and the availability of developable residential land. The County agrees with the statement contained in this finding that the State law says that the Housing Element must address the needs of all income segments of the community and cannot unfairly favor certain income groups at the expense of others.*

12. According to the findings of experts with detailed knowledge of the County and all the constraints therein, there are numerous options for relieving the affordable housing situation and substantially bringing the Plan into compliance) These can be achieved without compromising essential health and safety requirements, environmental or coastal protections, agricultural lands or services important to the quality of life. These options, sometimes individually, sometimes collectively, have been proposed to the Supervisors on many occasions but no action has been taken. Instead, the Supervisors, while publicly voicing support for affordable housing, have instead, directed further studies, directed additional analysis, requested additional reports, directed economic modeling, directed exploration of possibilities and routinely deferred considerations to future dates – often repeatedly – until they eventually failed to appear on subsequent agendas. In contrast, a number of housing officials within the County commended the City of Watsonville for conscientiously addressing their affordable housing needs and obligations.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*The County disagrees with this finding and refers the Grand Jury to Attachment B, the Implementation Schedule for the Housing Action Plan approved by the Board in November 2001. The Implementation Plan shows that several key ordinances and policy initiatives were approved and are now in the implementation phase.*

13. Housing projects, which violated affordable housing laws, have been approved by the County Supervisors. County law (“Measure J”) requires 15% of new residential developments to be affordable or, satisfy one of several alternative options such as ‘in-lieu’ fees, or transfer credits based on the value of property or dwellings in the development (County Code Section 17.10.034) These fees or other options accrue for the creation of affordable housing. The minimum in-lieu fee, as shown in the Code, is \$160,000. Examples of violations found by the Grand Jury are Tan Heights at 13% and Calabria Heights at 10%.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*All affordable housing agreements approved by the Board have been consistent with Board approved programs and policies. The examples cited involved developers complying with the transfer of credit program, which was an option available to developers at the time to comply with Measure J. That program has been eliminated.*

14. According to the testimony of more than three local housing officials within Santa Cruz County, urban services boundaries<sup>6</sup> in the County have historically been determined by anti-growth actions directed by elected officials rather than based on suitability of location for housing development.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*The urban services boundaries are based on sound planning principles and are designed to encourage development in already developed areas, rather than in outlying areas that do not have access to services (water, sewer, etc.). The boundaries of the USL conform to the boundaries of the Sanitation District, as the provision of municipal sewer service coincides with the development of 'urban' densities.*

15. The root of many County problems can be traced to the lack of affordable housing:
- A. Many workers are forced to commute long distances, often two hours or more. Typically those who must make the longest commutes to more affordable places are those who can least afford to those with lowest incomes. This puts additional traffic on already badly deteriorated roads, but Community Development Block Grant funding from the State that would help the situation has been denied, due to the Supervisors' decision not to comply with affordable housing laws.
  - B. A shortage of employees is hurting businesses and public agencies. Both have experienced an outflow of people and fruitless recruiting programs because the ratio of income to housing affordability is better elsewhere.
  - C. Strained sanitary facilities of public buildings and local businesses, because unemployed and working homeless people living in vehicles or moving from one temporary shelter to another are forced to use them.
  - D. Health and Safety Code violations. According to testimony by a County employee, inspectors are overloaded with work in this area and illegally built living quarters of various kinds.

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

*The County agrees that the lack of affordable housing is a significant issue, however, the County is unaware of the data used to support the statements in A-D above. As indicated elsewhere in this report, the Board of Supervisors has complied with all Affordable Housing laws.*

16. The lack of affordable housing for low-income individuals is having a particularly serious impact on low-income individuals receiving treatment for mental illness, substance abuse and other problems and on their caregivers as well. Because these patients have no fixed address or telephone, it is a serious concern to physicians and other caregivers who cannot locate and maintain necessary contact with their patients to monitor efficacy of treatment and progress.

**Response: Santa Cruz County Board of Supervisors AGREES**

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<sup>6</sup> Municipal water, sewers, transportation and other services are typically available only within urban service areas.

17. As stated in this Grand Jury report on County schools, nearly all of the schools in the County have experienced a decline in enrollment, and a resultant loss of State funds. County educators interviewed by the Grand Jury have pointed directly to the lack of affordable housing as the reason.

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

*The lack of affordable housing is one of several critical reasons- not "the" reason - why the school districts are experiencing decreasing enrollment*

18. A number of County officials have testified that the University of California, Santa Cruz has not provided its 'fair share' of on-campus housing.

**Response: Santa Cruz County Board of Supervisors AGREES**

19. The director of housing for the University of California, Santa Cruz, reports UCSC provides the largest percentage of on-campus housing within the University of California system.

## ***Recommendations***

1. The Supervisors should implement the options identified in the Affordable Housing Action Plan<sup>7</sup> authored by the County Administrative Officer, the County Planning Director and the County Redevelopment Director and submitted to the Board of Supervisors in November 2001. This would significantly help to bring the Housing Element into compliance with California and Santa Cruz County laws now, and in the future.

**Response: Santa Cruz County Board of Supervisors AGREES**

*As indicated in Attachment B, the Implementation Schedule and Timeline for the Affordable Housing Action Plan, the Board has proceeded with Plan implementation on a variety of measures, including ordinance changes to establish the minimum General Plan density program, to expand the second unit program to include agricultural land and a \$15,000 per unit subsidy program, removing incentives from the County Code Section 17.10 which excluded the demolition of existing units from affordable housing requirements, and adding flexibility to 17.10 in a variety of ways, and numerous other initiatives as enumerated in the Action Plan.*

2. The County Supervisors should immediately publish and prominently publicize, a clear disclosure of:

- A. The facts regarding affordable housing laws.
- B. The facts regarding a competently formulated housing element.
- C. The facts regarding the consequences of failing to do so.

The Supervisors should then responsibly serve the citizens by mandating that such a housing element is executed and administered on the basis of need, fairness and compliance with the law.

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<sup>7</sup> Board of Supervisors Meeting, agenda item 63, November 6, 2001.  
<http://sccounty01.co.santacruz.ca.us/bds/board/20011106/20011106.htm>

**Response: Santa Cruz County Board of Supervisors AGREES**

*This recommendation has been implemented.*

*State law prescribes public notification regulations. In accordance with State law, the County has to complete a Housing Element update by December 31, 2002, covering the period of 2000-2007. Staff has been participating in the public review process for the distribution of the State's mandated regional housing need for the Monterey Bay region to the counties and cities in the region. Until the County's 'fair share' has been determined, County staff can only work on the preliminary sections of the Housing Element, including the beginnings of the outreach program. To that end, advertisements regarding the current Housing Element process were published in the Santa Cruz Sentinel, the Register-Pajaronian, the Valley Press, the Scotts Valley Banner, the Mid-County Post, etc. These advertisements informed the public that the County was beginning its Housing Element update and gave e-mail addresses, phone numbers and postal addresses for the public's use in contacting planning staff to get preliminary information and to be placed on a mailing list for future notification of public meetings and mailings.*

3. The Grand Jury recommends that complaint, pursuant to Section 65587 (a), (b) and (c) in their entirety, be filed with the Court by the Santa Cruz County District Attorney, or the State Attorney General by request of the County District Attorney, and/or by other interested parties as a class action, to ensure the Santa Cruz County Board of Supervisors breaks with their history of willfully failing to comply with duties and obligations required of them by law. California Government Code, Section 65587 provides:

(a) "Each city, county, or city and county shall bring its housing element, as required by subdivision (c) of Section 65302, into conformity with the requirements of this article on or before October 1, 1981<sup>8</sup>, and the deadlines set by Section 65588.<sup>9</sup> Except as specifically provided in subdivision (b) of Section 65361, the Director of Planning and Research shall not grant an extension of time from these requirements."

(b) "Any action brought by any interested party to review the conformity with the provisions of this article of any housing element or portion thereof or revision thereto shall be brought pursuant to Section 1085 of the Code of Civil Procedure; the court's review of compliance with the provisions of this article shall extend to whether the

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<sup>8</sup> In 1981 California housing law was amended to include mandated schedules for housing elements. Every five years the California Department of Housing and Community Development, the agency responsible for certifying housing law compliance, formulates, and then negotiates housing objectives with each metropolitan area in the State. Each area is subsequently assigned a numerical housing objective that is then apportioned to local government jurisdictions within that area. During the ensuing five years, each jurisdiction must carry out actions toward achieving its compliance objectives and HCD conducts annual reviews of those actions and their success relative to compliance. Since at least 1994, Santa Cruz County has failed to comply.

<sup>9</sup> Sec. 65588 includes 'grandfather' provisions for housing elements compliant with the prior (1977) housing law requirements and whose five-year cycles had not expired by 1981.

housing element or portion thereof or revision thereto substantially complies with the requirements of this article.”

(c) “If a court finds that an action of a city, county, or city and county, which is required to be consistent with its general plan, does not comply with its housing element, the city, county, or city and county shall bring its action into compliance within 60 days. However, the court shall retain jurisdiction throughout the period for compliance to enforce its decision. Upon the court's determination that the 60-day period for compliance would place an undue hardship on the city, county, or city and county, the court may extend the time period for compliance by an additional 60 days.”

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*These recommendations do not fall within the purview of the County. The District Attorney is an independently elected office and independently determines what, if any, actions are appropriate. However, the County believes that the Santa Cruz County Board of Supervisors has never failed to comply with duties and obligations required of them by law.*

**Response: Office of the Santa Cruz County District Attorney DISAGREES**

*The District Attorney's Office does not have authority to bring an action in court for violation of Government Code section 65587(a), (b) and (c).*

*A District Attorney cannot bring an action in court without a statute which specifically confers authority on the District Attorney to proceed. In the criminal arena, the Government Code (sections 26500-26503) states that the District Attorney is the public prosecutor vested with the power to conduct on behalf of the People, all prosecutions for public offenses within the county. (See also Hicks v. Board of Supervisors (1977) 69 Cal. App. 3d 228, 240).*

*There are many types of civil cases which a district attorney may bring, but in each instance there is a California statute which specifically provides for district attorney enforcement. For example, acts of unfair business competition may be challenged by a district attorney in civil court under Business and Professions Code section 17203 and 17206. Likewise, Business and Professions Code section 17536 permits a district attorney to seek civil penalties for false advertising. The Fish and Game Code provides for civil enforcement of sections 1600.1 and 5650 by the district attorney. The Health and Safety Code allows the district attorney to pursue civil forfeiture of monies connected to narcotics trafficking. Unlike the foregoing examples, there is nothing in the housing element law, Government Code section 65581 et. seq., which authorizes a district attorney to go into court.*

*In contrast to district attorneys, the California Attorney General has much broader authority. If the Attorney General believes that enforcement of a law is in the public interest, he or she may file a complaint in court even when there is no language in the relevant statute authorizing Attorney General intervention. According to a California appellate court, it is a "settled rule in California that the Attorney General is authorized 'to file any civil action for the enforcement of the laws of the state or the United States Constitution, which in the absence of legislative restriction he deems necessary for the*



*protection of public rights and interests." (People ex rei. Lynch v. San Dieao Unified School District (1971) 19 Cal. App. 252, 258).*

*Government Code section 65587 allows "any interested party" to bring an action to enforce the statute. Apart from the Attorney General, this language would allow an array of individuals and agencies to seek private enforcement of the affordable housing law.*

4. The County should retain a community planning firm with excellent credentials to work with the appropriate County entities to optimize the Affordable Housing Action Plan above, and produce additional creative solutions for the Housing Element to improve the quality of life in the County as a whole. If linked with cooperative efforts of the local cities, these actions can bring even greater benefits.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*This recommendation requires further study. The use of consultants for the preparation of the General Plan update is under review.*

5. The supply of UC Santa Cruz on-campus student housing is inadequate to meet demand and is imposing an additional burden on an already critical situation. The Santa Cruz County Board of Supervisors and the Santa Cruz City Council should employ every reasonable means to induce UCSC to move forcefully in two areas:
  - A. Do more to build its fair share of student housing
  - B. Limit the student population to accurately reflect the current housing situation

**Response: Santa Cruz County Board of Supervisors AGREES**

*This recommendation will be implemented.*





# **Santa Cruz County**

## **Grand Jury**

### **Response to the Final Report:**

Section 4

Criminal Justice Committee Reports



## Review of the Blaine Street Women's Facility

2001-2002 Grand Jury Report – Page 4-2

### **Findings**

1. The Blaine Street jail is a minimum-security facility set in a home-like environment complete with a backyard, benches, children's sandbox and vegetable garden. The State Board of Corrections has rated the facility to house 40 female inmates. The average occupancy for the year ending 2001 was eighteen inmates per month. The accepted officer-to-inmate ratio is one to fifty/sixty inmates. Therefore, only one officer is required to be on duty.

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

*The County partially agrees with this finding. The rated capacity of Blaine Street is 32.*

**Response: Santa Cruz County Sheriff AGREES**

*The Sheriff's Office agrees with this finding with the exception that the Board Of Corrections rated capacity for the Blaine Street Facility is 32 inmates.*

2. The County's Health Service Agency provides medical, pharmacy and diagnostic services. Doctors from the Main Jail attend sick call each weekday morning. A chaplain, Crisis Intervention Team and other service providers also come to the facility.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

3. The Supervising Correctional Officer from Blaine Street interviews inmates at the Main Jail at the time of booking. All persons arrested in Santa Cruz County are booked through the Main Jail. During the assessment interview the inmate is informed of house rules, behavioral expectations, work assignment and class attendance requirements that must be met in order to be assigned to Blaine Street. According to the supervisor, inmates must display a cooperative attitude and peaceful behavior if they are to remain at this facility.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

4. The female inmates move freely inside the facility and on the fenced grounds. There are no locked doors at the facility. Inmates detained at Blaine Street can walk away from their incarceration at any time. This rarely happens, however, because inmates understand the consequence for leaving or violating facility rules is a return to the Main Jail. Most of the women prefer to serve their time at the Blaine Street facility because of the special privileges available there.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

5. Blaine Street inmates have smoking privileges that are not available at the Main Jail. The back yard is the designated smoking area.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

6. Inmates can purchase candy, soda, cigarettes, playing cards and personal items from vending machines. They also have access to television, exercise equipment, videos, board games and a library.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

7. Inmates are allowed one two-hour visit with family each weekend.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

8. Many of the women return to this facility, as they are frequent offenders. At the time of the Grand Jury's tour, staff at Blaine Street had no means of tracking the rate of recidivism.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

9. The most common offenses are related to substance abuse (drugs and alcohol).

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

10. The average inmate stay is three to four months.

**Response: Santa Cruz County Board of Supervisors AGREES**

11. The inmates' day begins at 6:30 a.m. and lights out is at 10:00 p.m.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

12. The inmates' day begins at 6:30 a.m. and lights out is at 10:00 p.m.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

13. Each inmate is assigned duties that may include kitchen chores, cleaning the facility and other household tasks. The inmates prepare meals in the small kitchen with menus developed by the Food Service Manager from the Main Jail. Some of the inmates also help prepare meals at the Main Jail under the Food Service Manager's supervision.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

14. Some of the inmates participate in the Work Release Program, which permits participants to work during the day and return to the facility in the evening. In some cases, this allows inmates to continue in a job they held before their incarceration.

**Response: Santa Cruz County Board of Supervisors AGREES**

*The County agrees with this finding, with the correction that the Grand Jury report is referring to Work Furlough rather than Work Release.*

**Response: Santa Cruz County Sheriff AGREES**

*This should read the Work Furlough Program rather than the Work Release Program, but the Sheriffs Office agrees with this finding.*

15. The jail provides some training classes and help in getting a high school diploma while the inmate is incarcerated. The following are some of the classes that are offered at the facility for the inmates:

- Computer Classes
- Narcotics and Alcoholics Anonymous
- Smoking Cessation
- Career and Job Development
- GED Preparation
- Art Classes
- Parenting Classes
- Knitting and Crocheting Classes.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

## ***Recommendations***

1. The inmates that meet the criteria to be housed currently at Blaine Street should be moved to another minimum-security facility such as a halfway house.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*This recommendation will not be implemented because the County does not have jurisdiction over these decisions. In-custody placement of inmates is the decision of the court.*

**Response: Santa Cruz County Sheriff DISAGREES**

*The Sheriffs Office will not be able to implement this recommendation because the decision whether to house an inmate in the Blaine Street facility or an out-of-custody facility rest with the sentencing judge, not the sheriff: This decision is outside of the Sheriffs jurisdiction. Every inmate's criminal history and personal situation is closely reviewed by the Probation Department prior to sentencing. Probation then makes recommendations to the Court. The Court has several sentencing options, one of which is to sentence the inmate to the Sheriffs custody to serve time. The Sheriffs only decision is whether the inmate serves their sentence in the Main Jail or Blaine Street.*

2. Blaine Street staff should develop a system for tracking recidivism.

**Response: Santa Cruz County Board of Supervisors**

*This recommendation should be referred to the Sheriff's Office.*

**Response: Santa Cruz County Sheriff DISAGREES**

*The Sheriff's Office does not plan on implementing this recommendation at this time for the following reasons. We are not opposed to developing a system for tracking recidivism, but have not because we believe we already know the answer, which is approximately 80%. In the corrections field when a person returns to custody after being released it is called recidivism. In the drug treatment world it's called relapse. It is a common tenant in the study of addiction that relapse is a normal part of the recovery process. Nearly all of the inmates at Blaine Street are there because of substance abuse. Residential drug treatment facilities, sober living environments and half-way houses all have approximately the same rate of success. Minimum security jails throughout the Nation all have approximately the same recidivism rate. There is no reason to believe that Blaine Street is any different. The Blaine Street facility is just one small component of the enormous criminal justice system and substance abuse arena which all share an 80 percent recidivism/relapse rate.*

3. The Blaine Street facility should be remodeled and made into a medium-security wing for housing women who need more supervision and restrictions but who do not need to be housed at the maximum-security Main Jail.

This renovation would provide the alternative of removing from the Main Jail women inmates who are incarcerated for minor infractions and need only a medium-security facility. This would also separate female inmates requiring only a medium-security facility from the more violent and/or more criminally sophisticated female inmates.

A Blaine Street renovation would also relieve overcrowding at the Main Jail while more fully utilizing the Blaine Street facility and would also increase the available system capacity for male inmates at the Main Jail.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*This recommendation will not be implemented because it is not warranted. The County believes that it is important to provide a minimum security facility for women which allows a number of benefits, including expanded visitation and educational programs. The Sheriff's Office is pursuing ways of providing similar programs to the women currently housed in the Main Jail.*

**Response: Santa Cruz County Sheriff DISAGREES**

*The Sheriff's Office will not implement the recommendation because it is not warranted or is not reasonable. The Sheriff's Office understands the Grand Jury's recommendation and agrees that there would be the benefits described.*

*However, there would also be some negative outcomes, which we believe would result in an overall less desirable situation. If the Blaine Street facility was remodeled to meet the standards for a medium-security facility, there would no longer be a minimum-security facility available to women. Minimum security facilities have certain benefits that*



*medium- security facilities do not, such as family contact visiting, expanded educational programs and an atmosphere with positive peer support.*

*An alternative approach to the hardening of the Blaine Street facility that we are currently pursuing is the softening of the two women's units in the Main Jail. Since we are unable to bring the women in the Main Jail out to the programs at Blaine Street we are bringing the programs at Blaine Street into the Main Jail. Until recently, programs such as education and drug treatment were very limited in the Main Jail. The women in the Main Jail are now receiving several programs including, addiction education, anger management, general education equivalency, women's health education and overcoming domestic violence.*

## Review of the Main Jail

2001-2002 Grand Jury Report – Page 4-5

### **General Findings**

1. The jail system operates on a budget of approximately \$16,338,000 a year.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

2. The Main Jail houses both male and female inmates who are awaiting trial and individuals sentenced to terms of one year or less for serious and/or violent crimes. In protracted cases, stays in the Main Jail may extend up to three and one half years. This includes time served in the county jail before, during and after trial.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

3. Substance abuse (drug and alcohol) is the leading cause of arrest involving both male and female inmates.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

4. Alcohol-only bookings in the Main Jail make up 20.1 percent of total bookings. These bookings are referred to as 647-Fs per the penal code section (Drunk in Public). Many individuals booked for 647-Fs are booked and released more than once in a 24-hour period.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

5. Male and female inmates have separate housing areas. There is no interaction between male and female inmates.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

6. Women at the facility are a growing population. The average number of females at the Main Jail is 45. The policy at the jail is to house less criminally sophisticated women apart from those who are more sophisticated or disruptive. The term “criminally sophisticated” is a term used in the detention industry to describe an offender’s familiarity with and adeptness in crime and the detention system. At the end of fieldwork, there were 32 less sophisticated female inmates and 14 more sophisticated women housed in two separate “pods.”

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

7. At the end of fieldwork, approximately ten female inmates would qualify for housing in a medium-security facility if such a facility were available.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

8. At the time of the Grand Jury's tour, staff stated that it is too early to determine the long-term effects the passing of Proposition 35 will have on jail occupancy. The purpose of Proposition 35 is to divert substance abusers from a jail setting to community treatment programs.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

*Proposition 36 went into effect July 1, 2001. Our experience in Santa Cruz is consistent with the majority of jails throughout the State. That is, initially the number of inmates in custody went down slightly, but a year later there are more inmates in custody than before Proposition 36.*

9. At the end of fieldwork, Main Jail staff had no system in place to track recidivism among inmates. Staff estimated the rate at 75% for both men and women.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

### ***Facility Findings***

10. The monthly average occupancy of the Main Jail for the year 2001 was 348. This is well above the Board of Corrections rating of the facility for 249 inmates. The Board of Corrections has approved an upgrade of 62 beds. After remodeling, the board rated capacity will be 311. Inmates are assessed for various health issues (e.g., communicable disease, substance abuse issues, general physical and mental health) after being booked into the Main Jail. This evaluation establishes the inmate's assignment to a housing unit as well as any appropriate medical care he or she may need.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

11. The facility contains a medical unit that is staffed Monday through Friday from 8:00 a.m. to 5:00 p.m. A medical doctor is on duty Monday-Wednesday and Friday from 8:00 a.m. to 12:00 p.m. A nurse practitioner is on duty on Thursdays. There are also a dentist, psychologist, chaplain and a Crisis Intervention Team available at various scheduled times during the week or as the need arises. If there is a medical emergency during the night or weekends that the jail staff cannot handle, the inmate is transported to an emergency hospital. The medical facility is well maintained and there are brochures on crisis counseling and health-related matters available to the inmates.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

12. Some recidivist inmates admit to "checking in" periodically to avail themselves of medical and dental services available at the Main Jail.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

13. A full-time Food Service Manager is responsible for overseeing the preparation and distribution of all meals to the inmates in all four county detention facilities. The Manager supervises two cooks who are county employees as well as female inmates from the Blaine Street facility who assist in the preparation of all meals. Before coming to the Main Jail kitchen, inmate helpers are screened for communicable diseases at the Blaine Street facility by Health Services personnel. (The Blaine Street facility is a minimum-security facility for women located adjacent to the Main Jail.) The Main Jail also uses the services of a dietician. The kitchen is clean and well organized and feeds more inmates than it was designed to handle.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

### ***Staff Findings***

14. The Main Jail is budgeted for a maximum of 94 employees. The actual number of personnel employed at the jails is 77. At the time of the Grand Jury's tour, 17 positions were unfilled.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

15. Minimum staffing for the Main Jail is thirteen correctional officers during the day and twelve officers during the night shift.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

16. The facility has an average of three detention officer retirements each year that are work related (e.g., due to on-the-job injury or disability). These retirees receive a minimum of 50 percent of their salary and lifetime benefits.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

17. In order to meet the required staffing ratios, there is a policy of mandatory overtime, which, while it keeps the jails staffed, results in staff stress and fatigue.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

18. The starting salary for a detention officer is \$3,149 per month plus benefits, not including overtime compensation.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

19. Training for detention officers is given at Cabrillo College if there are enough candidates to fill a class (minimum of seventeen trainees). The training consists of five weeks of classroom work and fifteen weeks of on-the-job training. Once training is successfully completed, the officer is then on probation for the remainder of their first year of duty.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

20. If there are not enough trainees to fill a classroom, candidates are sent to Sacramento for training. This increases the cost of training because expenses also include travel, housing and meals. The cost of the classroom training in Sacramento is also more than the cost of training in Santa Cruz.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

21. It costs Santa Cruz County at least \$58,101 to train a new detention officer, which includes his/her first year's salary.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

22. Staff at the Main Jail stated that turnover rate for detention officers is high because similar jobs are available in the areas surrounding San Jose and San Francisco at higher salaries. After training, many officers leave the area for the longer commute but higher salaries. Last year the department lost twenty-six officers, many of whom left to take higher paying positions. The number of detention officers leaving the County is approximately 40 percent annually.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

23. Low pay, jail overcrowding, and mandatory overtime all have a negative effect on morale among detention officers.

**Response: Santa Cruz County Board of Supervisors AGREES**

**Response: Santa Cruz County Sheriff AGREES**

## ***Recommendations***

1. The Sheriff's Department should investigate other approaches to dealing with alcohol-only administrative detentions.

**Response: Santa Cruz County Sheriff AGREES**

*The Sheriff's Office has implemented this recommendation in that we are investigating other approaches. Several years ago, the County embarked on a study to identify the alternatives for dealing with public inebriants. My recollection is that three main options were discussed; 1) contract with a private provider to receive public inebriants, 2) establish a County operated sobering facility, or 3) continue with the jail acting as the*

*detoxification facility. The first option was dismissed because there were no such private providers who could handle the volume and be cost effective. The second option of the County establishing its own detox facility was problematic because it required a location, a building, processing staff and medical staff. The challenge of finding a location, with a willing neighborhood and the enormous staff expense, made this option unobtainable. The third option became the most viable, especially since the necessary staff was already in place at the Jail. It appeared then, and still does today, that only the largest counties in the State are able to afford separate facilities. Therefore, the County Jail continues to be our only public-detox facility.*

*The Sheriffs Office is currently approaching this topic in a slightly different way. In collaboration with County Health Service Agency and the City of Santa Cruz Police Department we are studying and preparing a report for the Board of Supervisors regarding the impact of chronic public inebriants on the downtown area and the local hospital emergency rooms. That report will be presented later this year.*

2. The Blaine Street facility should be converted to a medium-security unit for housing women who do not need to be held in the maximum-security Main Jail but who need more supervision and restrictions than afforded by the present minimum-security Blaine Street configuration. This would help alleviate overcrowding at the Main Jail by freeing up approximately 46 beds.

**Response: Santa Cruz County Sheriff DISAGREES**

*The Sheriffs Office will not be implementing this recommendation because it is not warranted. The Sheriffs Office understands the Grand Jury's recommendation and agrees that there would be the benefits described. However, there would also be some negative outcomes which we believe would result in a less desirable situation overall. If the Blaine Street facility, were remodeled to meet the standards for a medium-security facility there would no longer be a minimum-security facility available to women. Minimum security facilities have certain benefits that medium- security facilities do not, such as family contact visiting, expanded educational programs and an atmosphere with positive peer support.*

*An alternative approach to the hardening of the Blaine Street facility that we are currently pursuing is the softening of the two women's units in the Main Jail. Since we are unable to bring the women in the Main Jail out to the programs at Blaine Street we are bringing the programs at Blaine Street into the Main Jail. Until recently, programs such as education and drug treatment were very limited in the Main Jail. The women in the Main Jail are now receiving several programs including, addiction education, anger management, general education equivalency, women's health education and overcoming domestic violence.*

3. The Board of Supervisors of Santa Cruz County must establish and implement a salary schedule for the Santa Cruz County Jail system that is competitive with the counties in the Bay area rather than other central California counties.

**Response: Santa Cruz County Board of Supervisors AGREES**

*This recommendation has been implemented. Salaries and benefits for employees in the jail system are negotiated with employee bargaining units.*

**Response: Santa Cruz County Sheriff DISAGREES**

*The Sheriff's Office will not implement this recommendation because it is beyond the Sheriff's scope of authority. It would be more appropriate for the Board of Supervisors and the County Administrative Office to respond to this recommendation.*

## Report on the Rountree Facility

### 2001-2002 Grand Jury Report – Page 4-9

#### **Findings**

1. The two different categories of facilities at the site make it easier to handle discipline issues, since inmates can be easily moved from one to the other. Staff reports that the significantly higher level of privileges in the minimum-security unit leads most inmates to prefer and strive for assignment to that facility.

**Response: Santa Cruz County Sheriff AGREES**

2. Each of the units in the medium-security facility has a rated capacity of 48. Each of the units in that facility has 55 beds, allowing for the temporary housing of more inmates than the rated capacity.

**Response: Santa Cruz County Sheriff AGREES**

3. The minimum-security facility housed 68 inmates on October 3, 2001, the day of the Grand Jury's tour.

**Response: Santa Cruz County Sheriff DISAGREES**

*On October 3, 2001 there were 106 inmates housed at the Minimum-security facility. This must be a simple misunderstanding or clerical error.*

4. All told, the facility has a rated capacity of 162 and a total bed capacity of 250 inmates. Again, this allows for the temporary housing of inmates numbering in excess of the rated capacity.

**Response: Santa Cruz County Sheriff AGREES**

5. The kitchen floor has been refinished, in accordance with the recommendations of the 1999-2000 Grand Jury. Work was completed in 2001.

**Response: Santa Cruz County Sheriff AGREES**

6. The roof of the minimum-security facility has been repaired in accordance with the recommendation of last year's Grand Jury. This work was done at a cost of approximately \$185,000.

**Response: Santa Cruz County Sheriff AGREES**

7. If a detainee is an illegal immigrant, the Immigration & Naturalization Service (INS) requires that they be held in at least a medium-security facility. These detainees are then transferred to the INS for a deportation hearing upon their release.

**Response: Santa Cruz County Sheriff AGREES**

8. Inmates of the jail farm are able to attend classes daily from 8:30 AM until 11:00 AM. Vocational classes fall into five categories: auto body repair, food services, landscaping, building maintenance, and computer operation. Other classes offered at the facility include English as a second language and General Education Diploma (GED) preparatory classes.



**Response: Santa Cruz County Sheriff AGREES**

9. Additional courses are available at the jail farm in substance abuse, anger management, and general job skills training. Additional programs are also provided by volunteer organizations. These include Alcoholics Anonymous, Narcotics Anonymous, AIDS education classes as well as Bible and church services.

**Response: Santa Cruz County Sheriff AGREES**

10. Although a somewhat smaller number of classes are available in the medium-security facility, courses are available in English as a second language, preparation for the GED, substance abuse, anger management and job skills. As at the farm, a number of self-help programs are also provided by volunteer organizations.

**Response: Santa Cruz County Sheriff AGREES**

11. A library is available to all inmates at Rountree. Although books cannot be brought directly into the medium-security facility, they can be obtained on an inmate's behalf directly from the publisher or from an online book distributor like Amazon.com. In the minimum-security facility, relatives are able to bring books to the inmates.

**Response: Santa Cruz County Sheriff AGREES**

12. An auto body shop is run at the facility. This is maintained partially for the purposes of training and to enable inmates to document work performance when subsequently entering the workforce. It also generates revenue.

**Response: Santa Cruz County Sheriff AGREES**

*The revenue generated by the auto body program is placed into a trust fund which in turn pays the expenses of the program. There is no profit. Please refer to the response to Recommendation # 1 below for further explanation.*

13. The Sheriff's department maintains a general accounting of Inmate Welfare Fund monies for all facilities collectively. However, there is no breakdown or itemization of income and expense items from the individual facilities.

**Response: Santa Cruz County Sheriff DISAGREES**

*The department maintains a detailed accounting of the Inmate Welfare Fund which breaks down and itemizes expenses from individual facilities where it is appropriate. Please refer to the response to Recommendation # 1 below for further explanation.*

14. The revenues received by the auto body shop are not reported as income into the "Inmate Welfare Fund." Similarly, the expenses of the shop are not listed as expenditures associated with the fund.

**Response: Santa Cruz County Sheriff AGREES**

*The Sheriff's Office agrees with this finding because the revenues are placed in the auto body program's trust fund which is separate and apart from the Inmate Welfare Fund. Please refer to the response to Recommendation #1 below for further explanation.*

## **Recommendations**

1. As the proprietor of the Inmate Welfare Fund, the Sheriff's department should record and track all expenses and revenues associated with the fund in accordance with generally accepted accounting principles.

### **Response: Santa Cruz County Sheriff AGREES**

*The Sheriff's Office has implemented the recommendation in that we have been doing this for several years. There is a simple explanation that will clear up this misunderstanding.*

*Finding #12 above states that the Auto Body Shop generates revenue. This is true, but the revenue does not go into the Inmate Welfare Fund. Finding #14 states that the revenues received by the Auto Body Shop are not reported as income into the "Inmate Welfare Fund." This is true because that is not where they go. The auto body shop is a Regional Occupational Program (ROP) managed by the County Office of Education. The auto body shop instructor is an employee of the County Office of Education. The income generated by the body shop is split at the time the customer pays for the repairs. The portion of the bill for "Parts" is placed in an ROP trust fund which in turn pays for items such as paint, sandpaper, and body filler. The portion of the bill for "Labor" goes into a trust fund managed by the Sheriff's Office and held by the County Auditor's Office. It is, in turn, used to buy tools, teaching supplies, and to maintain the paint booth. There is no profit. All monies received by the auto body program go back into the auto body Program. The revenue does not go into, nor is it mingled in any way with, the Inmate Welfare Fund.*

*The trust funds maintained by both the County Auditor and the County Office of Education are detailed and in accordance with generally accepted accounting principles.*

*The Inmate Welfare Fund is also managed in accordance with generally accepted accounting principles and is audited by the County Auditor. It is a line item budget with significant detail. A status report is presented to, and accepted by, the Board of Supervisors each year as required by law.*



# **Santa Cruz County**

## **Grand Jury**

### **Response to the Final Report:**

Section 5

Health and Human Services Committee Reports



## Long Term Care For Seniors

### Part One—Alternatives To Nursing Home Placement

2001-2002 Grand Jury Report – Page 5-1

#### **Findings**

1. Cuts in reimbursements to residential care facilities by the state and federal governments have resulted in unnecessary placement of elderly people in nursing homes.
2. There are thirty-one residential care facilities in the county with a total bed capacity of 1141; only fifty-two of these beds accept people receiving SSI if they are not already assigned. The average cost per person, per month is \$1000-\$3000 and SSI pays \$800-\$850 per month.
3. Due to the lack of residential care facilities in Santa Cruz County, some poor residents who are discharged from the hospital and are unable to remain at home in order to avoid nursing home placement, must go to Santa Clara County for residential care needs. Adult Protective Services and hospital discharge planners have assisted some Santa Cruz County residents to take this route.
4. Inadequate cost of living adjustments in Santa Cruz County to keep in line with the increased costs of housing, services and supplies, prevents agencies such as the Multipurpose Senior Services Program from moving people out of nursing homes and back into the community.

#### **Response: Santa Cruz County Board of Supervisors PARTIALLY DISAGREES**

*Lack of community resources prevent the elderly and individuals with disabilities from remaining in their homes, and as a result of the number of residential beds available, they are sometimes placed in skilled nursing facilities which is a higher level of care than they actually need.*

5. Many elderly and disabled people who are in nursing homes could manage better in an alternative setting.

#### **Response: Santa Cruz County Board of Supervisors PARTIALLY DISAGREES**

*The exact number of elderly and people with disabilities that could manage better in an alternative setting with the proper level of assistance and resources from the community is unknown, but some people in nursing homes could manage better in a less restrictive environment outside of a nursing home. Appropriate supports are needed to be successful.*

6. Thirty percent of home health care agencies nationwide have gone out of business due to cuts in reimbursement payments by the state and federal governments.

#### **Response: Santa Cruz County Board of Supervisors PARTIALLY DISAGREES**

*In addition to home health care agencies, health care providers nationwide have been affected by the continued trend of escalating health costs. Limited Medi-Cal and Medicare reimbursements and the required amount of documentation make it difficult for home health care agencies and health care providers to continue operating.*

7. The County Board of Supervisors governs a Public Authority for In-Home Support Services. The Public Authority has a computer system in place to provide registry for caregivers and to establish standards for care.
8. The wages for caregivers for elderly people is inadequate, since caregivers are usually paid minimum wage. The Public Authority has been successful in increasing the caregivers' minimum wage to \$8.50 per hour, which is a step toward solving the problems of staff shortages and poor quality of care.

### **Recommendations**

1. The Board of Supervisors should support efforts by county service agencies to lobby state officials to support less costly alternatives to nursing homes that enable older adults to remain at home or in their communities.

#### **Response: Santa Cruz County Board of Supervisors AGREES**

*This recommendation has been implemented. The Long Term Care Integration Pilot Program has been awarded a planning grant for the fourth year, 2002-2003 and is exploring various service delivery systems in long term care that will enable older adults to age with dignity in their homes.*

2. The county should apply for federal low-cost housing assistance for construction of residential care facilities under the Department Housing and Urban Development in order to expand the number of residential care beds available to recipients of SSI.

#### **Response: Santa Cruz County Board of Supervisors AGREES**

*The recommendation will not be implemented. Addressing low-cost housing assistance is a regional concern involving all levels of government--State, Federal and local. Many State and Federal housing program guidelines contain maximum loan limits or maximum home prices that are keyed to broader statewide standards, and therefore disadvantage Santa Cruz County due to our high home prices.*

3. The Board of Supervisors should make every effort to convince federal and state officials that higher rates of reimbursement be authorized for residential care for low-income elders.

#### **Response: Santa Cruz County Board of Supervisors DISAGREES**

*This recommendation has been implemented. The Health Services Agency is making an effort to convince federal and state officials that a different designation is required for Santa Cruz County. This would enable health care providers in the County to receive an increase in reimbursement rates for Medicare providers.*

4. In order to recruit and retain caregivers of LTC services and meet their basic needs, the County Board of Supervisors should support efforts to obtain reasonable wage/benefit packages for this important workforce.

#### **Response: Santa Cruz County Board of Supervisors AGREES**

*The recommendation has been implemented. The implementation of the IHSS Public Authority has enabled the County to continue to support efforts to increase the wages and benefits of the caregivers.*

5. The Board of Supervisors should continue to support funding and efforts to purchase property for the Elderday Pajaro Valley facility.

**Response: Santa Cruz County Board of Supervisors AGREES**

*The recommendation will be implemented. The County anticipates that a suitable site to develop Elderday in Pajaro Valley will be located in Watsonville by November 2002.*

## **Part Two—The Long Term Care Integration Pilot Project Pathways to Successful Reform**

### **2001-2002 Grand Jury Report – Page 5-11**

#### ***Findings***

1. According to an article in the Santa Cruz Sentinel regarding the 2000 Census, Santa Cruz County has about 36,000 residents who are 60 years or older comprising 14 percent of the total population. By the year 2020, it is projected that this number will more than double to 81,700 or 22 percent of the overall population as members of the “baby boomer” generation enter their sixties.

**Response: Santa Cruz County Board of Supervisors AGREES**

2. The focus of the Long Term Care Integration Pilot Project has been placed on low-income seniors who are in need of some form of long-term care assistance and who are eligible for both Medicare and Medi-Cal. This group must rely entirely on the government to meet LTC needs. Regular presentations by the Pilot Program leadership are made before the Santa Cruz County Board of Supervisors to keep the Board current on the work of this project.

**Response: Santa Cruz County Board of Supervisors AGREES**

3. The Pilot Project has identified the following deficiencies in local LTC services:
  - A. Fragmentation of long term care services
  - B. Duplication in financing of service programs
  - C. Unnecessary repetition of application procedures and client assessments
  - D. Inflexible regulatory requirements
  - E. Lack of continuing case management and unified medical records
  - F. Failure to assure an appropriate level of care and timely transfers to another level of care
  - G. Hospital and nursing home admissions which are made due to shortages in alternative treatment settings and the lack of a case management system capable of dealing with all aspects of long term care
  - H. Lack of affordable intermediate and residential care beds

Leaders of the project believe that these deficiencies inflate costs and limit access to care. The range of unsolved problems is also depicted in the matrix provided by the

Pilot Project entitled “County of Santa Cruz Long Term Care Integration Pilot Project Service Survey Common Functions Grid.” See page 5-21.

**Response: Santa Cruz County Board of Supervisors AGREES**

4. To clarify its mission, the Pilot Project adopted the following goals and objectives:
  - A. Develop a common vision for a more responsive and better integrated system.
  - B. Build consensus and support among stakeholders—consumers, providers, advocates and public officials.
  - C. Gather pertinent data related to demographics, current service costs and projected utilization and costs of services in the future.
  - D. Describe an optimum mix of these services and develop an adequate capacity to meet projected needs, especially for housing, which includes assisted living resources for low and medium income clients.
  - E. Develop a case management system capable of moving clients within the continuum of local services when individual needs undergo change. Cut down on the paperwork required now in filling out redundant applications and repetitive needs assessments.
  - F. Design viable methods of financing, governance, administration and internal data systems capable of contributing to the efficient management of operations, and to the future planning and evaluation of long-term care in Santa Cruz County.

**Response: Santa Cruz County Board of Supervisors AGREES**

5. Some corporate HMOs have recently disenrolled Medicare eligible members because their coverage cannot be provided in their plans at Medicare rates without sustaining financial loss. Many of the disenrolled seniors have been left without geographical access to another HMO.
6. Seniors have no avenue open for appeal of these disenrollments, which have the effect of discriminating against seniors in favor of younger enrollees still served in these HMOs.
7. PACE demonstration programs are paving the way to the coverage of inclusive long term care services in HMOs for low income seniors eligible for both Medicaid and Medicare.
8. The Santa Cruz County Long Term Care Commission has endorsed the goals and objectives of the Pilot Project.

***Recommendations***

1. The Health Services Agency should recommend to the Board of Supervisors that federal waivers be obtained in order to accomplish the following:
  - A. The pooling of all federal and state matching funds available to Santa Cruz County for LTC services for low-income seniors into a local public authority capable of using prepayment methods and quality assurance in the reimbursement of all service providers.



**Response: Santa Cruz County Board of Supervisors DISAGREES**

*The recommendation requires further analysis. Key stakeholders are developing a financial feasibility plan that will include how service providers can be reimbursed with the various federal and state funds allocated to the County's low-income seniors. Pooling of state and federal funds requires waivers and/or legislation and is very challenging to obtain.*

**Response: Central Coast Alliance for Health DISAGREES**

*This recommendation requires further analysis. The Alliance continues working in partnership in regional long term care integration ("TCI") planning. The Alliance has a major role L TCI now and in the future and will continue working with its local partners and stake holders to determine the most appropriate solutions for effective LTC integration. The Alliance board's focus, currently, is on potential insurance for IHSS workers, case management of chronic illness, and of elderly and disabled members, and analysis of long term care integration options, including a potential federal waiver demonstration project. However, the governance and administrative structure for the L TCIPP has not yet been determined.*

- B. The designation of the Managed Medical Care Commission as the local public authority to carry out the integration of LTC services for low-income seniors on a prepaid capitation basis.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*The recommendation requires further analysis. The LTCIPP governance structure has not yet been determined and finalization of a system wide governance and administrative structure will be completed by end of the fiscal year. The Alliance is facing a serious challenge with the state budget.*

- C. Addition of seniors who are eligible for Medi-Cal and Medicare into the Alliance Plan and into the demonstration project recommended by last year's Grand Jury relating to the expansion of health insurance coverage for low income families.

**Response: Santa Cruz County Board of Supervisors AGREES**

*The recommendation will be implemented. During the initial phase of integration, the long-term care integration pilot project will only concentrate on Medi-Cal/Medicare dual eligible recipients with plans to phase in Medicare-only eligible recipients at a later date.*

**Response: Central Coast Alliance for Health AGREES**

*This recommendation will be implemented. The focus of the LTCI planning group and program design is on dual eligible Medicare/Medi-Cal ("Medi-Medi") beneficiaries. Medicare only beneficiaries may be brought into the program later after the program is fully implemented, depending on fiscal feasibility, and support among local health care providers and the community at large*

- D. Relief of the Alliance Plan from the assumption of financial risk during the time period of the demonstration. Benefits should cover the full range of alternatives to nursing home placement.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*The recommendation requires further analysis. The County is working closely with the Alliance Plan to complete the financial and data analysis by the end of October 2002, to help determine the level of financial risk and how much financial risk can be assumed during the demonstration project by the County, the Alliance and other partners.*

**Response: Central Coast Alliance for Health DISAGREES**

*This recommendation requires further analysis. The Alliance, as a part of the LTCI planning group is working to develop models of LTCIP that would allow development of infrastructure while limiting risk, particularly during development period.*

2. If the federal waivers are granted, the Alliance Plan should strive to accomplish the following goals:
  - A. Provide a single point of entry to the service system with one consistent method of assessment of need.

**Response: Santa Cruz County Board of Supervisors AGREES**

*This recommendation will be implemented. A single point of entry has been part of the program design. The LTCIPP steering committee is also exploring various long-term care model designs that also include an on-line universal assessment tool. Recommendations for the model design most appropriate for Santa Cruz County will be determined by the end of 2003.*

**Response: Central Coast Alliance for Health AGREES**

*This recommendation will be implemented. The Alliance continues to work in partnership with a variety of stakeholders in the community as part of the LTCI steering committee to develop a LTCI program design. The program design would likely include a single point of entry into the system, and a standardized database for case management*

- B. Make an initial referral to a single source of on-going case management in order to carry out an appropriate written treatment plan for each client.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*This recommendation requires additional analysis. The County agrees with this model but must work with partners on how to accomplish this.*

**Response: Central Coast Alliance for Health DISAGREES**

*This recommendation requires further analysis. Again, the Alliance continues to work in partnership with a variety of stakeholders in the community as part of the LTCI steering committee to develop a LTCI program design. The Alliance will work with its LTCI partners to accomplish the common goals of this group.*

- C. As the individual's needs change, assure easy transfer within the service system without requiring repetitive applications or assessments.

**Response: Santa Cruz County Board of Supervisors AGREES**

*The recommendation will be implemented. Easy transfer within the service system will be an integral part of the service delivery system that the LTCIPP will include in the design of the pilot project.*

**Response: Central Coast Alliance for Health AGREES**

*This recommendation will be implemented. This is a primary component of the service delivery system and part of the program design being discussed by the LTCI planning group.*

- D. Whenever feasible revise the service system to foster independence by facilitating care in the home or in a residential facility located in the community. Offer organized programs of health education and chronic disease management in collaboration with public health personnel.

**Response: Santa Cruz County Board of Supervisors AGREES**

*This recommendation will be implemented. Health education programs and chronic disease management programs that support long term care goals will be recommended in the service delivery system that the County and local stakeholders decide upon by the end of the 2002-2003 planning grant.*

**Response: Central Coast Alliance for Health AGREES**

*This recommendation will be implemented. Health education, disease management programs, and case management for chronic illness is part of the Alliance board's focus and will be a part of the service delivery system of the LTCI as the Alliance and stakeholders continue to work in partnership to develop a program design to meet the LTC needs of the community.*

3. The Board of Supervisors should undertake on-going development of manpower and community-based facilities sufficient to provide adequate care within defined geographical regions of the county.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*This recommendation will require additional analysis. The LTCIPP is working closely with stakeholders to list the scope of services that will be included in the design of the pilot project. The recommendation to expand facilities and staff resources is dependent on available resources.*

4. Health Services Agency should lobby state and federal authorities for:
  - A. Promulgation of federal regulations to prohibit arbitrary and involuntary disenrollments from Medicare HMOs because of the adverse impact they have at the local level.

**Response: Santa Cruz County Board of Supervisors AGREES**

*This recommendation will be implemented.*

- B. Protection of access by seniors to the advantages of HMO enrollment now and in the future, especially if the full coverage of alternatives in LTC services become a feasible benefit of membership in an HMO, as a result of the success of the PACE demonstrations now underway.

**Response: Santa Cruz County Board of Supervisors AGREES**

*This recommendation will be implemented. Consumer choice and access to care are principles supported by the County. Federal legislation and rates have a strong influence on this phenomenon.*

## **General response to report on Long Term Care**

### **Response : The Long Term Care Interagency Commission**

*The Long Term Care Interagency Commission advocates any efforts to improve quality of care, efficiency and cost of providing the range of services inherent to long term care systems. The goal of integrating the various components into a managed medical care system could provide a more accessible and seamless system for the frail seniors in need of services in our County. The Commission has followed the efforts of the Long Term Care Integration Pilot Project to develop a plan for a less fragmented system (with a single point of entry) for delivery- of long term care services in Santa Cruz County. The difficulty of dealing with the plethora of regulatory roadblocks inherent to the numerous agencies involved has been frustrating and the process slow. Designation of the Managed Medical Care Commission to carry out integration of long term care seems a viable vehicle to accomplish this enormous task.*

*We agree that the County must actively develop new systems to meet the growing needs of the aging population. Projections of dramatic increases to the senior population in the next 20 years demand we focus on developing innovative programs, such as the On Lok model, to address those needs of the aging residents of Santa Cruz County.*

*We concur with the recommendations as noted in the Report and recognize that implementation of them is contingent upon several factors: securing of federal waivers to pool funds; designation of the Managed Medical Care Commission or equivalent entity to develop a plan for Long Term Care integration; and expansion of the Alliance role, including strategies to reduce their financial risk during a demonstration project. Once federal waivers are obtained, such goals as development of a single point of entry for services and revision of the service delivery system can occur.*

*The Commission also supports the Report's recommendation that the Board of Supervisor's undertake efforts to develop manpower and community based facilities to address care needs within geographical regions in the County. Additionally, the Commission concurs with the recommendation for the Health Services Agency to lobby and advocate for improvements in Health Maintenance Organizations regarding access to Medicare for our County's senior population.*

# Review of Mental Health Services for Homeless Adults in Santa Cruz County

2001-2002 Grand Jury Report – Page 5-22

## **Recommendations**

1. The Santa Cruz County Board of Supervisors should provide leadership and support to foster efforts to create more affordable transitional and permanent housing with support services in our community for people with psychiatric disabilities, especially those who have been homeless.

### **Response: Santa Cruz County Board of Supervisors AGREES**

*This recommendation will continue to be implemented. The Board will continue to provide advocacy in this area. Several mental health grants have been developed to expand housing options.*

2. The Board of Supervisors and city councils should expand the capacity of successful, ongoing programs such as the Homeless Persons Health Project to help mentally ill adults who are homeless.

### **Response: Santa Cruz County Board of Supervisors AGREES**

*This recommendation has been implemented. The County Health Department was just awarded an expansion grant for the Homeless Persons Health Project.*

### **Response: City of Watsonville AGREES**

*The City has implemented this recommendation through supporting programs such as the Community Action Board Shelter Project. This program provides all homeless, including the mentally ill, the security of housing they need to aid in their treatment process. The Suicide Prevention Service of the Central Coast is another program supported by the City that is also available for the mentally ill homeless adults. Survivor support groups are organized as well as providing awareness of other community support resources. Furthermore, the City will further expand on this recommendation when future funding is available.*

### **Response: Santa Cruz City AGREES**

*The City of Santa Cruz continues to provide significant support to homeless services. While social services are not provided directly by the City, the City has over the years dedicated a significant portion of its Federal Community Development Block Grant (CDBG) funds toward homeless services. In addition, discretionary General Fund revenues have also been allocated toward homeless services on an annual basis through the City's Social Services Program (SSP) funding, including direct funding to the Homeless Services Center and River Street programs. In the current fiscal year, approximately \$255,000 in SSP funding has been allocated toward the Homeless Services Center, Interfaith Satellite Shelter Program, Page Smith Community House, and River Street Shelter.*

*With respect to the Homeless Persons Health Project, the City supports this well-established and beneficial program more indirectly through the support of the Homeless*

*Services Center, shelter programs, and the Page Smith Community House, all of which work closely with the Homeless Persons Health Project to provide a coordinated continuum of services. In addition, the master plan funded by the City of Santa Cruz for the Coral Street site that includes the Homeless Services Center, River Street Shelter, and Page Smith Community House, provides space in the new facility for the Homeless Persons Health Project.*

**Response: City of Capitola DISAGREES**

*The City has not implemented this recommendation. As stated, this recommendation is prospective for all agencies, and such a recommendation would require Council approval for the City of Capitola. Every year the City of Capitola considers this matter at budget time. The City of Capitola currently assists in the financing of a multitude of non profits. For fiscal year 2002/03 the amount of this financing exceeded a quarter of a million dollars. To evaluate the appropriation of money in this regard, the City has established a community grant process open to all community organization for application. Applications are reviewed and funded as part of the budget process. Any organization including those who assist the mentally ill adult homeless are welcome to apply.*

**Response: City of Santa Cruz AGREES**

*The City of Santa Cruz continues to provide significant support to homeless services. While social services are not provided directly by the City, the City has over the years dedicated a significant portion of its Federal Community Development Block Grant (CDBG) funds toward homeless services. In addition, discretionary General Fund revenues have also been allocated*

**Response: City of Scotts Valley AGREES**

*The City of Scotts Valley has not participated in the homeless persons health project. However, the City Council does participate financially on an annual basis through programs such as the Homeless Service Center. Should the homeless persons health project wish funding from the City of Scotts Valley, they may make such a request in May of 2003 for the City Council's consideration.*

3. The Board of Supervisors and city councils should continue to support the successful homeless service providers such as Homeless Services Center and River Street Programs.

**Response: Santa Cruz County Board of Supervisors**

*This recommendation has been implemented. The Board has implemented this recommendation through its support for the development of the new Family Shelter and new building for the Homeless Persons Health Project and for Homeless Services Center administration.*

**Response: City of Capitola**

*The City of Capitola has implemented this recommendation. Capitola City Council does now and has in the past funded the Homeless Services Center as direct City funding in the amount of \$2,334 for 2002/03, rather than as a grant program. The City of Capitola also provides a grant in the amount of \$4,000 to the Winter Shelter Program*

**Response: City of Santa Cruz AGREES**

*See response in Number 2.*

**Response: City of Scotts Valley AGREES**

*The City of Scotts Valley has implemented the recommendation by continuing to fund the Homeless Services Center based on their annual funding request of the City of Scotts Valley. In addition, the City of Scotts Valley has participated financially and with staff with the Santa Cruz County Continuum of Care Coordinating Group that is developing the Santa Cruz County 5- Year Strategic Plan on Homelessness. That report will be presented to the City Council at the Council meeting of September 18th with their findings and recommendations on reducing homelessness in the County of Santa Cruz.*

**Response: City of Watsonville AGREES**

*The City has implemented this recommendation through its continued support to such programs as the one mentioned in the above recommendation as well as the Salvation Army and the Pajaro Valley Shelter Services programs, These programs strive to transition its participants back into independent living,. Emergency shelter is provided with two meals per day as well as transportation to other shelters within Santa Cruz County. The Salvation Army also offers training to develop the skills needed to transition such as assistance with school attendance and job hunting,*

4. The Santa Cruz County Office of National Alliance for the Mentally Ill should continue its goal of training every police officer in the county to handle crisis situations involving persons who suffer from a mental illness.

**Response: Santa Cruz County Board of Supervisors AGREES**

*The County has no jurisdiction over the National Alliance for the Mentally Ill, but supports the organization's training activities.*

5. The County should give priority to assigning a van from the County Fleet Service for use by the Homeless Persons Health Project.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*This recommendation will not be implemented at this time. The County did not receive a request of this nature during budget hearings. Staff at HPHP can check out a van when they need one. Should the request be made in future years, it will be considered in the context of the County budget.*







# **Santa Cruz County**

## **Grand Jury**

**Response to the Final Report:**  
Section 6  
Schools and Libraries Committee Reports



# A Review of the Structure and Administration of the Santa Cruz County Public School Systems

## 2001-2002 Grand Jury Report – Page 6-1

### Response: Santa Cruz County Board of Education Santa Cruz County Office of Education

#### *Introduction*

*County superintendents and trustees appreciate the very complex nature of today's California school governments. Local educators also appreciate the Jury's effort to explain and improve school practices, structure and multi-tiered integration. It is this complexity that makes understanding the operations, efficiencies and integration of school districts a daunting effort. We hope the following response helps to clarify and edify difficult issues for Jury members and interested members of the public.*

*In Santa Cruz County, some of the top performing schools are in small districts. It is unclear how these schools and students would benefit from inclusion in larger districts and there are many aspects small districts offer students and parents that might be lost in a larger district. Small and relatively small school districts allow parents and staff to regularly express opinions and influence trustees. Parents often refer to their opportunity to participate in school governance as a reason for supporting smaller districts.*

*This document is not a comparative study of districts statewide. While it does not include a comprehensive study of districts throughout the state, it does contrast local districts with statewide averages. The response also individually addresses the Jury's findings and recommendations. (NOTE: Happy Valley Elementary School District, Mountain Elementary School District and Pacific School District included the following in their Response Reports.)*

#### Small Districts Succeed in Santa Cruz County

*While there are many educators who feel that comparing districts of different sizes and student populations is difficult at best, we believe that in using standard measurements any or all of our districts compare quite favorably with larger metropolitan school districts in general and with San Jose Unified School District (a model used by the Grand Jury) in specific.*

#### *Median API:*

*Individual efforts of the 10 districts combined for*

*Santa Cruz Co. 743*

*San Jose Unified 635/645*

*State of California 500*

*Percentage of high school Seniors completing University of California entrance requirements:*

*Individual efforts of the 10 districts combined for*

<i>Santa Cruz Co.</i>	<i>39.1%</i>
<i>San Jose Unified</i>	<i>36.8%</i>
<i>State of California</i>	<i>36.0%</i>
<i>Suspensions per 100 high school students</i>	
<i>Individual efforts of the 10 districts combined for</i>	
<i>Santa Cruz County</i>	<i>2.7</i>
<i>San Jose Unified</i>	<i>10.0</i>

*Santa Cruz County is at least 8 times larger in square miles than San Jose Unified School District. The geographical constraints of Santa Cruz County challenge a one-district concept. Busing students from Watsonville to Santa Cruz, or farther, would require extensive transportation resources that are currently not present in the County and are not reimbursed by the state. The acquisition, operation and maintenance of such an extensive fleet of vehicles would add extraordinary cost to a countywide district. For the one-district efficiencies to work, there would have to be busing. Busing is expensive and would be inconvenient for parents who would then have to make the commute themselves for child care needs, school open houses, sports activities, etc.*

*When looking to balance the intention to make the most of scarce educational resources and create appropriate curriculum and environments to promote student learning and achievement, consolidation may not be the best choice. Creating a central administration doesn't in all instances allow for the sharing of resources. If, in fact, there is classroom space in Boulder Creek, that is going to be virtually impossible to share with students in Watsonville, no matter how the schools are governed or organized.*

*Consolidation into one district may limit choice, as in a consolidation, all schools must be identical in policies and have an equitable division of property and facilities from the original districts. Districts may choose to have Jr. High or Middle Schools, or they could choose to make a school for grades 7 -12. They can combine schools on one campus or close schools depending on their local Boards and leadership. Consolidation would effectively cancel that flexibility in balancing budgets.*

*The COE often works with districts to form a consortium with other community organizations to integrate services and maximize resources. The County Office of Education and the ten districts are already volunteering to cooperate frequently when it is educationally and financially supportive. Examples include: Consolidated Applications, Coordinated Compliance Review, system for providing substitute teachers, cooperative meals (Soquel provides the lunches for Mountain), cooperative busing, shared employees, English Language Learner Support, and taking state surveys (the COE coordinates taking the California State Healthy Kids Survey for all schools). Among the programs and services already consolidated and provided by the COE to districts are: Regional Occupational Programs; Special Education Programs; Alternative Education Programs; Outdoor Science Educational Program; payroll services; debt funding assistance; technology services; new teacher support; Baldrige in Education training; homeless population education; applicant fingerprint processing; processing teacher credentials;*

*migrant population educational services; childcare resources and referrals; and retirement counseling.*

*Small districts may receive more funding per pupil as there is frequently a minimum grant amount. This gain would be lost with consolidation. Parent fundraising is a large part of smaller district supplemental revenues. This would likely proportionately decline in a larger district. The percentage of parental involvement in small districts may be greater, including volunteer time.*

*The COE regularly provides schools and districts with assistance on grants. An example: We just receive~ a \$10,000 Community Foundation grant to create a School Emergency Response with a Mental Health Protocol. We meet with representatives from all districts to create emergency mental health response materials that can be downloaded from the COE website to respond to a critical incident.*

*Other examples:*

<i>GRANTS AWARDED TO COE</i>	<i>BENEFITTING SCHOOLS COUNTYWIDE</i>	<i>IMPACT</i>
<i>Digital High School</i>	<i>All high schools</i>	<i>\$300 / student - 1 s/ year \$45/student ongoing funds</i>
<i>Arts Work Grants</i>	<i>Live Oak, SLVUSD</i>	<i>\$375,000 in four years</i>
<i>Distinguished Schools Applications</i>	<i>4 Elementary schools this year</i>	<i>No monetary reward state recognition program</i>
<i>Packard Foundation</i>	<i>Theater at SLVHS</i>	<i>\$130,000</i>
<i>Academic Systems</i>	<i>Middle School Math pilot</i>	<i>\$250,000</i>
<i>New Teacher Project</i>	<i>All schools in every district</i>	<i>Essential new teacher and new principal support</i>
<i>AB 496 Credentialing teachers in math</i>	<i>Santa Cruz City Schools</i>	<i>\$162,000</i>
<i>AB 1331 Math Training</i>	<i>All districts except Soquel</i>	<i>\$606,046</i>
<i>AB 75 Principal Training</i>	<i>All districts</i>	<i>\$4,00 per site admin</i>
<i>AB 466 - Math and English/Language Arts studies training</i>	<i>All districts</i>	<i>\$2,500 per teacher K-6, and 7-12 math, science, social and English teachers</i>
<i>Science Fair</i>	<i>All districts training</i>	<i>State &amp; International winners and, secondarily, all participating students</i>
<i>Mock Trial</i>	<i>High school Teams training</i>	<i>State Competition</i>
<i>COE Technology Dept</i>	<i>All schools, all districts</i>	<i>Network structure, e-mail county wide</i>

CA Drug and Alcohol Grant	All districts	\$4.50/ student
Cal Safe Grants	All districts training	\$316,000
Tobacco Grant	All districts	\$37/student

*Santa Cruz County Office of Education revenue derived from grants that are partnered with or provide services to either select or all districts totaled \$11,365,777 in the 2001-2002 fiscal year. Other grants that the COE assists in preparing are enumerated in the COE and district budgets.*

**Enrollment Decline and Consolidation**

*If the major problem is a decline in enrollment, does consolidation address the issue? Does merging all districts into one increase the number of students? Addressed in terms of percentage, parental involvement, including volunteered time, may be greater in a smaller district. Eliminating parent choice of district of attendance will likely lead to an increase in opting out of the public school system, choosing private schools, or creating their own charter school, leading to a further decline of public school enrollment.*

*The Grand Jury suggests that the County Board of Education and County Office of Education promote the consolidation of school districts. The jury may not be aware of the role in school district organization by the County Committee for School District Organization, which is comprised of the elected members of the County Board of Education. Although code allows the County Committee on School District Organization to initiate district reorganization, the Committee has chosen primarily to serve as a review board for either districts(s) or citizen initiated actions. Serving constituents and their communities of interest is significant to the Committee. To promote such proposals could be construed to appear prejudicial.*

**Findings**

1. Table 2 illustrates that having ten school districts in the county creates a duplication of administrative functions.

**Administrative Functions Matrix**

	COE	PVUSD	SC	SV	SLV	SOQ	LO	(4) One-School Districts
Superintendent	X	X	X	X	X	X	X	X
Assistant Superintendent	X	X	X	X	X	X	X	
Business Services	X	X	X	X	X	X	X	X
Bond Projects	X	X	X	X	X	X	X	X
Finance	X	X	X	X	X	X	X	X
Facility	X	X	X	X	X	X	X	X

Food Services	X	X	X	X	X	X	X	X
Purchases	X	X	X	X	X	X	X	X
Curriculum	X	X	X	X	X	X	X	X
Staff Development	X	X	X	X	X	X	X	X
Student Support Services	X	X	X	X	X	X	X	X
Technology	X	X	X	X	X	X	X	X
Health Services	X	X	X	X	X	X	X	X
Human Resources	X	X	X	X	X	X	X	X
Teacher Contracts	X	X	X	X	X	X	X	
Union, Lease, Project Contracts	X	X	X	X	X	X	X	

**Table 2.**

The matrix does not include duplicated positions in each district for special education. These positions are included in the Special Education Local Program Administration (SELPA) and are discussed later in this report.

**Response: Santa Cruz County Office of Education PARTIALLY AGREES**

*While we agree that some functions are duplicated as stated in the finding, those functions are in many instances in response to state mandated requirements to provide certain administrative directives. We do not agree that Table 2 reflects the personnel allocation for such efforts and want to make a distinction between function and position. For instance, in most of the small and medium size districts, sometimes one or a few administrators provide for the entire roster of duties contained in the table. In larger districts, due to the number of sites and variances required to accommodate the special needs of a diversely populated district, a number of people are required to accomplish like or similar tasks. The chart suggests that all districts employ a like number of administrators to perform the various functions This is not the case. A duplication of function does not, in all instances, equate to a duplication of position. Some administrative functions are driven by the number and special needs of students enrolled in any particular district. For example, a district with a large percentage of English Language Learners would require an administrator specializing in supporting that population as required by state and federal guidelines. Another district, regardless of the total number of students enrolled, may not have an English Language Learner population to serve and would not employ an administrator with that focus. In addition, as it is the function of administrators to support and be a resource to teachers and students at the classroom level, we do not believe that a duplication of function is counterproductive to student achievement. In fact, it is our belief that a well-run district provides for an integration of services provided to promote classroom excellence and student success.*

**Response: Bonny Doon School PARTIALLY AGREES**

*While we agree that some functions are duplicated as stated in the finding, those functions exist in many instances as responses to state-mandated requirements to provide certain administrative directives. We do not agree that Table 2 reflects the manpower allocation for such efforts. Specifically, the chart suggests that all school districts employ a like number of administrators to perform the various administrative functions. This is not true. A duplication of function does not equate to a duplication of positions.*

**Response: Pacific School District PARTIALLY AGREES**

*Same response as the County Office of Education*

**Response: Happy Valley Elementary School District PARTIALLY AGREES**

*Same response as the County Office of Education*

**Response: Mountain Elementary School District PARTIALLY AGREES**

*Same response as the County Office of Education, with added comment: At Mountain ESD, all checked positions are actually performed by the one administrator who also serves as the school's principal.*

**Response: Live Oak School District PARTIALLY AGREES**

*Table 2 reflects the manpower allocation for such efforts and want to make a distinction between function and position. For instance, in most of the small and medium size districts, sometimes one or a few administrators provide for the entire roster of duties contained in the table. In larger districts, due to the number of sites and variances required to accommodate the special needs of a diversely populated district, a number of people are required to accomplish like or similar tasks. The chart suggests that all districts employ a like number of administrators to perform the various functions. This is not the case. A duplication of function does not, in all instances, equate to a duplication of position. Some administrative functions are driven by the number and special needs of students enrolled in any particular district. A well-run district provides for an intimacy of services provided to promote classroom excellence and student success.*

**Response: Santa Cruz City School District PARTIALLY AGREES**

*We agree that some functions are replicated as stated in the finding, those functions are in many instances in response to state mandated requirements to provide certain administrative directives. We do not agree that Table 2 reflects the manpower allocation for such efforts and want to make a distinction between function and position. For instance, in most of the small and medium size districts, sometimes one or a few administrators provide for the entire roster of duties contained in the table. In larger districts, due to the number of sites and variances required to accommodate the special needs of a diversely populated district, a number of people are required to accomplish like or similar tasks. The chart suggests that all districts employ a like number of administrators to perform the various functions. This is not the case. A replication of function does not, in all instances, equate to a duplication of position. Some administrative functions are driven by the number and special needs of students enrolled in any particular district.*



**Response: Soquel Union Elementary School District PARTIALLY AGREES**

*The chart suggests that all districts employ a like number of administrators to perform the various functions. This is not the case. Though some functions may be duplicated as stated in the finding, those functions are in many instances in response to state mandated requirements to provide certain administrative directives. We do not agree that Table 2 reflects the manpower allocation for such efforts and want to make a distinction between function and position. For instance, in most of the small and medium size districts, sometimes one or a few administrators provide for the entire roster of duties contained in the table.*

*Soquel Union Elementary School District has only 3.5 District administrators. These 3.5 people perform all of the sixteen administrative functions listed in the chart, with the assistance of a Supervisor of Maintenance, Transportation and Food Services and a Technology Coordinator.*

*Some administrative functions are driven by the number and special needs of students enrolled in any particular district. For example, a district with a large percentage of English Language Learners may employ an administrator whose sole duties are to support that population. Another district, regardless of the total number of students enrolled, may have a small English Language Learner population to serve and would not employ an administrator with that focus. In Soquel schools, a principal with expertise in this area oversees programs for English Learners.*

**Response: San Lorenzo Valley School District PARTIALLY AGREES**

*Same response as the County Office of Education with added comment: In the San Lorenzo Valley Unified School District, one or a few administrators provide for the entire roster of duties contained in the table. The chart suggests that all districts employ a like number of administrators to perform the various functions. This is not the case. A duplication of function does not equate to a duplication of position. In addition, as it is the function of administrators to support and be a resource to teachers and students at the classroom level, we do not believe that a duplication of function is counterproductive to student achievement. In fact, it is our belief that a well-run district provides for an integration of services provided to promote classroom excellence and student success.*

**Response: Scotts Valley Unified School District PARTIALLY AGREES**

*Same response as the County Office of Education*

**Response: Pajaro Valley Unified School District PARTIALLY AGREES**

*In a large district like Pajaro Valley, the functions listed may be performed by more than one person in some cases and multiple functions by a single person in other cases. An example is that Curriculum and Staff Development are performed by a single person whereas there are three Assistant Superintendents covering three geographic zones in the District. The larger the district, the more staff it takes to perform many of the functions.*

2. Table 3 details the cost per student in each of the school districts in Santa Cruz County.

**Cost Per Student Comparison**

	<b>Actual Expenditure</b>	<b>Number of Students</b>	<b>Number of Schools</b>	<b>Cost per Student</b>
(4) One-School Districts: Bonny Doon, Happy Valley, Mountain, Pacific Elementary	\$4,660,810	540	4	\$8,631
Live Oak School District	\$16,346,121	1,994	4	\$8,198
Soquel Elementary School District	\$14,344,059	2,142	5	\$6,697
Scotts Valley Unified School District	\$14,578,141	2,591	4	\$5,626
San Lorenzo Unified School District	\$27,086,531	3,996	6	\$6,778
Santa Cruz City School District	\$56,537,272	7,998	12	\$7,069
Pajaro Valley Unified School District	\$142,649,320	19,863	24	\$7,182
<b>Combined Budget:</b>	<b>\$276,202,254*</b>	<b>39,124</b>	<b>59</b>	<b>\$7,060</b>

\*Includes monies for 538 Special Education and Alternative Education students with the COE and 257 students at Pacific Collegiate Charter School.

**Table 3.**

**Response: Santa Cruz County Office of Education DISAGREES**

*The chart does not accurately reflect the basic cost of educating each student in the districts listed. The following table reflects our calculations based upon fiscal year 2000-01 audited actual expenditures and student enrollment (California Basic Educational Data System)- CBEDS - count and Average Daily Attendance - ADA figures*

	<b>Audited Actuals General Fund Expenditures FY 2000-01</b>	<b>2000-01 Students (CBEDS)</b>	<b>2000-01 (P-2) ADA</b>	<b>Number of Schools</b>	<b>Cost/Student (CBEDS)</b>	<b>Cost/ADA (P-2)</b>
One-school Districts *	\$ 4,655,998	534	514	4	\$ 8,719	\$ 9,057
Live Oak Elementary	13,985,451	2,116	2,000	4	6,609	6,993
Soquel	14,939,229	2,287	2,146	5	6,532	6,962
Scotts Valley	14,479,925	2,385	2,273	4	6,071	6,372
San Lorenzo Valley	24,993,762	4,179	3,920	6	5,981	6,377

Santa Cruz City Schools Dist	57,215,237	8,415	7,849	12	6,799	7,289
Pajaro Valley USD	139,251,209	19,886	18,411	24	7,002	7,563
Combined Expenditures/Totals	\$269,520,811	39,802	37,113	59	\$ 6,772	\$ 7,262

**Response: Bonny Doon School DISAGREES**

*The chart does not accurately reflect the basic cost of educating each student in the districts listed. Correct information is available in the County Office of Education response to this finding.*

**Response: Scotts Valley Unified School District DISAGREES**

*The chart does not accurately reflect the basic cost of educating each student in SVUSD. The following table reflects our calculations based upon fiscal year 2000-01 audited actual expenditures and student enrollment (California Basic Educational Data System – CBEDS - count and Average Daily Attendance – ADA – figures).*

	<i>Audited Actuals General Fund Expenditures FY 2000-01</i>	<i>2000-01 Students (CBEDS)</i>	<i>2000-01 (P-2) ADA</i>	<i>Number of Schools</i>	<i>Cost/Student (CBEDS)</i>	<i>Cost/ADA (P-2)</i>
<i>Scotts Valley</i>	<i>14,479,925</i>	<i>2,385</i>	<i>2,273</i>	<i>4</i>	<i>6,071</i>	<i>6,372</i>

**Response: Happy Valley Elementary School District DISAGREES**

*Same response as the County Office of Education.*

**Response: Mountain Elementary School District DISAGREES**

*Same response as the County Office of Education with the following added comment Mountain ESD would like the Grand Jury to recognize this note which indicates that we did not receive a concentration grant and that our per pupil spending was much lower than indicated on the chart. During the 2001-02 school year, Mountain’s total expenditures (per unaudited actuals) was \$1,072,966.02. This includes both restricted and unrestricted funds. If we divide this number by our CBEDS enrollment of 153, you get a per pupil expenditure of \$7012.85; if it is divided by our year end –average daily attendance of 149.5, the per pupil expenditure would be \$7177.03. This is certainly less than the Cost/ADA of the two largest districts in the county.*

**Response: Santa Cruz City School District DISAGREES**

*Same response as the County Office of Education.*

**Response: Live Oak School District DISAGREES**

*Same responses as the County Office of Education.*

**Response: Pacific School District DISAGREES**

*Same response as the County Office of Education.*

**Response: San Lorenzo Valley School District DISAGREES**

*Same response as the County Office of Education.*

**Response: Soquel Union Elementary School District DISAGREES**

*Same response as the County Office of Education with the following added comment:  
Each school district in the county receives different state and federal grants. These may be included in expenditure calculations, but do not reflect the cost of a "basic" education. Different districts will have different funding and resources based upon special populations or grant opportunities. Comparisons that include special or restricted dollars are problematic.*

**Response: Pajaro Valley Unified School District DISAGREES**

*It depends on what is to be implied from the chart because the numbers are not really accurate. The actual expenditure includes the general fund unrestricted along with restricted funds for special education, transportation, lottery, and special projects and grants (including one time funds and prior year carryovers) but does not include funds for adult education, cafeteria, children's center and construction.*

*The number of students appears to be enrollment and not ADA which is used to fund most district functions. The number of sites is incorrect and does not include children's centers, community day schools, and the five charter schools. The resulting cost per student shows relative costs, based on some unspecified assumptions, but does not allow for a direct comparison with the other districts.*

## **Declining Enrollment**

3. Santa Cruz County school administrators agree that all of the school districts are concerned about the effects of declining enrollment.

**Response: Santa Cruz County Office of Education AGREES**

*Population fluctuations in general and student populations in particular are generally unpredictable. Population decreases and increases are monitored and projections made as closely as possible. Since a large percentage of school income is based on the number of students, districts attempt to accurately predict the number of students for budget projections. Schools that are witnessing declining enrollment have adjusted their budgets and will continue to adjust to maintain balanced budgets and consistent services. Reference Santa Cruz Sentinel article Thursday, August 29, 2002, headlined, "Class-size crunch, First day of school sees more students than expected." Enrollment figures are up from projections for the current school year, indicating enrollment decline may be leveling off.*

**Response: Santa Cruz City School District AGREES**

**Response: Pajaro Valley Unified School District DISAGREES**

*Pajaro Valley Unified has grown in student population until the past year when the enrollment Stabilized. The district does not anticipate any decline in enrollment over the next five years.*

**Response: San Lorenzo Valley School District AGREES**

*Response is the same as the County Office of Education with the added comment:*

*SVUSD is experiencing overall enrollment growth due to the addition of new students at Scotts Valley High School (SVHS). This year SVHS seated its first senior class and overall enrollment for the high school is expected to continue to grow through the 2003-2004 school year. The District's K-8 enrollment is declining slightly.*

**Response: Bonny Doon School AGREES**

Schools in Santa Cruz County that are witnessing declining enrollments have adjusted their budgets and will continue to maintain balanced budgets and consistent services.

**Response: Pacific School District AGREES**

*Response is the same as the County Office of Education.*

**Response: Scotts Valley Unified School District AGREES**

*Same response as the County Office of Education with the following added comment: SVUSD is experiencing overall enrollment growth due to the addition of new students at Scotts Valley High School (SVHS). This year SVHS seated its first senior class and overall enrollment for the high school is expected to continue to grow through the 2003-2004 school year. The District's K-8 enrollment is declining slightly.*

**Response: Happy Valley Elementary School District AGREES**

*Response is the same as the County Office of Education.*

**Response: Soquel Union Elementary School District AGREES**

*Response is the same as the County Office of Education.*

**Response: Mountain Elementary School District AGREES**

*Response is the same as the County Office of Education with the added comment:*

***However, Mountain EDS's enrollment during the school year 2001-02 increased from the prior years.***

**Response: Live Oak School District AGREES**

*Since a large percentage of school income is based on the number of students, districts attempt to accurately predict the number of students for budget projection. Schools who are witnessing declining enrollment have adjusted their budgets and will continue to reorganize in order to do so.*

4. Santa Cruz School District lost 720 students in 2000/2001.

**Response: Santa Cruz County Office of Education DISAGREES**

*The current Demographic Study produced by the California Department of Education (CDE) (\* Educational Demographics Unit @ data1.cde.ca.gov/dataquest) indicates that SCCS declined by 417 students from 2000-01 to 2001-02. If calculated in the years 2000 and 2001, enrollment declined by 705 students. Many of these students predictably now attend Scotts Valley High School and charter schools within the County.*

**Response: Bonny Doon School DISAGREES**

*While that school district is experiencing declining enrollment, and also while we have no direct access to their documentation, so large a number as 720 students seems prima facie to be impossibly large.*

**Response: Soquel Union Elementary School District DISAGREES**

*Response the same as the County Office of Education with following additional comment:*

*Soquel Union Elementary School District has no direct data upon which to base a response to factual statements about other districts.*

**Response: Santa Cruz City School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Pacific School DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Scotts Valley Unified School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: San Lorenzo Valley Unified School District**

*It would be inappropriate for the San Lorenzo Valley Unified School District to respond for another public agency.*

**Response: Happy Valley Elementary School District DISAGREES**

*Response is the same as the County Office of Education with added comment:*

*It is not appropriate to respond for another public agency.*

**Response: Mountain Elementary School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Live Oak School District DISAGREES**

*It is inappropriate to respond for another public entity. The current Demographic Study produced by the California Department of Education (CDE) (\* Educational Demographics Unit @ data1.cde.ca.gov/dataquest) indicates that SCCS declined by 417 students from 2000-01 to 2001-02. If calculated in the years 2000 and 2001, enrollment declined by 705 students. Many of these students predictably !now attend Scotts Valley High School and charter schools within the County.*

5. Bonny Doon School District lost 112 students over five years.

**Response: Santa Cruz County Office of Education DISAGREES**

*The CDE Demographic Study indicates a decline of 68 students in the past 5 years.*

**Response: San Lorenzo Valley School District**

*It is inappropriate to respond for another public entity.*

**Response: Bonny Doon School DISAGREES**

*The California Department of Education's Educational Demographics Unit reports a decline of 68 students during the past five years.*

**Response: Soquel Union Elementary School District DISAGREES**

*Soquel Union Elementary School District has no direct data upon which to base a response to factual statements about other districts. However, the CDE Demographic Study indicates a decline of 68 students in the past 5 years.*

**Response: Scotts Valley Unified School District**

*SVUSD is not in a position to comment with any certainty regarding issues related to Bonny Doon School District.*

**Response: San Lorenzo Valley School District**

*It is inappropriate to respond for another public entity.*

**Response: Happy Valley Elementary School District DISAGREES**

*The CDE Demographic Study indicates a decline of 68 students in the past 5 years.*

**Response: Mountain Elementary School District DISAGREES**

*The CDE Demographic Study indicates a decline of 68 students in the past 5 years.*

*It is not appropriate to respond for another public agency.*

**Response: Live Oak School District DISAGREES**

*It is inappropriate to respond for another public entity. The CDE Demographic Study indicates a decline of 68 students in the past 5 years.*

**Response: Santa Cruz City School District**

*Cannot agree, partially agree or disagree. SCCS does not track enrollment data for other district in our county.*

6. Soquel School District lost 140 students over five years.

**Response: Santa Cruz County Office of Education DISAGREES**

*The CDE Demographic Study indicates a decline of 307 students in the past 5 years.*

**Response: Santa Cruz City School District**

*Cannot agree, partially agree or disagree. SCCS does not track enrollment data for other district in our county.*

**Response: Scotts Valley Unified School District**

*SVUSD is not in a position to comment with any certainty regarding issues related to Soquel School District.*

**Response: San Lorenzo Valley School District**

*It is inappropriate to respond for another public entity.*

**Response: Bonny Doon School**

*Unable to respond. We have no access to that district's enrollment information.*

**Response: Soquel Union Elementary School District DISAGREES**

*The CBEDS enrollment in 1996 was 2403. The CBEDS enrollment in 2001 was 2142. This is a difference of 261 students. However, this year's enrollment to date reflects less than 1 % of a decline in enrollment from last year's CBEDS count, which may reflect a slowing in the rate of decline. Enrollment tends to be cyclical, with periods of decline followed by periods of growth over time.*

**Response: Happy Valley Elementary School District DISAGREES**

*The CDE Demographic Study indicates a decline of 307 students in the past 5 years.*

**Response: Mountain Elementary School District DISAGREES**

*It is inappropriate to respond for another public entity. The CDE Demographic Study indicates a decline of 307 students in the past 5 years.*

**Response: Pacific School District DISAGREES**

*The CDE Demographic Study indicates a decline of 307 students in the past 5 years.*

**Response: Live Oak School District DISAGREES**

*It is inappropriate to respond for another public entity. The CDE Demographic Study indicates a decline of 307 students in the past 5 years.*

7. Administrators at Live Oak, Pacific and San Lorenzo Valley state that they have all experienced declining enrollment.

**Response: Santa Cruz County Office of Education AGREES**

**Response: Santa Cruz City School District AGREES**

**Response: Bonny Doon School**

*Unable to respond. We have had no communication with those districts' administrators on this subject.*

**Response: Scotts Valley Unified School District**

*SVUSD is not in a position to comment with any certainty regarding issues related to these district.*

**Response: Happy Valley Elementary School District AGREES**



**Response: San Lorenzo Valley School District AGREES**

*With regard to Live Oak, it would be inappropriate for the San Lorenzo Valley Unified School District to respond for another public agency. With regard to the San Lorenzo Valley Unified School District, agree.*

**Response: Mountain Elementary School District AGREES**

*It is inappropriate to respond for another public entity.*

**Response: Soquel Union Elementary School District AGREES**

**Response: Pacific School District – PARTIALLY AGREES**

*The data need to show a broader time period, not declining enrollment in a single year. The statement is taken out of context. The study needs to look at interdistrict transfers to show trends and determine if enrollment is stable. Also, the study should look at reasons for transfers. Pacific School District has experienced an increase in enrollment over the past three years. When interviewed by the Jury members, our response was that we had slightly declined from the previous year, however, we had increased much more in the previous year. The enrollment at Pacific School District is not declining, but stable at a slightly higher number than enrollment over the past twenty years.*

**Response: Live Oak School District AGREES**

8. Many schools that have not shown a drop in enrollment have zero growth.

**Response: Santa Cruz County Office of Education PARTIALLY AGREES**

*In general, this is an accurate statement; however, the Scotts Valley Unified School District increased by 207 students, a predictable shift of student population due to the opening of the new Scotts Valley High School.*

**Response: Bonny Doon School**

*Unable to respond. We have had no access to this category of information.*

**Response: Santa Cruz City School District**

*Cannot agree, partially agree or disagree. SCCS does not track enrollment data for other district in our county.*

**Response: Soquel Union Elementary School District PARTIALLY AGREES**

*Soquel Union Elementary School District has no direct data upon which to base a response to factual statements about other districts. Based on discussions at Superintendent's Council meetings, this statement reflects comments made by the Superintendents of those districts. However, the Scotts Valley Unified School District increased by 207 students, a predictable shift of student population due to the opening of the new Scotts Valley High School.*

**Response: Scotts Valley Unified School District PARTIALLY AGREES**

*Response is the same as the County Office of Education.*

**Response: Happy Valley Elementary School District PARTIALLY AGREES**

*Response is the same as the County Office of Education.*

**Response: Mountain Elementary School District PARTIALLY AGREES**

**Response: Pacific School District PARTIALLY AGREES**

*Response is the same as the County Office of Education.*

**Response: Live Oak School District PARTIALLY AGREES**

*Based upon the Demographic Study only two (2) school districts reflected an increase in enrollment in 2001-02. Happy Valley increased by 1 student and Mountain increased by 5 students.*

**Response: San Lorenzo Valley School District**

*It is inappropriate to respond for another public entity.*

**Response: Pajaro Valley Unified School District DISAGREES**

*The 15 elementary, 5 middle schools and 3 high schools will vary in enrollment each year depending to a degree on the location of our large migrant population. The total districts population is not declining.*

9. According to the State Franchise Tax Board, Santa Cruz County will lose an additional 2,200 students by the year 2010.

**Response: Santa Cruz County Office of Education AGREES**

*If the decline continues at the same rate as from 2000-01 to 2001-02 (1.3%), it is possible that the enrollment could decrease at least 2,200 students within the next 8 years. However, a number of issues still could effect the student population, (i.e. building lower cost housing for Santa Cruz, etc.). In addition, the further out in time that predictions are made, the more unreliable the results become. Straight- line trending is highly unreliable, especially as the timeline is extended.*

**Response: Bonny Doon School**

*Unable to respond. We have had no access to this category of information.*

**Response: Santa Cruz City School District PARTIALLY AGREES**

*Response is the same as the County Office of Education.*

**Response: Mountain Elementary School District PARTIALLY AGREES**

*Response is the same as the County Office of Education.*

**Response: Scotts Valley Unified School District PARTIALLY AGREES**

*Response is the same as the County Office of Education*

**Response: Soquel Union Elementary School District PARTIALLY AGREES**

*Response is the same as the County Office of Education.*

**Response: Happy Valley Elementary School District PARTIALLY AGREES**

*Response is the same as the County Office of Education.*

**Response: Pacific School District AGREES**

*Response is the same as the County Office of Education*

**Response: Live Oak School District PARTIALLY AGREES**

*Response is the same as the County Office of Education.*

**Response: San Lorenzo Valley School District PARTIALLY AGREES**

*Response is the same as the County Office of Education*

**Response: Pajaro Valley Unified School District DISAGREES**

*We have no way of knowing the source or accuracy of this information but it is academic to the Pajaro Valley District for we expect a level population due to the projected housing growth within our district.*

10. Some northern classrooms have empty desks while many southern classrooms experience overcrowding.

**Response: Santa Cruz County Office of Education DISAGREES**

*The assumption that declining enrollment creates empty classrooms is inaccurate. There are a multitude of programs and services looking for space in our schools (i.e. music, libraries, continuation schools, child-care facilities and charter programs). Classroom space fluctuates with the changing demands for services. All districts have plans for student growth and decline, and hire only the number of teachers needed to teach the enrolled students. The districts make adjustments annually in the number of teachers and the use of classrooms. Available to families is an inter district transfer process, based on parent requests, which allows students to move across district boundaries.*

**Response: Bonny Doon School DISAGREES**

*The implication of this statement is that declining enrollment creates empty desks. On the contrary, classroom space fluctuates with changing demands for service; and districts make annual adjustments in the size of their teaching staff and the number of classrooms in use.*

**Response: Santa Cruz City School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Scotts Valley Unified School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Soquel Union Elementary School District DISAGREES**

*Response is the same as the County Office of Education with the additional comment: In the Soquel district, our facilities remain overcrowded in spite of the recent declines in enrollment.*

**Response: San Lorenzo Valley School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Mountain Elementary School District DISAGREES**

*Response the same as the County Office of Education with the additional comment: Mountain ESD has no empty classrooms; in fact, is overflowing with students. Special pull-out programs like music and dance have limited space and crowded conditions.*

**Response: Happy Valley Elementary School District DISAGREES**

*The response is the same as the County Office of Education.*

**Response: Pacific School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Live Oak School District DISAGREES**

*Solutions to declining enrollment do not create empty classrooms as there are a multitude of programs and services looking for space in our schools (i.e. music, art, libraries, Even Start, child development expansion, etc.). All districts have plans for student growth and decline, and hire only the number of teachers needed to teach the enrolled students. The districts make adjustments annually in the number of teachers and the use of classrooms.*

**Response: Pajaro Valley Unified School District DISAGREES**

*The Pajaro Valley District is constructing a new high school which will relieve the overcrowding at the high school level. Two elementary schools have been approved by the State Allocation Board and will be funded with the passage of the State Bond in November. These schools will relieve overcrowding at the elementary level. Otherwise, it is costly and inefficient to transport students from Watsonville to areas around Santa Cruz. Neighborhood schools are necessary to effectively provide before and after school programs as well as co-curricular and extra-curricular activities.*

## **Deficits**

11. Most school districts are experiencing financial difficulties. Studies suggest that by the year 2010, Santa Cruz County public schools will lose approximately \$21,455,390 due to a drop in Average Daily Attendance (ADA).

**Response: Santa Cruz County Office of Education AGREES**

*If the decline continues at the same rate as from 2000-02 to 2001-02 (1.3%), it is possible the statement could be accurate. Again, we stress the unreliability of straight-line trending which may not hold validity over an extended period. Additionally, there are other factors unrelated to enrollment/average daily attendance that affect the finances of a school district.*

**Response: Bonny Doon School DISAGREES**

*We are unaware that six of the County's ten school districts "are experiencing financial difficulties", which is not a defined term in this context in any case. Further, no school district business officer would make an eight year prediction of revenue loss on a county-wide basis. The intervening economic, demographic and political variables are too numerous to give any credibility to such a forecast.*

**Response: Santa Cruz City School District AGREES**

**Response: Pajaro Valley Unified School District PARTIALLY AGREES**

*Many school districts are experience financial difficulties because the State is not properly funding local school districts. Even in good years, the State has become very prescriptive with much of the new funding, leaving districts with few discretionary funds with which to address local financial issues. The drop in enrollment and the resulting lost of state apportionment will occur no matter how many districts there are in the County.*

**Response: Soquel Union Elementary School District PARTIALLY AGREES**

*Response is the same as the County Office of Education with the added comment:*

*As stated earlier, although a decline in students was predicted for Soquel schools this year, at the time of this writing, Soquel Schools have experienced an enrollment that is almost identical to last year's CBEDS*

**Response: San Lorenzo Valley School District AGREES**

*Response is the same as the County Office of Education.*

**Response: Scotts Valley Unified School District AGREES**

*Response is the same as the County Office of Education.*

**Response: Happy Valley Elementary School District AGREES**

*Response is the same as the County Office of Education.*

**Response: Pacific School District AGREES**

*Response is the same as the County Office of Education.*

**Response: Mountain Elementary School District AGREE**

*If the decline continues at the same rate as from 2000-1 to 2001-02 (1.3%), it is possible the statement could be accurate. Again, we stress the unreliability of straight-line trending which may not hold validity over an extended period. Additionally, there are other factors unrelated to enrollment/average daily attendance that affect the finances of a school district*

**Response: Live Oak School District AGREES**

*Cumulatively, if the decline continues, this amount could be realistic. School budgets are done annually, based on the ADA, with staffs increasing or decreasing to balance the budget. Districts will be required to adjust their staffs accordingly.*

12. Additional funds are available from the State as incentives for more efficiently organized districts. Based upon today's figures the incentives are \$20 per student, which equates to approximately \$800,000 potentially available to County schools.

**Response: Santa Cruz County Office of Education DISAGREES**

*These funds have not been available for over 20 years. Currently, the only incentive funding we are aware of (private funding through the Gates Foundation), encourages smaller as opposed to larger districts.*

**Response: Bonny Doon School DISAGREES**

*These funds have not been available for more than twenty years. Currently, the only incentive we are aware of (private funding through the Gates Foundation) encourages smaller - not larger - school districts.*

**Response: Soquel Union Elementary School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Santa Cruz City School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: San Lorenzo Valley School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Scotts Valley Unified School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Happy Valley Elementary School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Mountain Elementary School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Pacific School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Live Oak School District DISAGREES**

*These funds have not been available for over 20 years. Currently, the only incentive funding we are aware of (Gates funding), encourages smaller as opposed to larger districts. Unified school districts (K-12) have a higher revenue limit per student than most elementary (K-8) districts.*

**Response: Pajaro Valley Unified School District DISAGREES**

*This unification incentive has not been available for at least 20 years. The last major effort by the State to unify districts throughout the state was in the mid 1970s.*

13. School districts in Santa Cruz County do not employ professional project managers to oversee major building renovation projects. This exposes the districts to cost overruns and waste.

**Response: Santa Cruz County Office of Education DISAGREES**

*All districts with major renovation projects, including Scotts Valley, Santa Cruz, San Lorenzo Valley, Live Oak, Pajaro Valley and Soquel, have hired professional project managers coupled with employee liaisons.*

**Response: Bonny Doon School DISAGREES**

*All school districts in Santa Cruz County with major renovation projects have hired professional project managers and employee liaisons. This unfounded assertion is egregiously false and offensive to the school districts' management.*

**Response: Soquel Union Elementary School District DISAGREES**

*All districts with major renovation projects, including Scotts Valley, Santa Cruz, San Lorenzo Valley, Live Oak, Pajaro Valley and Soquel, report having hired professional project managers. Soquel Union Elementary School District employs a Construction Manager to oversee the bond projects in progress. This Construction Manager has extensive experience with private and public construction.*

**Response: San Lorenzo Valley School District DISAGREES**

*We have hired professional project managers to oversee our projects.*

**Response: Scotts Valley Unified School District DISAGREES**

*Scotts Valley Unified School District employed professional construction and project management firms during the modernization of Brook Knoll Elementary School and the construction of Scotts Valley High School.*

**Response: Happy Valley Elementary School District DISAGREES**

*All districts with major renovation projects including Scotts Valley, Santa Cruz, San Lorenzo Valley, Live Oak, Pajaro Valley and Soquel, have hired professional project managers coupled with employee liaisons.*

**Response: Mountain Elementary School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Pacific School District DISAGREES**

*All school districts in Santa Cruz County with major renovation projects have hired professional project managers and employee liaisons.*

**Response: Santa Cruz City School District DISAGREES**

*Santa Cruz City Schools has hired professional project managers coupled with employee liaisons to oversee our modernization projects.*

**Response: Live Oak School District DISAGREES**

*Live Oak has hired professional project managers and employee liaisons. Live Oak School District has had the services of a project manager (2001-02) on its last modernization project (Green Acres Elementary School).*

**Response: Pajaro Valley Unified School District DISAGREES**

*Pajaro Valley uses professional Construction Managers to oversee all our modernization projects which have been completed on time and within budget. The Construction Managers were selected through a competitive process described in Board Policy.*

## **Special Education Programs**

14. Special Education Programs are Federally and State mandated but many are only partially funded. These programs are extremely expensive and impose a severe financial burden on the entire education system.

**Response: Santa Cruz County Office of Education AGREES**

*The federal government has never fully funded their mandated programs. It is a matter of perspective as to whether these programs impose a severe financial burden on the entire education system.*

**Response: Bonny Doon School PARTIALLY AGREES**

*The federal Department of Education has never fully funded its mandated programs. But it is a matter of perspective as to whether these programs impose a "severe financial burden on the entire educational system."*

**Response: Santa Cruz City School District AGREES**

**Response: Pajaro Valley Unified School District AGREES**

*This fact is true regardless of the size of the district.*

**Response: Soquel Union Elementary School District AGREES**

*The federal government has never fully funded their mandated programs. It is true that districts, by accident of who lives within their attendance boundaries, may have the obligation of significant expenses for individual students with special needs.*

**Response: San Lorenzo Valley School District AGREES**

*The federal Department of Education has never fully funded its mandated programs. But it is a matter of perspective as to whether these programs impose a "severe financial burden on the entire educational system."*

**Response: Scotts Valley Unified School District AGREES**

*The federal government has never fully funded their mandated programs. It is a matter of perspective as to whether these programs impose a severe financial burden on the entire education system.*

**Response: Happy Valley Elementary School District AGREES**

*The federal government has never fully funded their mandated programs. It is a matter of perspective as to whether these programs impose a severe financial burden on the entire education system.*

**Response: Mountain Elementary School District AGREE**

*Response is the same as the County Office of Education with the following additional comment: For small district, two or more excessively expensive cases can impose a severe financial burden on the entire system.*

**Response: Pacific School District AGREES**

*Response is the same as the County Office of Education.*

**Response: Live Oak School District AGREES**

*The federal government has never fully funded their mandated programs. By failing to fund this program, the Live Oak School District uses 1.3 million dollars in general fund revenues to support special education.*

15. The special education program in Santa Cruz County has two administrative staffs. Pajaro Valley Unified School District runs its own Special Education Local Program



Administration (SELPA) program. The COE and the other nine school districts are in a consortium called Northern County SELPA.

**Response: Santa Cruz County Office of Education AGREES**

**Response: Bonny Doon School AGREES**

*This is the organizational pattern.*

**Response: Santa Cruz City School District AGREES**

**Response: Happy Valley Elementary School District AGREES**

**Response: Soquel Union Elementary School District AGREES**

**Response: Mountain Elementary School District AGREE**

**Response: Pacific School District AGREES**

**Response: Live Oak School District AGREES**

**Response: San Lorenzo Valley School District AGREES**

**Response: Scotts Valley Unified School District AGREES**

**Response: Pajaro Valley Unified School District AGREES**

*The Pajaro Valley Unified School District is a single district Special Education Local Planning Area (SEL A) approved by the State. It has the same size Special Education Department regardless of which SELPA it is in. The only difference in administrative organization is that the District Director of Special Education also serves as the SELPA Director.*

16. The County of Santa Cruz receives approximately \$22 million dollars annually for special education funding. 40% of this funding comes from federal sources and 60% from state revenues.

**Response: Santa Cruz County Office of Education DISAGREES**

*The state contributes approximately 85% and the federal government contributes approximately 15% funding to school district and COE special education programs countywide.*

**Response: Bonny Doon School DISAGREES**

*The federal government has never provided 40% of the funding requirements for special education in this County. The districts' general funds and the County sources of funding are not considered in this funding.*

**Response: Soquel Union Elementary School District DISAGREES**

*The state contributes approximately 85% and the federal government contributes approximately 15% funding to school district and COE special education programs countywide.*

**Response: Pajaro Valley Unified School District DISAGREES**

*The Federal Government only contributes 15% and the State 85% of the funds the District receives which is short by over \$3 million dollars the amount needed to operate the program.*

**Response: Santa Cruz City School District DISAGREES**

*The state contributes approximately 85% and the federal government contributes approximately 15% funding to school district and COE special education programs countywide.*

**Response: San Lorenzo Valley School District DISAGREES**

*The state contributes approximately 85% and the federal government contributes approximately 15% funding to school district and COE special education programs countywide.*

**Response: Scotts Valley Unified School District DISAGREES**

*The state contributes approximately 85% and the federal government contributes approximately 15% funding to school district and COE special education programs countywide.*

**Response: Happy Valley Elementary School District DISAGREES**

*The state contributes approximately 85% and the federal government contributes approximately 15% funding to school district and COE special education programs countywide.*

**Response: Mountain Elementary School District DISAGREE**

*The state contributes approximately 85% and the federal government contributes approximately 15% funding to school district and COE special education programs countywide.*

**Response: Pacific School District DISAGREES**

*The state contributes approximately 85% and the federal government contributes approximately 15% funding to school district and COE special education programs countywide.*

**Response: Live Oak School District DISAGREES**

*The state contributes approximately 85% and the federal government contributes approximately 15% funding to school district and COE special education programs countywide. The federal government has never met its statutory 40% obligation.*

17. The COE administers the north county SELPA and serves as a conduit for special education funds from the state to the school districts.

**Response: Santa Cruz County Office of Education AGREES**

**Response: Bonny Doon School AGREES**

**Response: Soquel Union Elementary School District AGREES**

**Response: Scotts Valley Unified School District AGREES**

**Response: Happy Valley Elementary School District AGREES**

**Response: Mountain Elementary School District AGREES**

**Response: Pacific School District AGREES**

**Response: Live Oak School District AGREES**

**Response: Santa Cruz City School District AGREES**

**Response: San Lorenzo Valley School District AGREES**

**Response: Pajaro Valley Unified School District AGREES**

18. Districts utilizing special education services provided by the COE are charged for additional "excess cost."

**Response: Santa Cruz County Office of Education DISAGREES**

*Since the state changed the method of funding of Special Education through AB602, regional services are provided for the SELPA, and there has been no "excess cost" applied for the past three years.*

**Response: Bonny Doon School DISAGREES**

*This has not been part of the funding model for more than three years.*

**Response: Pajaro Valley Unified School District**

*Does not apply to Pajaro Valley*

**Response: Soquel Union Elementary School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Santa Cruz City School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: San Lorenzo Valley School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Scotts Valley Unified School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Happy Valley Elementary School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Mountain Elementary School District DISAGREE**

*Response is the same as the County Office of Education.*

**Response: Pacific School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Live Oak School District DISAGREES**

*Since the state changed the method of funding of Special Education (1999-2000) through AB602, regional services are provided for the SELPA, and there no longer is "excess cost".*

**Response: Pajaro Valley Unified School District**

*Does not apply to Pajaro Valley*

19. The funds for the consortium in the northern county area are approximately \$11 million annually. The COE retains 50% to cover the cost of programs they provide (including 61 special education teachers' salaries) and the remaining funds are distributed to the consortium members. If there are excess costs for the program, the school districts may have to reimburse the COE for participating in the program.

**Response: Santa Cruz County Office of Education DISAGREES**

*The COE does not have 61 special education teachers. The correct figure is 35 which consists of three psychologists, four speech pathologists, four teachers to the visually handicapped, 2 orthopedic specialists, one nurse and 21 classroom, teachers. There are no excess cost charges to individual districts.*

**Response: Bonny Doon School DISAGREES**

*The COE employs 35 professionals in its special education program. This total includes three psychologists, four speech pathologists, four teachers of the visually impaired, two orthopedic specialists, one nurse and twenty-one classroom teachers. There are no excess costs charged to school districts.*

**Response: Pajaro Valley Unified School District**

*Does not apply to Pajaro Valley*

**Response: Santa Cruz City School District DISAGREES**

*The response is the same as the County Office of Education.*

**Response: Soquel Union Elementary School District DISAGREES**

*The response is the same as the County Office of Education.*

**Response: San Lorenzo Valley School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Scotts Valley Unified School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Happy Valley Elementary School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Mountain Elementary School District DISAGREE**

*Response is the same as the County Office of Education.*

**Response: Pacific School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Live Oak School District DISAGREES**

*The correct figure is 35 COE staff. This consists of three psychiatrists, four speech pathologists, four teachers to the visually handicapped, 2 orthopedic specialists, one nurse and 21 classroom teachers.*

20. Pajaro Unified School District has its own SELPA in the southern county area and is funded directly from the state, thereby eliminating additional administrative costs.

**Response: Santa Cruz County Office of Education DISAGREES**

*At one time, a single SELPA served San Benito County in addition to Santa Cruz County. It was later divided into three - south County (PYUSD), north County, and San Benito County each of which operates under the same state and federal regulations.*

**Response: Pajaro Valley Unified School District AGREES**

*The District has a special education department and the Director of Special Education also serves as the SELPA Director.*

**Response: Bonny Doon School DISAGREES**

*Both SELPAS in Santa Cruz County operate under the same structure. There is no funding difference between them, and no "elimination" of additional administrative costs.*

**Response: Santa Cruz City School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Soquel Union Elementary School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: San Lorenzo Valley School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Scotts Valley Unified School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Happy Valley Elementary School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Mountain Elementary School District DISAGREE**

*Response is the same as the County Office of Education.*

**Response: Pacific School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Live Oak School District DISAGREES**

*Response is the same as the County Office of Education.*

## **Grant Money**

21. Each individual district must procure federal, state and private grant money in its own behalf.

**Response: Santa Cruz County Office of Education DISAGREES**

*Districts often partner when applying for federal, state and private grants. Often the requirements for the grant determine who applies and how the application is developed. When applying for grants, a district might have the option to procure funding on its own or collaboratively. The option would be selected based upon the grant requirements and the odds of being awarded the grant. Sometimes applying individually is an advantage and sometimes collaborative applications are to the participating districts' advantage. At times individual applications are mandatory (all IIUSP grant schools must apply individually)*

**Response: Bonny Doon School DISAGREES**

*This is inaccurate and misleading. Districts often partner to obtain private funding. Examples include the Packard grant for the arts. State and federal funding is most often calculated on a formula basis; there is no search for state or federal funding sources.*

**Response: Pajaro Valley Unified School District DISAGREES**

*Pajaro Valley does obtain a significant amount of federal, state and local grant funds but also participates in various consortiums with the COE and other districts to obtain funds.*

**Response: Santa Cruz City School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Scotts Valley Unified School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: San Lorenzo Valley School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Happy Valley Elementary School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Soquel Union Elementary School District PARTIALLY AGREES**

*Response is the same as the County Office of Education with the additional following comment:*

*Districts often partner when applying for federal, state and private grants. Often grant requirements determine who may apply and how the application is developed. When applying for grants, a district might have the option to procure funding on its own or collaboratively. The option would be selected based upon the grant requirements and the odds of being awarded the grant. Sometimes applying individually is an advantage and sometimes collaborative applications are advantageous. At times individual district applications are mandatory.*

**Response: Mountain Elementary School District DISAGREE**

*Response is the same as the County Office of Education with the additional following comment: The four small districts have formed a consortium and often apply together.*

**Response: Pacific School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Live Oak School District DISAGREES**

*Often the requirements for the grant determine who applies and how the application is developed. When applying for grants, districts might have the option to procure funding on its own or in a collaborative. The option of participating in a consortium is based upon the grant requirements and the odds of being awarded the grant.*

*The demographic data in the Live Oak School District supports applying for many grants independently. By applying as a consortium, the District's demographic eligibility would be diminished and thus it would not qualify for grants it is currently receiving.*

22. Preparing grant documents is costly and time consuming.

**Response: Santa Cruz County Office of Education AGREES**

**Response: Bonny Doon School AGREES**

**Response: Pajaro Valley Unified School District AGREES**

**Response: Scotts Valley Unified School District AGREES**

**Response: Soquel Union Elementary School District AGREES**

**Response: San Lorenzo Valley School District AGREES**

**Response: Happy Valley Elementary School District AGREES**

**Response: Mountain Elementary School District AGREES**

*Response is the same as the County Office of Education with the additional following comment: It is very time consuming but again the single administrator works extra hours unpaid to get this done. It does not cost the district extra dollars to do this task.*

**Response: Pacific School District AGREES**

**Response: Santa Cruz City School District AGREES**

**Response: Live Oak School District AGREES**

*Current staff often have the ability and time to apply for grants as it is within the respective job descriptions. The District budgets grant writing support in each grant application.*

23. While there are ten school districts in the County, a cooperative grant application system does not exist.

**Response: Santa Cruz County Office of Education DISAGREES**

*A cooperative grant application system does exist. The COE regularly discusses cooperative grants at the Curriculum and Instruction, Project Directors, and Superintendents' meetings. The opportunities for cooperative grants are evaluated.*

**Response: Bonny Doon School DISAGREES**

*This finding is incorrect.*

**Response: Pajaro Valley Unified School District DISAGREES**

*While the District does obtain a significant amount of federal, state and local grants, we also participate with various consortiums and work on cooperative grants with the COE and other districts.*

**Response: Santa Cruz City School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Scotts Valley Unified School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Soquel Union Elementary School District DISAGREES**

*Response is the same as the County Office of Education with the additional comment:*

*A cooperative grant application system does exist. The COE regularly discusses the potential for cooperative grants at the Curriculum and Instruction, Project Directors, and Superintendents' meetings. The opportunities for cooperative grants are evaluated. If there is an advantage in applying cooperatively, that opportunity exists.*

**Response: San Lorenzo Valley School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Happy Valley Elementary School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Mountain Elementary School District DISAGREES**

*Response is the same as the County Office of Education with the additional following comment: The four small schools have a coop that does our Consolidated Application and other APS as appropriate.*

**Response: Pacific School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Live Oak School District DISAGREES**

*A cooperative grant application system does exist as needed.*

24. The COE does not regularly prepare grant applications for individual school districts.

**Response: Santa Cruz County Office of Education DISAGREES**

*We have a cooperative system, meeting regularly with superintendents to evaluate grants. We do prepare grants together. There are many instances, including: Digital High School Grant for all high schools, Packard Grants for music and the arts in the schools, the AB 1331 mathematics grant, four years of Arts Works Grants, AB 75 for training principals, AB 466 for training teachers, safety grants, and the tobacco grants.*

**Response: Bonny Doon School DISAGREES**

*This finding is also ill informed.*

**Response: Pajaro Valley Unified School District DISAGREES**



*There are cooperative processes in the County and at times the COE will prepare or assist in the preparation of grant applications*

**Response: Scotts Valley Unified School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Happy Valley Elementary School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Santa Cruz City School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: San Lorenzo Valley School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Live Oak School District DISAGREES**

*The Live Oak School District participates in three consortium cooperative grants AB 1331, AB 75, and AB 466.*

**Response: Soquel Union Elementary School District PARTIALLY DISAGREES**

*There are many instances in which districts apply for grants individually. However, we have a cooperative system. COE staff meets regularly with superintendents to evaluate grants. We do prepare grants together. Instances include: Digital High School Grant for all high schools, the AB 1331 mathematics grant, four years of Arts Works Grants, AB 75 for training principals, AB 466 for training teachers, safety grants, and the tobacco grants.*

**Response: Mountain Elementary School District DISAGREES**

*Response is the same as the County Office of Education.*

**Response: Pacific School District DISAGREES**

*Response is the same as the County Office of Education.*

25. The criteria for many federal, state and private grant monies are family income levels (based on federal guidelines) within the district, and/or the number of non-English speaking students.

**Response: Santa Cruz County Office of Education AGREES**

**Response: Bonny Doon School AGREES**

**Response: Happy Valley Elementary School District AGREES**

**Response: Live Oak School District AGREES**

**Response: San Lorenzo Valley School District AGREES**

**Response: Soquel Union Elementary School District AGREES**

**Response: Mountain Elementary School District AGREES**

**Response: Pacific School District AGREES**

**Response: Scotts Valley Unified School District AGREES**

**Response: Santa Cruz City School District AGREES**

**Response: Pajaro Valley Unified School District AGREES**

*Pajaro Valley is able to obtain a large number of grants because we have a significant number of low income families and non-English speaking students.*

26. Many of the county school districts do not meet the criteria of family income level or non-English speaking students to qualify for grants.

**Response: Santa Cruz County Office of Education AGREES**

*As one district, we could potentially not qualify for many of the grants the districts now or have received. PVUSD and Live Oak could potentially lose funds as the impact of unique local statistics is dissipated in combining districts.*

**Response: Bonny Doon School AGREES**

*However, where districts fail to qualify for state or federal grants for targeted services, the reason is that the services are not needed in the districts.*

**Response: Santa Cruz City School District AGREES**

**Response: Soquel Union Elementary School District AGREES**

*Soquel Union Elementary School District does not qualify for some grants available to other districts. However, as one county-wide district, we could potentially not qualify for many of the grants that smaller individual districts now receive. PVUSD and Live Oak, for example, could potentially lose funds as the impact of unique local statistics is dissipated if districts combined.*

**Response: San Lorenzo Valley School District AGREES**

*Response is the same as the County Office of Education.*

**Response: Scotts Valley Unified School District AGREES**

*Response is the same as the County Office of Education.*

**Response: Happy Valley Elementary School District AGREES**

*Response is the same as the County Office of Education.*

**Response: Mountain Elementary School District AGREES**

*Response is the same as the County Office of Education.*

**Response: Pacific School District AGREES**

*Response is the same as the County Office of Education.*

**Response: Live Oak School District AGREES**

*However, the Live Oak School District does qualify for many grants. Live Oak could potentially lose funds, as part of a consortium, because its unique local statistics will dissipate by combining with other districts.*

**Response: Pajaro Valley Unified School District AGREES**

*While this is true, Pajaro Valley is not one of those districts and so qualifies for a large number of grants that would not occur if we were included in a countywide district.*

27. The data indicate the southeastern portion of the county has a larger percent of lower-income families and non-English speaking students, which qualifies Pajaro Valley Unified School District for a larger number of grants.

**Response: Santa Cruz County Office of Education AGREES**

**Response: Bonny Doon School AGREES**

**Response: Scotts Valley Unified School District AGREES**

**Response: Soquel Union Elementary School District AGREES**

**Response: Santa Cruz City School District AGREES**

**Response: Happy Valley Elementary School District AGREES**

**Response: Mountain Elementary School District AGREES**

**Response: Pacific School District AGREES**

**Response: Live Oak School District PARTIALLY AGREES**

*Live Oak qualifies - has similar percentages proportional to its student population.*

**Response: San Lorenzo Valley School District AGREES**

**Response: Pajaro Valley Unified School District AGREES**

## **County Office of Education**

28. In 1861 D.J. Haslam served as the first Superintendent of Santa Cruz County schools, supervising twenty-one schools, 1,756 students and a budget of \$6,344.

**Response: Santa Cruz County Office of Education DISAGREES**

*In 1976, the County Office of Education commissioned Margaret Koch and a supporting team to write a history of the public school system in Santa Cruz County. That history, published in 1978 under the title Going to School in Santa Cruz County, a Historic of the County's Public School System, pages 21 and 22, states that in 1861 a report was issued by D.J. Haslam, serving as County Superintendent of Schools. Mr. Haslam apparently was the first superintendent for whom there is a documented name. When county offices of education were first authorized by the California legislature in 1852, local public officials such as the county assessor typically assumed the office of superintendent (page 84). On page 22 of the publication, it is stated that "Haslam notes (in his report of 1861) that there were 1,312 children residing in the county at that time, but only 11 were enrolled in school." Page 24 indicates that, "And, predictably, they did grow more numerous as new districts were formed each with its small, one-room public school. By~, just four years after Haslam's report, the number of schools had tripled. There were then 21 schools serving 1,756 children."*

29. Until 1890 the County Superintendent was a part-time employee. Today the County Office of Education has a budget of \$34,097,978 and employs 286 persons supporting 40,000 students.

**Response: Santa Cruz County Office of Education AGREES**

*Historical documents indicate that in 1890, then county superintendent, Linscott "...moved to Santa Cruz in December of 1890 to devote full time to being county superintendent of schools." The County Office of Education budget for 2001-2002 was \$38,428,000. The number of County Office of Education employees is currently 326 (see response to Finding 30).*

30. The County Office of Education currently consists of:

- 37 Administrators
- 61 Special Education Teachers
- 49 Vocational Teacher
- 55 Classroom aides
- 10 Student support – therapists, work experience teachers
- 24 Administrator assistants – secretaries
- 40 Clerical
- 5 Technology support staff
- 5 Maintenance staff

**Response: Santa Cruz County Office of Education AGREES**

*Note that of the 37 administrators, 5 are assigned to and funded by non-COE agencies. The 61 teachers are not exclusive to the Special Education Program but include Alternative Education Program teachers as well. There are 35 certificated/credentialed positions in the Special Education Program and 26 in the Alternative Education Program. There are 18 Alternative Education classroom sites and 20 Special Education Program classroom sites. 0 The 55 classroom aides are assigned to both Special Education and Alternative Education Program classrooms. Many Special Education students are mandated by law to be assigned "one-on-one" aides. Vocational teachers are part-time and many teach one highly specialized class per day.*

31. The mission statement of the COE states: "The County Superintendent of Schools is to oversee and further the progress of education in all school districts within the County and serve as an intermediate link between those local districts and the State Department of Education."

**Response: Santa Cruz County Office of Education DISAGREES**

*The mission statement of the COE, updated and revised by a committee of COE employees in 2001, states: The Santa Cruz County Office of Education provides quality educational programs and services to a diverse community of learners, educators, school districts and collaborative partners. The statement in Grand Jury Finding #31 is of unknown origin and not the mission statement of the COE now or in at least the past two decades. The County Office of Education has established four primary organizational goals: High*

*Achievement for All Students; Effective, Efficient Operations; A Safe and Appropriate Environment; Partnering for Quality Results.*

32. The County Superintendent has the responsibility of providing those services that can be more economically and efficiently provided by a central office rather than an individual local school district.

**Response: Santa Cruz County Office of Education AGREES**

33. The COE generally does not offer services that compete with the districts, or impose programs or laws.

**Response: Santa Cruz County Office of Education AGREES**

*The COE does not provide services that "compete" with districts, but, in some circumstances, provides services and programs that supplement district programs, reach a different student or staff audience, or coordinates a service or program to reach a broader audience among several or all districts.*

34. Four of the state-mandated functions of the COE are:

- Information and coordination services
- Program and staff development services
- Fiscal oversight of the County's school districts.
- Registration of teaching credentials for teachers who teach within Santa Cruz County

**Response: Santa Cruz County Office of Education AGREES**

35. The four one-school districts in the County receive financial and accounting assistance from the COE for which they are not billed.

**Response: Santa Cruz County Office of Education PARTIALLY AGREES**

*All school districts receive some financial and accounting assistance from the COE for which they are not billed as part of our mandated services.*

36. Funding for the COE is divided into two categories: 85% is restricted to special education, vocational education and schools at detention facilities. The funding is partially based on Average Daily Attendance (ADA, the amount per student funded by the State to the schools). The remaining 15% covers administrative costs.

**Response: Santa Cruz County Office of Education AGREES**

37. The COE bills districts utilizing programs administered by the COE for excess costs.

**Response: Santa Cruz County Office of Education DISAGREES**

*There are currently no excess costs billed to districts for COE administered programs. There are fee-for-service programs offered.*

38. The COE has the primary responsibility of reviewing the yearly audits of the school districts' budgets.

**Response: Santa Cruz County Office of Education AGREES**

39. All school and district payrolls pass through the COE, which also passes along an administrative charge to the school districts.

**Response: Santa Cruz County Office of Education DISAGREES**

*There are no administrative fees charged for payroll services except to the charter school as permitted by law. The only fee is for data processing services.*

40. As of April 1st 2002, the county wide declining enrollment dilemma has not resulted in budget or staff reductions at the COE.

**Response: Santa Cruz County Office of Education AGREES**

*The declining enrollment in some districts does not directly affect the overall services provided to districts. The same services continue to be provided.*

## **One-School Districts**

41. These four one-school districts have a total student enrollment of 540:

- Bonny Doon Union Elementary School District
  - Founded 1940. 170 students.
  - One school K-6.
- Happy Valley Elementary School District
  - Founded 1864. 130 students.
  - One school K-6.
- Mountain Elementary School District
  - Founded 1869. 158 students.
  - One school K-6
- Pacific Elementary School District
  - Founded 1906. 82 students.
  - One school K-6
- Yearly budget (combined): \$4,660,810
- Total Number of Employees (combined): 122

**Response: Bonny Doon School PARTIALLY AGREES**

*We have limited access to other district information.*

**Response: Happy Valley Elementary School District PARTIALLY AGREES**

*Happy Valley Elementary School enrollment on CBEDS day, October 3,2001 was 131 students.*

**Response: Pacific School District PARTIALLY AGREES**

*The enrollment figures are based on Average Daily Attendance. Actual enrollment is greater than reported. Pacific School District had 88 students enrolled and Happy Valley School District reported 132.*

**Response: Mountain Elementary School District PARTIALLY AGREES**

*First of all, it is not appropriate to respond for another public agency. We cannot confirm data for the other three small districts. We agree with the founding date and that*

*Mountain is a one school K-6 district. We agree that the high enrollment for the 2001-02 school district was 158. Our yearly budget for the 2001-02 School year was \$1,072,966.02. By employees, it is not clear if this means fte's (full-time positions) or total number of people employed-combining full and part time positions. During the 2001-02 School Year, our total number of employees were: Employee Group Number of Full Time Number of Part Time Teachers- 6/ 3; Administrator- 1; Office staff- 1/1; Aides: Library, Classroom, Tech- 11 Food supervisor- 1 Custodian- 1. Through the COE we had one very part time Psychologist and a part-time Speech Therapist This group includes 25 people but less than 15 fte's.*

42. Each district is a self-contained business entity, i.e., it includes hiring, budgeting, employee contract, curriculum and fund raising functions.

**Response: Bonny Doon School AGREES**

**Response: Pacific School District PARTIALLY AGREES**

*The four one-school districts receive a considerable amount of assistance from the County Office of Education with respect to financial analysis, budget development, vendor and payroll warrants and the annual audit.*

**Response: Happy Valley Elementary School District PARTIALLY AGREES**

*The four one-school districts receive a considerable amount of assistance from the County Office of Education with respect to financial analysis, budget development, vendor and payroll warrants and the annual audit.*

**Response: Mountain Elementary School District PARTIALLY AGREES**

*Although we are a separate school district, we are a direct service district. This means that the County Office of Education must provide certain services for us. The SCCOE assigns a financial analyst to work closely with the administrator. The analyst assists with budget preparation and monitoring as well as in the completion of complex State and local fiscal reports.*

43. The Principal has the dual role of District Superintendent and School Administrator.

**Response: Bonny Doon School AGREES**

*Don't forget chief business official, human resources manager, and head of maintenance and custodial services.*

**Response: Happy Valley Elementary School District AGREES**

**Response: Pacific School District AGREES**

**Response: Mountain Elementary School District DISAGREES**

*The role is not a dual role. The District Administrator assumes the roles of Superintendent, business services administrator, much of the load of the financial administrator, is in charge of facility, food services, purchases, curriculum, staff development, student support services, technology, health services, human resources, teacher and other contracts as well as being the principal of the school.*

44. Since family income levels are generally above federal guidelines in these districts, very little grant money is available.

**Response: Bonny Doon School AGREEES**

*This is matched by very little need for the grants.*

**Response: Pacific School District PARTIALLY AGREES**

*Pacific School District and Happy Valley Elementary School District have received Title I Concentration Grant funds based on the number of students eligible for free and reduced lunches under federal guidelines.*

**Response: Happy Valley Elementary School District PARTIALLY AGREES**

*Happy Valley and Pacific Elementary have received Title I Concentration Grant funds based on the number of students eligible for free and reduced lunches under federal guidelines.*

**Response: Mountain Elementary School District PARTIALLY AGREES**

*While the family incomes of those who live in-district tend to be generally high, approximately half of our students are here because we are the school of parental choice for families in other parts of the county. Our inter-district transfer students tend to come from families with lower economic resources than those of our in-district students. Approximately 14% of our children qualified for free lunches last year. Because we are in an area listed by the Federal government as "rural" we qualify for grant money not available to other more urban districts. Last of all, we have a very strong parent group that fund-raises throughout the year to support a number of our fine programs. Fundraising parents often come from the more affluent families.*

45. Due to the cost of special education programs, a very serious financial threat is posed to these small districts. If a student needs an aide or a tutor with him/her or if the student needs education outside of the district, the district must pay for it.

**Response: Bonny Doon School PARTIALLY AGREES**

*No mention is made of the safety nets that exist within the County to protect small districts against sudden, massive costs arising out of the need to provide special education services.*

**Response: Pacific School District AGREES**

**Response: Happy Valley Elementary School District AGREES**

**Response: Mountain Elementary School District PARTIALLY AGREES**

*We agree that the cost for special education programs is very high. We also agree that if one of our students needs special services of any kind, the district must pay for it. However, this is true for all school districts-not just the one-school districts. The difference, of course, is that our budget is much smaller than a place like Pajaro Valley Unified School District. One student's cost to them is painful but it does not create a threat. One student's severe cost to a one-school district can impact the entire district. If a small district gets two extremely expensive cases, it can certainly threaten the financial stability of the district. Because the percentage of high cost special education students has risen in this area, it is a concern for all districts.*



46. Test scores in these one-school districts lead the county, but the cost per student is much higher than the other six county school districts.

**Response: Bonny Doon School AGREES**

*Is it possible that by providing more funding to our schools we can foster greater student achievement, and therefore higher test scores?*

**Response: Pacific School District DISAGREES**

*The chart presented in Grand Jury Finding #2 does not accurately reflect the basic cost of educating students in the one-school districts. During the 2000-01 fiscal year, Pacific Elementary District received a Title I Concentration Grant of \$263,618, and Happy Valley Elementary District received \$412,000 from the same federal funding source. If the amount of Concentration Grant funding for both schools (\$675,618) is subtracted ~ from the one-school districts 2000-01 general fund expenditures, the total Audited Actual General Fund Expenditures would be \$3,980,380, divided by the ADA for the single school districts, the Cost/Student (CBEDS) would be \$7,454 and (P-2) would be \$7,744.*

*Since the small school districts have consistently achieved high test scores over a longer period of time, this additional Title I Grant money doesn't account for the academic achievement of the one-school districts.*

**Response: Happy Valley Elementary School District DISAGREES**

*The chart presented in Grand Jury Finding #2 does not accurately reflect the basic cost of educating students in the one-school districts. During the 2000-01 fiscal year, Pacific Elementary District received a Title I Concentration Grant of \$263,618, and Happy Valley Elementary District received \$412,000 from the same federal funding source. If the amount of Concentration Grant funding for both schools (\$675,618) is subtracted ~ from the one-school districts 2000-01 general fund expenditures, the total Audited Actual General Fund Expenditures would be \$3,980,380, divided by the ADA for the single school districts, the Cost/Student (CBEDS) would be \$7,454 and (P-2) would be \$7,744.*

**Response: Mountain Elementary School District PARTIALLY AGREES**

*We agree that the test scores are high and lead the county; however, we disagree that the cost per student is much higher than the other six county school districts. See comments on Findings 2 and 41.*

47. An Administrator stated, "Parental involvement and a dedicated, committed staff are a key component to the success of the district."

**Response: Bonny Doon School AGREES**

**Response: Pacific School District AGREES**

**Response: Happy Valley Elementary School District AGREES**

**Response: Mountain Elementary School District AGREES**

*Parents are very involved in all aspects of the Mountain School District. They volunteer their time to assist in the classroom, they are in charge of the monthly newsletter, they sit on committees, the Parents' Club is the major fundraising arm of the district, parents are involved as classroom helpers, they participate in the site council, they were major*

*players in the strategic planning process, they coordinate workdays to weed, repair and paint the facilities, etc. They attend our events and feel themselves to be important to the running of the school and district.*

*The dedication of the staff includes all categories: classroom teachers, who usually teach two or more grades, the resource teacher who also works with Title I, the horary aide who donates many hours of unpaid time to keep the horary in excellent condition, the secretary who takes on the work of five or m departments as well as playing the role of 'school nurse" for minor cuts and scrapes, the maintenance person who is also the custodian, and the administrator who administers all the departments.*

48. Families are moving from the area, one of the least affordable in the nation, due to the high cost of housing.

**Response: Bonny Doon School PARTIALLY AGREES**

*This may be one of the reasons for leaving the area. The finding is too simply stated, however, to be of much value.*

**Response: Pacific School District AGREES**

**Response: Happy Valley Elementary School District AGREES**

**Response: Mountain Elementary School District PARTIALLY AGREES**

*The cost of housing in Santa Cruz County is doubtless some of the least affordable in the nation; however, we have a lot of stability in our student body-particularly those families who live in our district. Many of the sixth graders, in fact, started school together in kindergarten.*

49. Declining enrollment severely impacts small districts. A family with any children leaving the school district poses a serious financial loss due to the loss of payment for ADA for that student.

**Response: Pacific School District AGREES**

**Response: Bonny Doon School PARTIALLY AGREES**

*This may be true for most small school districts; but it is not true in basic aid school districts. This fact seems not to be included in the Grand Jury's deliberations.*

**Response: Happy Valley Elementary School District AGREES**

**Response: Mountain Elementary School District PARTIALLY AGREES**

*Mountain and other one-district schools often have a long waiting list of students from families who would like to attend. Declining enrollment impacts all districts; because our budget is small, the loss of a family may impact the finances of the school-particularly if the openings occur in grades where there is no one on a waiting list. During the past few years, Mountain has shown a slight increase in enrollment; however, that could change at any time.*

## Six Multi-School Districts

### Live Oak School District

Founded	Number of Students	Yearly Budget	Number of District Employees
1872	1,994	\$13,226,298	267

Four Schools — Kindergarten (K) through 8th Grade

- Del Mar Elementary School
- Green Acres Elementary School
- Live Oak Elementary School
- Shoreline Middle School

57. Live Oak School District, surrounded by the Soquel and Santa Cruz school districts, has housing that is increasingly out of the reach of many working families. Consequently the Live Oak School District is experiencing declining enrollment.

**Response: Live Oak School District AGREES**

*In 1990, the Live Oak School assessed tax value was \$1,444,366,250. Currently the District's assessed tax value is \$2,916,346,675.*

58. Live Oak will face budget deficits within two years unless costs in the school district are lowered; additional funding is acquired or transfers of students from other districts are achieved.

**Response: Live Oak School District AGREES**

*The Live Oak School District Governing Board formed an Economic Viability Study Group (25 community representatives) that recommended the District follow a prescriptive financial plan that should help the District avoid deficits within the next two years.*

59. The district has been proactive in addressing their budget issues by doing the following in an effort to attract more students:

- Opened day care to all residents in the community
- Opened a community center
- Formed a parent/teacher committee to examine budget and declining enrollment issues.
- Are preparing to open a magnet school (a school which emphasizes a specific area of study) and plan to enroll students who live anywhere in Santa Cruz County who are interested in that subject.

**Response: Live Oak School District AGREES**

*Opened day care to all residents in the community*

*Green Acres Preschool expansion 2002-03*

*Live Oak Preschool expansion 2003-04*

*Del Mar Preschool expansion 2004-05*

*Opened a community center*

*The District opened a community Teen Center in 2001-02.*

*The District is currently negotiating joint-use agreements with the Live Oak/Soquel Redevelopment Agency to develop two joint-use gyms through SB 1795 funding.*

*Formed a parent/teacher committee to examine budget and declining enrollment Issues.*

*Formed a citizen advisory committee to help develop and implement the District's Economic Viability Report.*

*Are preparing to open a magnet school (a school which emphasizes a specific area of study) and plan to enroll students who live anywhere in Santa Cruz County who are interested in that subject.*

*Applied for a federal charter school planning grant (2002) with the intent of opening a small charter high school (2003) for those parents currently seeking a modified independent study program with core college prep courses being offered at a District school site.*

### **Soquel Union Elementary School District**

<b>Founded</b>	<b>Number of Students</b>	<b>Yearly Budget</b>	<b>Number of District Employees</b>
<b>1890</b>	<b>2,142</b>	<b>\$14,344,059</b>	<b>226</b>

Five Schools — Kindergarten (K) through 8th Grade

- Capitola Elementary School
- Main Street Elementary School
- Santa Cruz Gardens Elementary School
- Soquel Elementary School
- New Brighton Middle School

60. Soquel suffers from declining student enrollment with approximately 140 students lost over the last five years.

**Response: Soquel Union Elementary School District DISAGREES**

*The CBEDS enrollment in 1996 was 2403. The CBEDS enrollment in 2001 was 2142. This is a difference of 261 students. However, this year's enrollment to date reflects less than 1 % of a decline in enrollment from last year's CBEDS count, which may reflect a slowing in the rate of decline. Enrollment tends to be cyclical, with periods of decline followed by periods of growth over time.*

61. Lack of affordable housing and the high cost of special education severely impact this district. District Administrators expect budget deficits in the future.

**Response: Soquel Union Elementary School District AGREES**

*The high cost of housing impacts everyone in our county. Certainly, it is often difficult for school employees to purchase a house in this market. It is true that districts, by accident of who lives within their attendance boundaries, may have the obligation of significant expenses for individual students with special needs. These individual obligations sunset as students move out of the system. It is impossible to predict future obligations, as they are dependent upon individual student needs. At this time the Soquel Union Elementary School District has not entirely met its 3% reserve requirements for School Year 02-03. We are working to remedy this within our current resources.*

62. Family income levels tend to be above federal guidelines that make it very difficult for the district to qualify for grants.

**Response: Soquel Union Elementary School District PARTIALLY AGREES**

*Soquel Union Elementary School District does qualify for Title 1 funding, which is based on poverty levels in our attendance area. There are state and federal grants that either assign priority to districts with a higher poverty rate than our district's poverty rate, or require a higher poverty rate to make application.*

63. Administrators state that the cost of preparing grant applications greatly reduces the net amount funded to the district.

**Response: Soquel Union Elementary School District DISAGREES**

*Staff and administrative time is used in the preparation of grant applications. Certainly, grant preparation time must be weighed when deciding to apply for grants. Of more significant impact is the level of staff time needed to implement grants according to state and federal guidelines and meet compliance requirements for monitoring. Some grants carry significant paperwork and data collection requirements even though they strictly limit the amount of indirect or administrative costs that can be charged against the grant funds.*

**Scotts Valley Unified School District**

<b>Founded</b>	<b>Number of Students</b>	<b>Yearly Budget</b>	<b>Number of District Employees</b>
<b>1872</b>	<b>2,591</b>	<b>\$14,578,141</b>	<b>257</b>

Four Schools — Kindergarten (K) through 11th Grade

- Brook Knoll Elementary School
- Vine Hill Elementary School
- Scotts Valley Middle School
- Scotts Valley High School

64. Scotts Valley High School was opened on September 3rd 1999. This increased the total enrollment for the school district. However, by doing so other districts lost enrollment.

**Response: Scotts Valley Unified School District AGREES**

65. Declining enrollment has not impacted the district, but the Scotts Valley district does not anticipate future growth.

**Response: Scotts Valley Unified School District PARTIALLY AGREES**

*While the overall District enrollment continues to increase due to the increase in enrollment at Scotts Valley High School as additional classes have been added over the last four years the K-8 enrollment has declined slightly.*

66. The district is in the process of remodeling its middle school campus.

**Response: Scotts Valley Unified School District DISAGREES**

*In March 2002 a bond measure was considered by voters and was narrowly defeated. One component of the bond was to rebuild Scotts Valley Middle School (SVMS). Since the bond was defeated this project is on hold.*

67. On November 8, 1994 voters approved two bond measure totaling \$22.7 million for a new high school.

**Response: Scotts Valley Unified School District AGREES**

68. On May 1, 1995, \$4.5 million was released with the remaining \$18.2 million released on August 1st 1997.

**Response: Scotts Valley Unified School District AGREES**

69. Voters rejected additional school bonds for the district in March 2002.

**Response: Scotts Valley Unified School District AGREES**

**San Lorenzo Valley Unified School District**

<b>Founded</b>	<b>Number of Students</b>	<b>Yearly Budget</b>	<b>Number of District Employees</b>
<b>1952</b>	<b>3,996</b>	<b>\$27,086,531</b>	<b>447</b>

Six Schools — Kindergarten (K) through 12th Grade

- One Charter Program
- Boulder Creek Elementary School
- Quail Hollow Elementary School
- Redwood Elementary School
- San Lorenzo Valley Elementary School
- San Lorenzo Valley Junior High School
- San Lorenzo Valley High School

70. San Lorenzo Valley School District is located in the mountainous region of Santa Cruz County.

**Response: San Lorenzo Valley School District AGREES**

71. The district faces numerous challenges with transportation and declining enrollment.

**Response: San Lorenzo Valley School District AGREES**

72. While district buses operate daily during school hours, late after-school activities pose a problem.

**Response: San Lorenzo Valley School District AGREES**

73. Missing scheduled morning pick-ups and return trips home often discourages students from attending school or participating in after school activities.

**Response: San Lorenzo Valley School District PARTIALLY AGREES**

*We believe that sometimes students may be discouraged from attending school or participating in after school activities rather than "often."*

74. School officials feel free bus passes for public transportation would help daily attendance.

**Response: San Lorenzo Valley School District AGREES**

75. At the close of fieldwork, the Superintendent stated the budget would have a deficit in the 2002-2003 school year.

**Response: San Lorenzo Valley School District DISAGREES**

*The Superintendent must have been misunderstood. The Superintendent would never have made such a statement since he then would have to make a formal report to the State with a negative certification of the budget and then turn the district over to the County Superintendent of Schools. School districts are not allowed to have deficits in their budgets.*

**Santa Cruz City School District District**

<b>Founded</b>	<b>Number of Students</b>	<b>Yearly Budget</b>	<b>Number of District Employees</b>
<b>1857</b>	<b>7,998</b>	<b>\$56,537,272</b>	<b>938</b>

Twelve Schools — Kindergarten (K) through 12th Grade

- Two Ark Studies Schools: Ark School (9-12) and Home Studies AFE (K-12)
- Bayview Elementary School
- Branciforte Elementary School
- De Laveaga Elementary School
- Gault Elementary School
- Monarch Elementary School
- Natural Bridges Elementary School
- Westlake Elementary School
- Sojourner Charter Middle School
- Branciforte Junior High School
- Mission Hill Junior High School
- Delta Charter High School
- Harbor High School
- Santa Cruz High School
- Soquel High School

76. The district has lost approximately 720 students since 1999. 322 students were lost during the 2001 school year alone.

**Response: Santa Cruz City School District PARTIALLY AGREES**

*District enrollment has declined by approximately 720 students. The term "lost" implies that students once previously enrolled in the district have transferred or relocated elsewhere, which is not the case.*

77. In order to remain solvent, the district must reduce its budget by \$3.2 to \$4.9 million dependent on receiving additional funding.

**Response: Santa Cruz City School District AGREES**

78. A parcel tax measure was recently passed. According to district officials, these amounts will not be sufficient to cover growing deficits.

**Response: Santa Cruz City School District AGREES**

79. In 1998, voters approved bond measures totaling \$86 million designated for school remodeling.

**Response: Santa Cruz City School District AGREES**

80. The District has been in the processing of renovating older school buildings in order to bring them into compliance with federal mandates.

**Response: Santa Cruz City School District AGREES**

81. The district recently announced that Strategic Construction Management Consulting Company would receive \$1.2 million to oversee these renovations.

**Response: Santa Cruz City School District AGREES**

82. Recently two high school principals resigned their positions citing the high cost of housing, declining enrollment, and budget concerns. One principal was quoted as saying; "I've been having to make budget decisions that honestly are difficult for me to deal with, reducing people's work day, their work year. Unfortunately this is the beginning of a cycle that is not going to go away for a while."

**Response: Santa Cruz City School District AGREES**

*There are several factors, professional and personal, that contribute to administrators' decisions to resign their positions, including, but not exclusively, the cost of housing, declining enrollment, and budget concerns.*

83. Many students from the Santa Cruz City School District District were transferred to Scotts Valley High School, which opened in 1999. This negatively impacted the school district's ADA.

**Response: Santa Cruz City School District PARTIALLY AGREES**

*Students, who would have attended the Santa Cruz City School District District in absence of Scotts Valley High School, attend Scotts Valley High School, i.e. their high school of residence.*



## Pajaro Valley Unified School District

Founded	Number of Students	Yearly Budget	Number of District Employees
1960	19,863	\$142,649,320	2,381

Schools — Kindergarten (K) through 12th Grade

- Three Charter Schools
  - Alianza Elementary Charter School
  - Linscott Charter School
  - Pacific Coast Charter School
- Amesti Elementary School
- Ann Soldo Elementary School
- Bradley Elementary School
- Calabastas Elementary School
- Freedom Elementary School
- H. A. Hyde Elementary School
- Hall Elementary School
- MacQuiddy Elementary School
- Mar Vista Elementary School
- Mintie White Elementary School
- Ohlone Elementary School
- Rio Del Mar Elementary School
- Salsipuedes Elementary School
- Starlight Elementary School
- Valencia Elementary School
- E.A. Hall Middle School
- Lakeview Middle School
- Pajaro Middle School
- Rolling Hills Middle School
- Aptos Junior High School
- Aptos High School
- Renaissance High School
- Watsonville High School

84. Pajaro Valley Unified School District is the largest school district in the County.

**Response: Pajaro Valley Unified School District AGREES**

*The district has grown until last year and has now stabilized the enrollment unlike the remainder of the county which is declining.*

85. The migrant population and other non-English speaking students create unique expenses and challenges for PVUSD.

**Response: Pajaro Valley Unified School District AGREES**

*The challenges are exacerbated by the fact that almost all of our students who are "English Learners" live in a community in which it is not necessary for them to speak English in order to have their basic needs met. Community services, family services, health care, and businesses all cater to the Spanish-speaking population. Therefore, there is very little exposure to or opportunities to practice the English language other than the five hours spent in school.*

86. According to State of California statistics, thirteen schools in the district have unacceptably low-test scores.

**Response: Pajaro Valley Unified School District DISAGREES**

*Using the state's Academic Performance Index (API) and the rankings on a scale of one to ten (one being the lowest) there are 14 schools in the bottom rank (decile one), and three more in decile two. Source: 2001 Base API.*

87. The District is continuously initiating programs to reverse low academic achievement.

**Response: Pajaro Valley Unified School District AGREES**

*The District is implementing a comprehensive and coordinated plan for the 2002-2003 school year to produce significant increases in academic achievement.*

88. Overcrowding at the high schools is a major concern.

**Response: Pajaro Valley Unified School District AGREES**

*Construction has now started on the third high school which is scheduled to open by the end of 2004. In the meantime, there are sufficient relocatable facilities to house the classes need at the two high schools to maintain the District's class size ratios. The District has placed a bond issue on the November ballot to further address the current deficiencies in the District's high schools.*

89. A new high school is scheduled to open in approximately two years.

**Response: Pajaro Valley Unified School District AGREES**

*Construction has now started on the third high school which is scheduled to open by the end of 2004.*

**Conclusions** Note: While not required to do so, Bonny Doon did respond to the conclusions.

11. A consolidated school district would ensure uniform policies and procedures in all schools throughout the county.

**Response: Bonny Doon School PARTIALLY AGREES**

*No response required from Bonny Doon School. However, a consolidated school district would ensure uniform policies and procedures in all schools throughout the County." However, we agree only because a single Board of Trustees would have jurisdiction throughout the County. We do not agree that a single Board of Trustees for all schools in Santa Cruz County is a good thing for education.*

## **Recommendations**

1. The ten school districts within the County of Santa Cruz should be combined into one Consolidated School District. The Grand Jury urges the County Board of Education and the County Office of Education to immediately initiate the process for consolidation outlined in the California Education Code.

### **Response: Santa Cruz County Office of Education DISAGREES**

*The Santa Cruz County Office of Education will not implement because it is not warranted.*

*There is a process in place under California Education Code which provides for the citizenry or local district governing boards, as the elected local representatives, under a democratic process to initiate consolidation. While some may consider it within the jurisdiction of the County Committee on School District Organization to mandate change, it has been the practice of the current and prior Committees to respond to proposals initiated by citizens and school districts. There is currently a statewide Master Plan for Education revise being conducted which will provide guidance in this and, once adopted, will be referenced by the County Committee on School District Organization.*

### **Response: Bonny Doon School DISAGREES**

*Note: Although not required to do so, Bonny Doon School chose to do so and made this same comment for all of the recommendations.*

*No response is required from Bonny Doon School. However, none of recommendations should be implemented because they are each drawn from the findings and conclusions in the previous portions of the Grand Jury report; and these findings and conclusions are factually inadequate.*

2. The County Board of Education and the County Office of Education should empanel a Citizens' Committee to oversee Recommendation Number One. This committee should consist of members from the following groups:
  - Educators
  - Business Professionals
  - Union Representatives
  - Concerned citizens

### **Response: Santa Cruz County Office of Education DISAGREES**

*The Santa Cruz County Office of Education will not implement because it is not warranted. There is an elected County Committee for School District Organization that is based on nine criteria delineated in the State Educational Code and representing all geographical areas of the County. Empanelling an additional committee would duplicate this process.*

3. The County Board of Education and the County Office of Education should obtain the services of an outside and independent senior level business executive to assist in a comprehensive review of the structure and administration of the County Office of Education and every school district.

**Response: Santa Cruz County Office of Education DISAGREES**

*The Santa Cruz County Office of Education will not implement because it is not warranted. There are several examples that demonstrate that the County Office of Education has obtained the services of an outside and independent entity to conduct studies of specific areas. The Financial Crisis Management Team (FCMAT) has been hired on several occasions to conduct studies and make recommendations relative to the structure, administration and operations within the COE. FCMAT is the preferred entity to conduct such reviews based upon knowledge of educational entities, experience and reputation*

4. The County Board of Education, the County Office of Education and Pajaro Valley Unified School District should examine and streamline the administration of the SELPA programs.

**Response: Pajaro Valley Unified School District DISAGREES**

*Pajaro Valley Unified School District will not implement this recommendation because it is not warranted. The current single district SELPA was created and approved by the State in 1993 to better serve local special education needs. The District's special education program is administered by the Director of Special Education who also acts as the SELPA Director. This organization structure is streamlined, efficient and cost effective.*

**Response: Santa Cruz County Office of Education DISAGREES**

*The Santa Cruz County Office of Education will not implement because it is not warranted. The current two SELF As were created at the request of PVUSD and approved by the State in 1993. Each SELPA is a Local Education Agency, separate from the County Office of Education and governed by its own council. State mandated local plans are due for review during 2002-03. In reviewing the plan, operational improvements will be addressed.*

5. In order to address declining enrollment in north county schools, the County Board of Education and the County Office of Education should immediately authorize a study focused on alleviating overcrowding in south county classrooms.

**Response: Santa Cruz County Office of Education DISAGREES**

*The Santa Cruz County Office of Education will not implement because it is not warranted. PVUSD, an independent, locally governed school district, has a plan in place to build several new schools including a high school to be completed by 2004. It was recently announced that the District board has authorized a study of the district's organizational structure. It was also announced on August 29, 2002, that the Santa Cruz City School Districts District has authorized a study relative to the feasibility of unification of the Santa Cruz City School Districts Elementary and Santa Cruz City School Districts High School Districts. We will convene meetings with all district superintendents to explore opportunities for cooperative ventures, including efforts to alleviate declining enrollment and overcrowding where identified.*

6. The Santa Cruz City School District should retain on staff a professional project manager to oversee the refurbishing of their school buildings. This project manager should have a proven and verifiable track record in this industry.

**Response: Santa Cruz City School District DISAGREES**

*Santa Cruz City School Districts has contracted with a professional project management firm, Strategic Construction Management, to oversee the refurbishing of the school buildings, rather than have a professional project manager on staff.*





# **Santa Cruz County**

## **Grand Jury**

### **Response to the Final Report:**

Section 7

Special Districts Committee Reports





# Investigation of the Salsipuedes Sanitary District

## 2001-2002 Grand Jury Report – Page 7-1

### **Findings**

1. An elected five-member Board of Directors of the Salsipuedes Sanitary District is responsible for budgets, employee issues, and long-term decisions. The board meets monthly, and each board member is paid \$100 per month, contingent upon attendance of this meeting.
2. The District Manager takes care of other decisions and day-to-day coordination of work. The District Manager also serves as the secretary to the Board of Directors.
3. The district has two part time non-benefited employees and makes use of contract personnel for all other work. By comparison, the Santa Cruz County Sanitation District employs approximately fifty people: ten in the engineering department and the remainder in the operations department.
4. The District has technical people available on call to respond to emergencies that may arise.
5. The Salsipuedes Sanitary District charges its customers through an assessment collected concurrently with their property tax bills.
6. The District Manager has recommended for the coming fiscal year that the District maintain the lower fees established last year on a single-year temporary basis.
7. The District's costs and charges are low in comparison with other districts offering comparable services.
8. The Salsipuedes Sanitary District passes along charges for individual efforts (e.g., from the District's engineer or attorney) to the individual customer for whom the charge was incurred. The District offers the rationale that such charges are only incurred due to a customer's specific need.

### **Response: Salsipuedes Sanitary District DISAGREES**

*The foregoing statement is only partially correct. It is correct that construction of or alteration to sewer facilities which are or will be connected to the District's sewer system requires a permit issued from the District. As part of the permit process, the District requires an applicant to pay for the cost of administrative, engineering, legal and other expenses relating to such application.*

*This is the same as virtually all other public agencies that provide sewer or similar services and the reason for it is simple. It is unfair for such costs to be imposed upon existing ratepayers through the payment of regular sewer services charges when the ratepayers derive no benefit from the new facilities. In this sense, sewer service charges fund the operation and maintenance of existing facilities (including, eventually, repair and replacement of those facilities by depreciating the value of the existing sewer infrastructure over time). But they do not fund the construction or expansion of facilities to accommodate new development.*

*On the other hand, not all District costs attributable to an individual customer are passed along to the customer. For instance, a customer may have a complaint that requires review and a response from legal counsel. Or a customer may submit a claim for money or damages against the District which requires review and a response from legal counsel in connection with, for example, a sewer blockage. Or the District may direct legal counsel to correspond with a customer who is in violation of the District's regulations concerning sewer discharges. For activities like these, the District has no legal mechanism to recover its legal expenses (described by the Grand Jury as "charges for individual efforts") and, in fact, does not do so.*

9. Correspondence prepared and signed by the attorney for the District is sometimes mailed out on behalf of the Salsipuedes Sanitary District.

**Response: Salsipuedes Sanitary District DISAGRES**

*Although Finding No.9 is correct factually, and in that sense the District agrees with it, the District disagrees with the conclusions and recommendations derived there from (see discussion above).*

10. In performing an inspection, the Salsipuedes Sanitary District does not assume responsibility for the correct and complete installation performed on the building sewer (i.e., the plumbing on the customer's property). Rather, the District does what it feels is necessary to ensure the safe installation or modification of the customer's tie-in to the sanitary system.

**Response: Salsipuedes Sanitary District**

*Finding No. 10 is worthy of comment in that the District's jurisdiction is limited to the facilities over which it has control, i.e., facilities for which a permit for construction is required from the District. For such construction, District regulations require that the facilities be inspected and approved by the District's engineer. And District regulations state that no person shall "uncover, make any connection with or opening into use, use, alter or disturb any public sewer or appurtenances or perform any work on any lateral or building sewer without first obtaining a written permit from the District." On the other hand, under state law the District is immune from liability for the negligent inspection of those facilities. Cal. Govt. Code ~18.6. This is the same immunity that shields all public agencies from liability in the performance of inspections.*

11. Customers connecting to the District are required to obtain a Santa Cruz County encroachment permit, which allows for breaking into the county sidewalks and road, if necessary. This permit is required even though it may not ultimately prove necessary to perform these operations.

**Response: Santa Cruz County Board of Supervisors DISAGREES**

*Encroachment permits are not required of customers connecting to the District if the work is not located within a County maintained road right-of-way.*

**Response: Salsipuedes Sanitary District DISAGREES**

*The foregoing finding is inaccurate insofar as it seems to imply that the District unnecessarily requires permit applicants to obtain encroachment permits from the County. In fact, the County of Santa Cruz does require an encroachment permit for*

*subsurface work in the County right of way. Thus, if the plans for a sewer repair call for construction that will take place in a County maintained road or sidewalk, an encroachment permit will be required. The District is unaware of any instance in which an encroachment permit has been required and has been later proved unnecessary.*

13. According to District officials, the Santa Cruz County Planning Department does not dependably notify customers of the need to obtain multiple permits. The District also reports that in cases where a sewage connection will clearly be required, the Planning Department does not consistently identify the need for a permit to be obtained from the Salsipuedes Sanitary District.

**Response: Santa Cruz County Board of Supervisors AGREES**

*The Planning Department has investigated item number 13 above and found that a system does exist for identifying applications which should be routed for review to Salsipuedes Sanitary District, but it has not been diligently followed. This system is being reviewed for continued relevancy and ways to insure that it will be followed in the future. In addition, it will be automated with the ALUS change of platform and designed to accommodate a customer notification feature.*

**Response: Salsipuedes Sanitary District PARTIALLY AGREES**

*The District agrees that the Santa Cruz County Planning Department "does not dependably notify customers of the need to obtain multiple permits" and that "in cases where a sewage connection will clearly be required, the Planning Department does not consistently identify the need for a permit to be obtained." However, the District is concerned the foregoing finding is inappropriate in the context of a report concerning the Salsipuedes Sanitary District. It would more appropriately be directed to the agency which is the subject of the finding, i.e., the Santa Cruz County Planning Department. And given that the finding is phrased in terms of the District's comments only, it appears that the Grand Jury failed to contact the Planning Department or perform any further investigation of the matter. The District would request that this issue be brought back to the Grand Jury for further consideration as part of the 2002-2003 Grand Jury Report or, alternatively, that it be contained in the portions of the Grand Jury Report dealing with County government.*

## **Conclusions**

(Note: While not required to respond to conclusions, the Salsipuedes Sanitary District responded to the following conclusion.)

5. It is inappropriate for the attorney for the District to prepare and sign correspondence on behalf of the Salsipuedes Sanitary District.

**Response: Salsipuedes Sanitary District DISAGREES**

*Any correspondence sent out by legal counsel on behalf of the District is at the request and direction of the Sanitary District. The Salsipuedes Sanitary District is a special district organized and operating under the Sanitary District Act of 1923 (Health & Safety Code section 6400, et seq.); The Sanitary District Act expressly authorizes the District to employ counsel "for any purpose (Health & Safety Code section 6493.) It also authorizes the District to employ and pay necessary agents and assistants. Health &*

*Safety Code section 6517. It is totally appropriate for the District to communicate to anyone it chooses through its legal counsel. This is the same basic right that every public agency, and every other person or entity for that matter, enjoys. The Grand Jury's conclusion to the contrary is illogical and unfounded. -""""*

## **Recommendations**

1. The Santa Cruz County Planning Department should establish a system and conduct employee training to identify instances that require an additional permit. Customers should be notified of this requirement when obtaining other required permits.

### **Response: Santa Cruz County Board of Supervisors AGREES**

*This recommendation will be implemented. When investigating this item, the Planning Department found that the ALUS system contained the information which identifies the Sanitation District of a parcel. However, the screen typically used by the building counter staff typically when determining the routing of applications did not include this information. This information has now been added to the appropriate screen, and staff has been trained in its use.*

### **Response: Salsipuedes Sanitary District DISAGREES**

*Will not be implemented by the Salsipuedes Sanitary District because it has no control over the Santa Cruz County Planning Department. However, the District agrees that the County Planning Department should recognize, when reviewing development applications for construction within District boundaries that include installation or modification of sewer facilities, that a sewer permit from the District will be required. (See Discussion of Grand Jury Finding No. 13, below).*

2. The attorney being used by the Salsipuedes Sanitary District is not an employee and should cease issuing formal correspondence from the District to its customers.

### **Response: Salsipuedes Sanitary District DISAGREES**

*As evidenced by this letter, Recommendation Nos. 2 and 3 will not be implemented because they are unwarranted and unreasonable, for the reasons set forth in response to Conclusion No.5, above.*

3. Correspondence prepared and signed by the attorney for the Salsipuedes Sanitary District should never be mailed out on behalf of the District. All correspondence should be signed by the board or by the District Manager.

### **Response: Salsipuedes Sanitary District DISAGREES**

*As evidenced by this letter, Recommendation Nos. 2 and 3 will not be implemented because they are unwarranted and unreasonable, for the reasons set forth in response to Conclusion No.5, above.*

# Review of the Santa Cruz County Burial Services Program for Indigents

## 2001-2002 Grand Jury Report – Page 7-4

### **Findings**

1. By law, a death certificate is required for every deceased person. The decedent's physician completes this form if he/she has attended to the decedent during the past twenty days and can offer a plausible cause of death. The clause "death by natural causes" is not permitted on a death certificate. The decedent's physician must record a definitive reason for death. If a death is caused by homicide, suicide, results from an accident (including drug overdoses), or if there is no attending physician, the case is turned over to the County Coroner.

#### **Response: Santa Cruz County Board of Supervisors**

*This finding should be referred to the Sheriff's Office, because the Burial of Indigents program is under the supervision of the Sheriff's Office.*

2. Decedents are identified by means of:
  - Personal viewing of the remains by a family member or friend
  - Identification card
  - Driver's license
  - Fingerprints
  - Dental records
  - DNA testing.

#### **Response: Santa Cruz County Board of Supervisors**

*This finding should be referred to the Sheriff's Office, because the Burial of Indigents program is under the supervision of the Sheriff's Office.*

3. A cemetery authority, a licensed funeral director, a licensed hospital or its authorized personnel may initiate an autopsy of any remains in their custody with authorization by the deceased's will or other recorded document, or by next of kin, or when required by law. The County Morgue has one physician who conducts all of the autopsies for Santa Cruz County.

#### **Response: Santa Cruz County Board of Supervisors**

*This finding should be referred to the Sheriff's Office, because the Burial of Indigents program is under the supervision of the Sheriff's Office.*

4. In the Indigent Burial Program, once the cause of death has been determined, a Sheriff-Coroner's Deputy contacts one of the funeral homes to arrange transportation of the remains. After receiving written notice of the cause of death, the funeral director or cemetery authority has the responsibility for disposition of the remains within seven days. Usually the body is kept no longer than three days. During this time, preparation is made for showing or cremation. If family is available and can afford the costs of a service, the deceased is not considered to be indigent.

**Response: Santa Cruz County Board of Supervisors**

*This finding should be referred to the Sheriff's Office, because the Burial of Indigents program is under the supervision of the Sheriff's Office.*

5. In the Indigent Burial Program, due to the financial situation of the decedent, the body is typically placed in an approved cardboard box and transported to the crematory. At the crematory, the body passes through a detailed and rigorous system of identification. The cremation process is carried out according to standard protocol. The ash is then placed in an approved container, which is either returned to the responsible kin or to another responsible authority.

**Response: Santa Cruz County Board of Supervisors**

*This finding should be referred to the Sheriff's Office, because the Burial of Indigents program is under the supervision of the Sheriff's Office.*

6. If the decedent is part of the Indigent Burial Program, the ashes may be given to the next of kin. If there is no next of kin, the ashes will be spread at sea by authorized personnel from the Sheriff -Coroner's Office. California Health and Safety Code §7117 requires that human ash must be dispersed 500 yards offshore. This procedure is highly regulated.

**Response: Santa Cruz County Board of Supervisors**

*This finding should be referred to the Sheriff's Office, because the Burial of Indigents program is under the supervision of the Sheriff's Office.*

7. The Deputy Public Administrator must determine whether or not the decedent had sufficient resources to pay for his or her cremation. To determine eligibility for the Indigent Burial Program, the Public Administrator will:
  - Use the Assessor's files to see if the decedent (or relatives) owned property
  - Speak with the relatives of the deceased (if any), to determine the ability of the estate to pay for the cremation
  - Discuss the decedent's source of income and any assets the person had (house, car, and belongings) that could be sold in order to pay for the cremation
  - Utilize available county indexes, i.e., court files, fictitious business names and voter registration, or Sheriff booking records
  - Consult with Parole Officers
  - Research state prison records
  - Search all computerized data resources
  - Search Veterans' records.

**Response: Santa Cruz County Board of Supervisors**

*This finding should be referred to the District Attorney, because this aspect of the Burial of Indigents program is under the supervision of the District Attorney's Office.*

8. Annually, the County opens the bidding to determine the funeral homes that are willing to take bodies through the Indigent Burial Program. The funeral homes sign county contracts each fiscal year and receive the bodies on a rotational basis.

**Response: Santa Cruz County Board of Supervisors**

*This finding should be referred to the Sheriff's Office, because the Burial of Indigents program is under the supervision of the Sheriff's Office.*

9. During the course of the past several contracts, the following funeral homes and Soquel Cemetery and Crematory have contracted with the Santa Cruz County to be vendors for the Indigent Burial Program:

- Benito & Azarro Pacific Garden Chapel, Santa Cruz
- Davis Memorial Chapel, Watsonville
- Mehl's Colonial Chapel, Watsonville
- Norman's Family Chapel, Santa Cruz

**Response: Santa Cruz County Board of Supervisors**

*This finding should be referred to the Sheriff's Office, because the Burial of Indigents program is under the supervision of the Sheriff's Office.*

10. The annual funds allocated to this program are approximately \$25,000. As a courtesy, the Indigent Burial Program will pay an indigent's final expenses and allow the family to repay the fund. Arrangements can be made for an affordable payment as low as \$10 per month. A letter is mailed to the family as a reminder of their promise to repay the debt. If the family refuses to honor the loan, the case is forwarded to County Collections and the Treasurer's Office for handling.

**Response: Santa Cruz County Board of Supervisors**

*This finding should be referred to the Sheriff's Office, because the Burial of Indigents program is under the supervision of the Sheriff's Office.*

11. During the 2000–2001 fiscal year, the Public Administrator received approximately fifty-seven referrals for Indigent Burial Program funding; forty-seven of these were actually processed through the Indigent Burial Program.

**Response: Santa Cruz County Board of Supervisors**

*This finding should be referred to the District Attorney, because this aspect of the Burial of Indigents program is under the supervision of the District Attorney's Office.*

12. The table below indicates the total number of decedents that were accepted through the Indigent Burial Program from 1999 through February 2002, and for whom the County paid cremation expenses.

	1999 – 2000	2000 – 2001	2001 – 2002
<b>Number of Indigents</b>	56	47	Open
<b>Cost per Indigent</b>	\$548.50	\$548.50	\$595.50

**Response: Santa Cruz County Board of Supervisors**

*This finding should be referred to the Sheriff's Office, because the Burial of Indigents program is under the supervision of the Sheriff's Office.*

13. At the end of fieldwork in February 2002, there were already sixty-two referrals to the Indigent Burial Program for the current fiscal year, seventeen of which occurred after January 1, 2002.

**Response: Santa Cruz County Board of Supervisors**

*This finding should be referred to the Sheriff's Office, because the Burial of Indigents program is under the supervision of the Sheriff's Office.*

14. Typically, a funeral home will charge \$1500 to \$1800 for a cremation; the agreed County fee is \$595.50. The cost breakdown for indigent cremation is as follows:

Item	Cost
Funeral Processing	\$355.29
Carton	\$35.00
Sales Tax	\$2.71
Cremation	\$187.00
Processing Fee	\$8.50
<b>Total</b>	<b>\$595.50</b>

**Response: Santa Cruz County Board of Supervisors**

*This finding should be referred to the Sheriff's Office, because the Burial of Indigents program is under the supervision of the Sheriff's Office.*

15. Another service offered by the County is burial services for victims of violent crimes through the Victim/Witness Program. The County will pay a maximum of \$5000 for a victim's final expenses whether or not the family has sufficient funds. The Victim/Witness Program funds are not part of the Indigent Burial Program.

**Response: Santa Cruz County Board of Supervisors**

*This finding should be referred to the District Attorney, because this aspect of the Burial of Indigents program is under the supervision of the District Attorney's Office.*

## **Recommendations**

1. The Board of Supervisors should increase the budget for this program in order to cover the increased use and cost of the program.

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

*This recommendation requires further analysis which will be conducted as part of the annual budget process.*

2. The Grand Jury commends the Public Administrator, the Sheriff-Coroner's Office and the funeral home and crematory services for their dedication to this program.



## Review of the Santa Cruz Port District

### 2001-2002 Grand Jury Report – Page 7-11

#### **Findings**

1. The jury visited the harbor three times during the course of this review:
  - A. Santa Cruz Yacht Harbor is a popular tourist destination.
  - B. Members of the Jury observed during these visits that the harbor area appears to be well maintained.

#### **Response: Santa Cruz Port District AGREES**

- C. Public Port District meetings are held on the fourth Tuesday of every month starting at 7:30 p.m.. Public meetings are usually held at the Harbor Public Meeting Room, 365-A Lake Avenue, Santa Cruz. Members of the Grand Jury attended one of these meetings and observed that the meetings appear to be run in an orderly and professional manner.

#### **Response: Santa Cruz Port District AGREES**

*Port Commission meetings have been changed to 7:00 PM on the fourth Tuesday of each month.*

- D. The District is responsible for many ongoing maintenance projects as well as long term improvements to the harbor.
- E. Revenues are generated from almost every aspect of the harbor operation. Launch fees, parking fees, slip fees, guest docking, RV parking, rent on retail space, boat storage all generate the money needed for daily operations and long term improvements. The District is also very active in obtaining grant money whenever possible.

#### **Response: Santa Cruz Port District AGREES**

2. Businesses are located throughout the harbor area:
  - A. The Harbor Business Association Member Directory is located on the Internet through the Port District site: [http://www.santacruzharbor.org/visitor/bus\\_dir.html](http://www.santacruzharbor.org/visitor/bus_dir.html).
  - B. Retail shops must apply to the District for a lease. Upon approval, the District issues a lease for a determined amount of time. This is normally five years with the option to renew.

#### **Response: Santa Cruz Port District AGREES**

*Lease terms range from month-to-month, to 40+ years. Access to all multi-year leases originates with a public bid process.*

- C. The Harbor Patrol presence also adds to security and there is very little crime in the area. This fact also enhances the good business climate.
- D. There are many popular restaurants in the harbor attracting many locals as well as tourists to the harbor area.

- E. The closeness to the harbor and to the beach sometimes creates parking problems for visitors to the harbor and to the local restaurants. Parking within the harbor area is in high demand during the summer months.
- F. Other than minor complaints concerning restroom maintenance and dock repair, members of the Grand Jury found that the District has done an excellent job in making the harbor a favorable place for local merchants as well as their customers and other visitors.

**Response: Santa Cruz Port District AGREES**

- 3. Although there are about 1200 boat slips in the harbor, there are about the same number of boat owners waiting for slips. The District charges boat owners an annual fee to be placed on a waiting list. The waiting period for a slip in the South Harbor may be as much as 9-10 years. In the North Harbor the wait for a slip is much less, about 3-6 years. The District tries to ensure that existing boat owners are, in fact, actually using the harbor and not merely parking a boat in a slip. The District has established a rule that a slip renter must take his boat out at least ten times per year or risk losing his place in the harbor. Slips are not transferable with the sale of a boat. When a boat is sold the new owner is given time to look for a new place to berth his boat. In the past, slips were transferred with the boat. This practice led to abuse of the slip rental policy. There are currently about 87 people who live on their boats in the harbor. The harbor provides non-metered electricity to these people and to the all other boat owners at a set rate of \$35.00 per month. Some boat owners who use small amounts of electricity would prefer metered electricity for a more equitable charge.

**Response: Santa Cruz Port District PARTIALLY AGREES**

*There are approximately 900 wet slips and approximately 300 dry storage spaces within the harbor. The waiting period for a south harbor slip ranges from 6-19 years.*

- 4. Because the harbor is such a large area with many facilities, there are many ongoing capital improvements planned by the District. Recently a new lighthouse was constructed to mark the entrance to the harbor. This was done with private funds at no cost to taxpayers. Charles Walton donated the initial \$60,000 to get this project started. Walton, a Los Gatos resident who is a semi-retired electronics businessman and fisherman, made the donation in honor of his late brother, Derek Walton, who served in the Merchant Marines. This new Lighthouse is known as the Walton Lighthouse and officially as the Santa Cruz Harbor Light.

**Response: Santa Cruz Port District AGREES**

*A total of \$416,000 was donated to the lighthouse – Mr. And Mr. Walton donated a total of \$94,000.*

- 5. Another project recently completed is the Joseph G. Townsend Maritime Plaza. The plaza is located just outside of the Crow's Nest Restaurant. This project was made possible through grants from the Economic Development Administration and the Federal Transportation Enhancement Act. Additionally, many private donors also helped to fund this project. Joseph G. Townsend has been a Port District Commissioner for the last 25 years. His leadership of the District has been instrumental in making the harbor what it is today. State Senator Bruce McPherson,

Supervisors Mardi Wormhoudt and Jan Beautz, and Mayor Tim Fitzmaurice of the City of Santa Cruz dedicated the plaza in his honor on September 7, 2001.

**Response: Santa Cruz Port District AGREES**

6. Apart from the above mentioned projects are long range plans for replacing the deteriorating seawall near Aldo's Restaurant, increasing the number of visitor slips and general improvements to the North Harbor.

**Response: Santa Cruz Port District AGREES**

7. The District has recently installed an oil reclamation facility to protect the quality of the harbor's water.

**Response: Santa Cruz Port District AGREES**

8. Much planning goes into all capital improvements and the District appears to be very diligent in finding funding before the projects are undertaken.

**Response: Santa Cruz Port District AGREES**

9. Santa Cruz Harbor is dredged generally between November and April annually. This dredging operation is the most expensive daily operation at the harbor. The harbor owns and maintains the dredging vessel. Geographically, the mouth of the harbor is located in an area where sand is constantly building up. In order to ensure that the harbor is navigable, the entrance must be constantly dredged. Dredging removes the sand from the mouth of the South Harbor. The sand is then deposited through a dredge discharge line, into the inter-tidal zone in the bay where it drifts down the coast, and helps to replenish the sand to all beaches east of the harbor. Dredging of the North Harbor is a much different operation. The North Harbor drains Arana Gulch and much of the surrounding area. The sediment deposited in the North Harbor is far different from the sand that is dredge from the channel entrance in South Harbor, and must be treated differently. The North Harbor's sediment consists of only 40% sand and 60% silt. Although this sediment does not contain chemical pollutants, it does contain much organic material and silt. Instead of dredging this material it is removed by a clamshell bucket, deposited in the parking lot and left to drain. The material is then removed by dump trucks and deposited in a landfill site in Seaside. This is a costly operation.

**Response: Santa Cruz Port District AGREES**

*Removing sand from the entrance channel by hydraulic dredging cost approximately \$4/cubic yard. Removing material shoaling the north harbor by clamshell bucket and transported upland to a landfill costs approximately \$80/cubic yard.*

10. The Port District would like to be able to take the sediment dredged from North Harbor and deposit it further out in the Monterey Bay. Because of environmental concerns and possible pollution of the Monterey Bay Wildlife Sanctuary, this method has not yet been approved. The District contracted with Moss Landing Marine Lab for a demonstration project to support its position that this sediment poses no threat to the Bay. The preliminary report of this project, issued in March of 2002, supports the Port District's position that the sediment is not a threat to the Bay. Approval for depositing the sediment in the bay would result in a substantial savings of at least \$325,000 per year to the Port District, based on 5000 cubic yards of sediment, which is the average

annual amount of sediment dredged. Before proceeding with depositing this dredged material in the Monterey Bay, the District needs to receive approval from a number of agencies. The District must demonstrate to the Army Corp of Engineers that they are in compliance with section 404 of the Federal Clean Water Act and compliant with EPA standards. Next the District will need a permits from the Coastal Commission, the California State Water Quality Control Board in San Luis Obispo and the Monterey Bay National Marine Wildlife Sanctuary

**Response: Santa Cruz Port District AGREES**

11. Santa Cruz Harbor is home to a commercial fishing fleet. Santa Cruz Harbor is primarily a salmon fishery. There is also a small crabbing operation along with albacore, halibut, and rockfish fisheries. Foreign imports of fish from South America and domestic farming compete directly with local fisheries. There are, however, enough local markets such as restaurants and fresh fish retail markets in the area to minimally sustain local fishing. The last several years have been abundant for salmon. Salmon season runs May through September, albacore usually from September through December.

**Response: Santa Cruz Port District AGREES**

12. There is a local fish buyer located in the harbor at the “S” and “T” docks. Having a local buyer in the harbor ensures that the fisherman have an available market for their catch. The Port District has recently upgraded the District-owned facility leased by the resident fish buyer. The facility has been upgraded to include a new ice-making machine that is capable of providing all the ice that is needed to run the facility.

**Response: Santa Cruz Port District AGREES**

13. It is essential to the fishing fleet that the mouth of the harbor remains open all year. The commercial fishermen welcome the dredging program. The Santa Cruz Local Fisherman’s Association maintains a very good relationship with the Port District. Both the Santa Cruz Harbor and the Fisherman’s Association are members of Alliance of Communities for Sustainable Fisheries. This Alliance is an organization that seeks to preserve currently threatened fisheries and fishing communities. They work closely with the Monterey Bay Wildlife Preserve in order to achieve this end. The Alliance can be found on the Internet at: <http://www.nfcc-fisheries.org/monterey/index.shtml>.

**Response: Santa Cruz Port District AGREES**

***Recommendations***

3. The Port District should continue to pursue investigating the less expensive alternative disposal of the North Harbor sediment, while addressing environmental concerns.

**Response: Santa Cruz Port District AGREES**

*We completely agree with the Grand Jury's statement. The north harbor sedimentation problem is the largest financial threat to the Port District. 5,000 to 20,000 cubic yards of material come into the harbor each year from Arana Gulch. We are addressing this problem in three major ways:*

*A. Arana Gulch Watershed Alliance: The Port District was a founding member of the Arana Gulch Watershed Alliance (AGWA), which has been in existence for 6 years. It has made tremendous progress. Its members include watershed stakeholders, including the County and City of Santa Cruz, the Port District and various landowners. AGWA's executive director, Roberta Haver, in coordination with consultant engineers and hydrologists, has just completed the Arana Gulch Watershed Enhancement Plan. This document sets forth a 20-year plan for fixing specific problems; general restoration; erosion control and steelhead habitat enhancement.*

*In addition to the AGWA program, the Arana Gulch watershed is also the subject of a recently completed Corps of Engineers' reconnaissance study. The Section 905B report was favorable in going forward to the feasibility stage of a watershed restoration and management plan in coordination with the harbor and AGWA (Corps' project #PWI-014755.Arana Gulch).*

*B. Sediment Basins: Establishment of sediment basins above the harbor to catch silt, sand and clay before it enters the harbor. AGWA is very involved in this and the sediment basins are part of the comprehensive restoration plan.*

*C. Dredging: The Port District has put tremendous effort into identifying the most cost effective method of dredging the harbor. The Port District is working with all regulatory agencies to ensure it has an affordable way to dispose of this clean material.*

4. The Port District should consider offering an optional plan for metered electricity.

**Response: Santa Cruz Port District AGREES**

*The Port District has considered, and will continue to review in the future, the cost benefits associated with metering the harbor's slips. Up to this point, the District has been reluctant to add the high cost of installing meters to the cost of the electricity. There has not been much disagreement with the current electricity assessment from most users. The current approach is to monitor and charge for electricity use. These fall into several categories:*

*A. Electricity is provided for slip licensees as part of their basic slip rent if electricity is used only intermittently (they are not plugged in when they are not on their boat).*

*B. A second category is for slip licensees who are also liveaboards. Liveboard fees include a flat rate charge for electricity.*

*C. The third category is for slip licensees who, although not liveaboards, leave their boats plugged in when they are not aboard. These slip licensees are charged a flat rate for electricity use each month. Additionally, a higher flat rate is charged for those who use a higher wattage of electricity.*