

Report to Monterey County Board of Supervisors

SUBJECT APPROVE RECOMMENDED RESPONSE TO THE 1996 GRAND JURY REPORT	BOARD MEETING DATE 4-15-97 10:00 AM	AGENDA NUMBER
DEPARTMENT County Administrative Office		

RECOMMENDATION

It is recommended that the Board Of Supervisors approve the attached response to the 1996 Grand Jury Final Report to be filed with the Presiding Judge of the Superior Court.

SUMMARY

By law, the Board Of Supervisors must file a response to the Grand Jury Final Report with the Presiding Judge of the Superior Court within 90 days of the following the report's release.

Elected county officers are required to submit a response directly to the Presiding Judge of the Superior Court within 60 days of the report's release and to send an informational copy to the Board. Comments made by the elected officials have been included in the Board's proposed response. Comments on recommendations directed to the Natividad Medical Center Board of Trustees have also been included in the Board's proposed response.

DISCUSSION

The proposed response addresses each specific finding recommendation directed to the Board Of Supervisors. When appropriate, responses to findings and recommendations submitted by elected officials or by appointed administrative Boards, who share responsibilities with the Board Of Supervisors, have also been included in the text of the response. As in past years, much of the input into the proposed response results from comments received from departments mentioned in the Grand Jury Final Report.

OTHER AGENCY INVOLVEMENT

Members of the 1996 Grand Jury and appropriate department heads have been provided copies of the proposed Board Of Supervisors' response and have been requested to be present at the Board's discussion of this matter. Members of the 1997 Grand Jury were also provided copies and invited to attend.

FINANCING

Acceptance of the recommended Board response will have no direct financial impact on the General Fund.



ERNEST K. MORISHITA
County Administrative Officer

April 9, 1997
EKM:JPM:4/9/97
Attachments

GOVERNING AND MANAGING MONTEREY COUNTY

FINDINGS:

1. It is the perception of many observers, including some members of the Board of Supervisors, that the Board is not a cohesive body, does not work together as a team, and does not have in place a system or process for:
 - a. Identifying the issues and needs of the County;
 - b. Doing long-range planning, defining long-range goals, and establishing priorities to meet such goals;
 - c. Allocating County resources in accordance with a long-range plan and defined priorities; and
 - d. Exercising supervision and oversight of the County Administrative Officer's office. Approximately 85% of County funds are committed funds. The decision making process for the 15% subject to the discretion and judgement of the Supervisors must be well organized and well understood.

BOARD RESPONSE: Last year the Board of Supervisors agreed to hold a strategic planning workshop to define the mission of the County and to establish organizational goals and objectives. Since a new Supervisor would be taking office in January, 1997, the workshop was rescheduled for spring to enable participation of the new Supervisor. On March 24, 1997, the Board of Supervisors commenced the first strategic planning workshop to begin the establishment of the County's mission statement, goals and objectives. The roles of the Board and the County Administrative Officer (CAO) were discussed and defined. The process for the development of a mission statement for the County was initiated. Future workshops will further refine the mission statement and establish goals and objectives, leading to the development of County priorities.

2. In 1992 the County Organization was changed to centralize supervision and oversight of the County departments and functions in the County Administrative Office. Prior to the adoption of Ordinance 3610, Section 3, in 1992, Department Heads reported directly to the Board of Supervisors.

BOARD RESPONSE: Agree with this finding.

3. It is the general perception that even though four years have elapsed since the change, the transition of the management system is not complete and lines of authority, supervision and oversight are blurred.

BOARD RESPONSE: Agree with this finding. During the March 24th workshop, the authority and lines of communication relating to the CAO were reaffirmed. This area will be a subject of continuing review during ensuing workshops.

4. County staff and employees are not insulated from "politics". Supervisors contact staff and Department Heads directly, without observing established lines of authority. This results in subtle or overt political pressure on County employees.

BOARD RESPONSE: Agree with this finding. At times in the past, members of the Board of Supervisors may have contacted departments directly in order to obtain information and address concerns. This issue was addressed at the recent workshop, during the discussion of the role of the Board, and it will be an area slated for future efforts to clarify the situation.

5. Actions which result from contacts by a Supervisor may or may not be in the best interests of the County, but such actions are not exposed to the deliberative process and the public scrutiny which the law requires. Actual or perceived political pressure from individual Supervisors gives the appearance of political or personal favors or "power plays". This increases cynicism and negative attitudes about government's ability and commitment to fair and equal treatment in dealing with citizens and employees. For example, in a recent public meeting, a Supervisor claimed that it had been "necessary" to intervene on behalf of County employees who "felt" that they were not receiving adequate response to grievances.

BOARD RESPONSE: Agree with this finding. See response to Finding #4 above.

6. Some Supervisors assume that the "Department Heads Council" functions as a management council which enables Department Heads and key staff to participate in County management. In fact the Department Heads Council is a once a month gathering of Department Heads with the County Administrative Office. A speaker is usually scheduled, and then the members engage in an informal, social exchange. The general perception is that these gatherings are pleasant and promote good fellowship, but that an organized, collaborative, executive management system which enables input and participation by Department Heads and key staff in addressing County issues and problems is critically needed.

BOARD RESPONSE: Agree with this finding, to the extent that the Department Heads Council is not designed to be "an organized, collaborative, executive management system". A task force of Department Heads was established by the CAO to define the role and meetings of the Department Heads in relationship to meetings called by the CAO.

7. The management survey was designed to determine whether there is in place a comprehensive, well understood system for oversight and supervision of County departments and whether there is a system for participation by Department Heads and key staff in addressing County issues of general concern.

Except for the submission and negotiation of budget requests, there is no process for active participation by Department Heads in countywide issue identification, problem solving, submission and discussion of innovative ideas and solutions. There is no system for conducting planning and defining long-range goals, setting priorities, developing problem alert systems, and developing preventive and remedial measures. Many respondents to the survey and inquiry expressed strong opinions that such a formalized system is definitely needed.

BOARD RESPONSE: Partially agree with this finding. There is active Department Head participation in countywide issue identification, problem solving, submission and discussion of innovative ideas and solutions. As discussed in the response to Finding #1 above, the Board of Supervisors and the CAO will continue to work on improving the systems/processes used in these areas. The Board of Supervisors establishment of a mission statement accompanied by clearly defined goals, objectives and priorities will enable the CAO and Department Heads to develop the framework to establish a management process to implement the Board of Supervisors goals, objectives and priorities.

8. Some County staff felt that an executive management system will not work because some County departments are headed by elected officials. But the budgets of departments headed by elected officials are subject to review by the County Administrative Officer's office and must be approved by the Board of Supervisors.

Department Heads should be provided a structure and an opportunity to participate in developing a strategic plan for Monterey County which identifies and prioritizes the County's needs. They should be requested to submit a detailed analysis of the departmental needs for the next three to five years which estimated funding requirements, provides justification for assigning priorities and identifies the impact on the citizens of Monterey County if these need are not met.

From this process the County Administrative Office can then develop a proposed strategic plan and a list of recommended priorities. This proposal should then be the subject of a public hearing by the Board of Supervisors with adequate opportunity for the public and the Department Heads to discuss the merits of the proposal.

If Department Heads, elected or appointed, are afforded the opportunity to participate in such a collaborative executive management process and refuse to engage in a good faith effort to make the system work, their credibility before the Board of Supervisors at budget hearings will be seriously impaired.

BOARD RESPONSE: Agree with this finding. The Board of Supervisors' series of workshops will continue, with a major emphasis on the area of long-range planning and setting of priorities for the organization which will provide direction and framework for the CAO and Department Heads to develop and implement strategic plans.

9. Some departments have employee incentive programs, but there is no countywide system which encourages or enables employees to improve operational procedures. It is clear that such systems work. A study of a joint management-union quality improvement process at the Internal Revenue Service revealed that the process resulted in an increase of 300% in the number of suggestions from employees and a return of \$48 for every dollar invested! ("The IRS and TVA Are Leading the Way", by Cynthia J. Cuffney and Marilyn M. Helms, QUALITY PROGRESS, October, 1995)

BOARD RESPONSE: Agree with this finding.

10. The County decision making process needs to be better organized. At present:

- a. Supervisors receive reports analyzing issues which are on their weekly agendas or about which the staff needs policy direction. These reports are prepared by or under supervision of appropriate Department Heads. These reports are reviewed by the County Administrative Office, and if necessary revisions suggested before the reports are approved for submission to the Supervisors. These reports define the issues, discuss the reasons why the project is needed, how the project affects other departments, the cost and funding sources and recommended course of action.

b. Since there is no County strategic plan which defines long-range goals, and priorities for resource allocation, the reports received by the Supervisors do not address how the proposed action or project fits into the framework of priorities, and whether the benefits of the proposal justify subordinating competing projects.

c. The cumulative effect of weekly decisions on significant issues defines County priorities and allocates County resources. This fragmented system may or may not best serve the needs of County residents. But, the absence of a defined set of goals and priorities related to the inventory of the County's long-range needs, makes it difficult for the Supervisors to make coherent decisions which are program based and keyed to a plan which County staff and the public understand. Under such a system it is virtually impossible for the public to participate in defining goals and establishing priorities.

BOARD RESPONSE: Agree with this finding. Long-range setting of goals and priorities will be a major priority of the current Board of Supervisors. The comments and concerns of the Grand Jury will be considered during future Board workshops targeted at improving these processes.

11. The new Youth Center (recently renamed "The Camp") is a prime example of the serious problems which can result if political pressure overwhelms the process, and if a project is opportunistic and not program based, and if there is no long-range plan or strategy nor agreed upon priorities to guide decision making. This is what occurred:

a. In 1994 Monterey County was sending juveniles to facilities outside the County and paying for their care at a rate which appeared to be higher than what the County could provide if local facilities were available.

BOARD RESPONSE: Agree with this finding.

b. It was the opinion of those in charge that if juveniles could be treated in the County, they could be closer to their families and offered greater opportunities for family integration and rehabilitation.

BOARD RESPONSE: Agrees with this finding.

c. A facility became "available" and uncommitted funds were available from Proposition 172 (the State initiative measure which earmarked a portion of State sales tax revenue for "Public Safety") to fund projects which could be characterized as "Public Safety" projects.

BOARD RESPONSE: Agree with the stated finding. However, the implication that the process was sudden and opportunistic is misleading.

The Alisal (Salinas) Community Hospital, first reviewed by the Chief Probation Officer as a possible site for a Youth Program in 1990, when it was excessively priced, was one of several possible sites explored to accommodate the Youth Center Project. Other sites explored included several commercially available properties, Natividad Ranch, and surplus government land, such as different sites at Fort Ord, the Naval Facility at Point Sur and the Salinas Border Patrol Station. The project was to be funded through a variety of sources, including Proposition 172 funds.

The use of Proposition 172 funds to implement a program designed to reduce delinquent behavior at an early age, prevent continued delinquent behavior, and to reduce crime and violence by altering behavior and changing values is certainly well within the purview of Public Safety.

d. The Board of Supervisors and the Probation Department decided that the opportunity offered by the "available facility and available funds" should be used for a new Youth Center in Monterey County.

BOARD RESPONSE: Agree with this finding.

e. The collaboration enabled the project to bypass a reasonable process of investigation and analysis.

BOARD RESPONSE: Disagree with this finding. The program concept and proposal was presented for review and analysis/comment to: the Board of Supervisors, the Superior Court Judges, and to a variety of collaborative agencies such as Mental Health, Social Services and the County Office of Education. Additionally, a recommended architectural survey was conducted, as was a geophysical survey. Personnel from Facilities and Construction, the County Planning Department, County Administration, County Counsel, City Planning, the City Fire Department and the County Health Department inspected and toured the facility prior to purchase. The Monterey County Probation Department worked expeditiously with other county agencies.

The need for a treatment program for the youth of Monterey County was and is a well established fact and the Probation Department had been seeking implementation and funding for the program for a number of years, modifying the basic concept as a means to offset County expenditures. The idea was neither new nor was it unfamiliar to the involved parties.

Most of the problems with the actions taken, and the resultant outcomes, resulted from the initial reliance on an inadequate report by the architect of record. The CAO will modify the process used in this project to ensure that this experience is not repeated.

f. The estimated cost of acquiring, remodeling and equipping the facility was \$2,335,184.

g. The estimated cost to date is over \$4,300,000, not including furnishings, telephone or program development requirements. The final cost is yet to be determined.

BOARD RESPONSE: Agree with this finding. The cost exceeded the original projection due to difficulties that could not have been foreseen and could/would not have been discovered until the actual renovation was in process.

h. Rather than a program being developed and a facility planned and designed to implement the program it is now necessary to fit the program to the facility.

i. Some observers are of the opinion that the facility will require more permanent staffing to operate than a facility planned from scratch to meet a well-designed program.

BOARD RESPONSE: Partially disagree with this finding. All facility plans were reviewed by the California Youth Authority and the minimum staffing ratio required to operate juvenile facilities is mandated by The California Code of Regulations, Title 15. No increase above the minimum ratio was required by the Youth Authority.

The term staff intensive has been used to describe the fact that open facilities such as the Youth Center require more active supervision by staff than do locked facilities. This term is not meant to be construed to mean requiring larger numbers of staff; rather it means that staff must be more involved.

j. It is also the opinion of some observers that if a program for the treatment of juvenile offenders had first been developed and a facility designed to meet the program needs, the resulting facility would be more effective in meeting the goals of rehabilitation and more cost effective than the new Youth Center.

BOARD RESPONSE: Agree with this finding. It is the position of the Board that the Youth Center is designed to facilitate supervision of wards in a semi-open setting and provide a safe living environment.

Had all cost factors been readily available prior to the purchase of the property and the beginning of renovation it is possible that a decision to purchase property, and to design and build a facility tailored to the program might have been reached. Instead, an existing facility was modified to meet the program needs.

The rehabilitative process is not determined by the location or layout of a facility. It is determined by the input of the individuals involved, in this case, the wards, their families and the staff serving them.

k. Because the Supervisors rushed into the project and required the staff to investigate the project under impossible deadlines, and because the Board of Supervisors and the Probation Department failed to develop a program based action plan, adequately consider alternatives and pursue a program designed to achieve a well thought out juvenile treatment system, the County has a project which will cost as much or more than a facility which would be more effective and efficient, in rehabilitating juvenile offenders.

BOARD RESPONSE: Disagree with this finding. The adoption and implementation of the Youth Center Proposal was timely and was needed to address issues of juvenile crime in the County. The loss of the Natividad Boys Ranch left a severe gap in the ability of the community to address the issues of juvenile crime. The incidence of gang violence and overcrowding of Juvenile Hall were pressing issues and required action. While a more deliberative process would have been preferable, the exigencies of the situation did not allow it.

A plan was developed and implemented, alternatives were considered and the program aspects were researched and developed.

This facility will adequately serve the needs of the community and the juvenile offenders sentenced here for many years to come.

12. The County has no post completion system for evaluating projects to determine whether the process worked effectively and whether mistakes were made which can be avoided in the planning and development of future projects.

BOARD RESPONSE: Agree with this finding. No formal system of post completion project evaluation is currently in place. Currently, post evaluation is an informal process of punch lists, retainment fees, and exercising warranties pursuant to user requests.

13. There is no County system for prioritizing, scheduling and budgeting deferred maintenance of County facilities.

BOARD RESPONSE: Agree with this finding. The County Administrative Office will begin implementation of a process to accomplish this objective.

14. There is a countywide centralized purchasing system in place but some departments do not comply with the program. One department, which purchases millions of dollars of furniture, fixtures, equipment and supplies, bypasses the County purchasing system.

BOARD RESPONSE: Agree with this finding. There is a countywide centralized purchasing system in place. Natividad Medical center does maintain a separate purchasing system for logistical reasons. The legal consequences of this separate system is being examined by the County Counsel's office. All other departments, except in cases of exempt functions, have been advised to follow the procedures outlined in the County Purchasing manual, which was issued in October, 1996.

RECOMMENDATIONS:

The 1996 Civil Grand Jury recommends that the Board of Supervisors:

1. Develop an action plan which enables it to work effectively as a team in a routine and systematic way. The following options should be considered.
 - a. Scheduling a series of workshops directed by an experienced facilitator to address:
 - (1) Working together as a cohesive team;
 - (2) Recognizing, and setting aside personal agendas in the deliberative process;
 - (3) Issue identification and problem alert systems, and;
 - (4) How to:
 - (a) Develop and implement a strategic plan with long-range goals;
 - (b) Establish priorities as a guide for budgeting, decision making, and resource allocation; and
 - (c) Establish a system for monitoring the performance of County management to ensure that defined priorities become the framework and point of reference for budgeting, resource allocation and decision making.

BOARD RESPONSE: Agree with this recommendation. See Board of Supervisors' response to Finding #1. The Board held the first of a series of planned workshops on March 24, 1997. This strategic planning workshop was designed to begin development on definition of the Boards' mission and to set the stage for future workshops. The issues contained in the Grand Jury's recommendation will be among those addressed by the Board of Supervisors in this forum.

2. Develop a system to ensure that the governing and management structure and process adopted in 1992 (Ordinance 3610 Section 3, 1992) operates as set forth therein, and that effective prohibitions be enacted to insulate management and County staff from political pressure from one or more Supervisor.

BOARD RESPONSE: Agree with this recommendation. During the workshop recently held the Board of Supervisors reaffirmed the governing and management structure adopted in 1992. Adherence to this management structure will serve to insulate County staff from future instances of political pressure.

3. Direct the County Administrative Office to work with the Auditor-Controller's office to expedite the development of a performance audit system and at least one full time performance audit team, for doing routine performance audits of County departments and agencies. This system should include a series of training programs and workshops for Department Heads and Executive Officers of appropriate agencies to assist them in establishing effective and reliable internal performance measurement systems (Exhibit 4).

BOARD RESPONSE: Agree with this recommendation. Development of a strong performance audit component remains a high Board priority. The performance audit team has been established within the office of the Auditor-Controller. A comprehensive performance audit of the Childrens' Services Division of the Department of Social Services was recently completed. Efforts in this and other areas will be ongoing.

4. Direct the County Administrative Officer to implement the recommendations of the 1996 Civil Grand Jury set forth below.

The 1996 Civil Grand Jury further recommends that the Monterey County Administrative Officer:

5. Establish a formalized and well understood management system which enables Department Heads and key staff to participate in and contribute to the process of:
 - a. Identifying issues and needs of the County and its residents;

- b. Developing a strategic plan defining long-range goals and setting priorities with a system for monitoring and updating priorities;
- c. Establishing a system for resource allocation using the strategic plan and its priorities as a guide;
- d. Developing cost savings measures;
- e. Improving operational systems, methods and procedures; and
- f. Developing problem alert systems.

BOARD RESPONSE: Agree with this recommendation. As previously stated, the Board of Supervisors has initiated a series of workshops aimed at addressing long-term goals, objectives, priorities, systems, and processes to provide the CAO and Department Heads the framework to address these issues.

- 6. Investigate the benefits which might be derived from an independent review and study of Monterey County's management system by experienced specialists who have a verifiable reputation for and a demonstrated expertise and effectiveness in public management systems. The review should focus on:
 - a. The structure and organization of Monterey County's management system;
 - b. Changes which may be necessary or desirable to deal more effectively and efficiently with County needs; and
 - c. Inadequacies in the system of oversight and supervision of County departments, agencies and functions which are resulting in or might result in operational and financial problems.

BOARD RESPONSE: Possibly agree with this recommendation. The Board of Supervisors has engaged a consultant to facilitate the ongoing workshops designed to optimize current County operations and processes. If these workshops demonstrate a need for an independent review and study of Monterey County's management structure, this option will be considered by the Board at that time.

- 7. Present to the Board of Supervisors a system to ensure that the process adopted in 1992 (Ordinance 3610 Section 3, 1992) operates as set forth therein, identifying the specific benefits to be derived from such a system and the commitment required from the Board of Supervisors for the system to work.

The County Administrative Officer should request the Board to direct the implementation of the system with its full backing.

BOARD RESPONSE: Agree with this recommendation. The Board of Supervisors has already reaffirmed the process adopted by Ordinance 3610, Section 3, 1992. Future efforts will be directed at augmenting the implementation and application of this process.

8. Develop and present to the Board of Supervisors a program and project analysis system and decision making process which identifies:
 - a. The issues and the alternatives;
 - b. The advantages and the disadvantages of each alternative, the risks involved, the consequence of each alternative and the consequences of the failure to act;
 - c. The fiscal and budgetary implications of each alternative and what other projects or programs will have to be subordinated to the action recommended;
 - d. The reasons for the recommended course of action and what impact it will have on other programs and priorities;
 - e. The long-range implications of the decision including: the commitment of future funds and resources, the future staffing needs, the reliability of future funding sources, and whether the County can terminate the program or project without significant fiscal and employee problems;
 - f. How the decision meets the long-range goals, and priorities set forth in a County strategic plan; and
 - g. How the success of the project will be evaluated.

BOARD RESPONSE: Agree with this recommendation. The entire decision making process, and the tools necessary to effectively execute this process, are a high priority for the Board in developing its strategic planning strategy.

9. In cooperation with Department Heads and key staff, develop and implement a countywide program which encourages and enables County employees to:
 - a. Submit suggestions for improving operational methods, systems and procedures;
 - b. Develop cost saving methods and procedures;

- c. Submit suggestions for improving employee morale;
- d. Identify and report on unmet needs; and
- e. Identify problems which come to their attention with suggestions for remedies.

The program should include a system of rewards for cost saving suggestions.

BOARD RESPONSE: Agree with this recommendation. A County-wide employee incentive program should be developed to receive, review and approve employee recommendations to improve operational procedures. Currently, a countywide employee recognition program exists whereby on an annual basis a labor management committee is established to receive and review recommendations for commendation for those employees and work teams who have demonstrated exemplary service. For efficiency purposes, the employee incentive program should be merged with the existing recognition program. This action will require Board of Supervisor approval and collaboration with Department Heads and employee groups. With the approval and cooperation of all, the program could be established with the 1998 recognition program.

- 10. Develop a procedure for post completion project review and analysis and evaluation to ensure that future projects benefit from the methods which worked effectively and identifies problems which occurred during the project, why they occurred and how to avoid such problems in the future. The Youth Center project and the Natividad Medical Center should be used as the framework for developing such a procedure.

BOARD RESPONSE: Agree with this recommendation. Throughout a project, County staff evaluates the progress of the work. Each job is somewhat different and from each job valuable lessons are learned on what works well and what doesn't work. The recommendation of the Grand Jury to conduct a post project completion review to summarize our daily experience is a good one which will formalize this process and will be implemented on future projects by Facilities and Construction staff.

- 11. The County centralized purchasing system should be reviewed with two goals:
 - a. To determine if the system can be better designed and organized to ensure that equipment, furniture, fixtures and supplies are being acquired at the best available price; and

b. To build in an education, training, and compliance system which will ensure that the system accommodates the needs of all County departments, that every department and their key employees understand the system, have the opportunity to suggest changes and improvements, and that there is a monitoring and enforcement process which ensures compliance with the system.

BOARD RESPONSE: Agree with this recommendation. Support Services' Purchasing Division will continue to enhance the procurement process through involvement with the California Association of Public Purchasing Officials , state purchasing programs and networking with other county purchasing departments. Purchasing will continue to be pro-active with vendors and all service providers to obtain the best product for the best price. Purchasing will utilize department "focus groups" to assist with organizational and procedural improvements.

Training and education is an on-going process within the Purchasing Division. The Purchasing Division will continue to be committed to education/training of County departments. "Focus groups" will be utilized to enhance and provide guidance for education and training programs. A periodical report will be submitted to the County Administrative Office regarding non-compliance matters.

12. Work with Department Heads to establish a countywide system for employee training in decision making procedures so that decisions can be made at the point closest to the performance of essential tasks and by employees who deal with the public or their immediate supervisors. This program should include training in problem analysis, risk identification, problem solving and how to deal with difficult people.

BOARD RESPONSE: Agree with this recommendation. The CAO concurs with the recommendation to establish a countywide training program, including the recommendation to provide training in problem analysis, risk identification, problem solving and decision making skills, and dealing with difficult people. In the fall of 1996, the CAO formed a task force to recommend a County training program for managers. The Committee's recommendations included establishing and staffing a County training program for managers, supervisors and employees. The focus of the Committee's recommendation was to provide upward mobility opportunity and skills enhancement training for all County employees. It is expected the recommendations will be forwarded to the Board of Supervisors for approval with the FY 1997-98 budget.

13. Develop and present to the Board of Supervisors for review and adoption a deferred maintenance program for the County's buildings and facilities, with a list of priorities, a schedule and budget. The program should include a system for facilities monitoring and priority updates.

BOARD RESPONSE: Agree with this recommendation. The County budget provides an annual system for prioritizing, scheduling and budgeting of major deferred maintenance and capital projects. On an annual basis, County departments and agencies are asked to submit facility project requests for the following fiscal year. Facilities and Construction staff add those projects which cover entire buildings, such as roof replacement, and those projects which cover common public areas.

The County Administrative Office will work to implement a more comprehensive system, designed to incorporate the elements cited by the Grand Jury.

14. Along with Department Heads, key staff and the Executive Officers of the Local Agency Formation Commission, Special Districts and Joint Powers Agencies (JPAs) whose Boards have some or all members appointed by the Board of Supervisors, the County Administrative Officer should initiate a process for performing a periodic needs assessment and evaluation of the Agencies, Districts and JPAs focusing on:
 - a. Whether an Agency, District or JPA is still needed;
 - b. Whether the functions performed are essential and affordable;
 - c. Whether the functions, if still needed, can be performed as well or better by another agency;
 - d. Whether consolidation of some agencies will result in more effective and efficient operations and providing of services;
 - e. Whether a performance audit is needed, and
 - f. Whether training updates for Board members and Agency staff are needed.

Such a joint effort could take the form of an Agency Management Council which should share and coordinate innovative management techniques, quality control systems, and effective operational methodologies. Such a Council could also focus on identifying overlapping and duplicative functions in the County or the region with an eye to reducing the cost of government services and providing better services.

An example might be a centralized or at least a coordinated purchasing system. Other consolidation or coordination of essential services or functions could emerge from such a Council.

BOARD RESPONSE: Agree with this recommendation. The CAO concurs that there is a growing need to streamline government services and reorganize historical delivery systems. A joint effort should be pursued to share and coordinate information on management techniques and overlapping and duplicative functions. The County, in conjunction with agencies such as the Local Agency Formation Commission (LAFCO), could hold meetings to discuss functions performed, consolidation and training.

LAFCO currently reviews each special district on a periodic basis as part of the review of special district spheres of influence. In performing these sphere of influence reviews, LAFCO answers the questions of whether the district is still needed; whether the functions are essential and affordable; whether there is a more efficient manner to provide the same or similar services; and whether residents would benefit by the consolidation of two or more districts.

LAFCO initiated study proposals come with no funding source. This requires that the LAFCO budget, and the County General Fund, pay for these studies. It is often difficult to justify the cost of these comprehensive studies from General Fund dollars when the benefits may be attributable to a relatively small portion of County residents. Given that LAFCO already has the authority and responsibility to answer the questions raised by the Grand Jury, more timely and comprehensive reviews will only occur when additional funding sources are identified.

APPOINTMENTS BY THE BOARD OF SUPERVISORS TO BOARDS, COMMISSIONS AND COMMITTEES

FINDINGS:

1. The Board of Supervisors has to make appointments to some 52 Commissions, Committees, and Boards, most of which have a minimum of five members.

BOARD RESPONSE: Agree with this finding.

2. Each Supervisor has a unique approach to recruiting, screening and selecting appointees.

BOARD RESPONSE: Agree with this finding.

3. Any orientation and training is left to the discretion of the individual agency and its existing Board.

BOARD RESPONSE: Agree with this finding.

4. There is no system for monitoring or enforcing appointee attendance.

BOARD RESPONSE: Disagree with this finding. Each Commission, Committee, and Board is charged with monitoring the attendance of its members.

RECOMMENDATIONS:

The 1996 Civil grand Jury recommends that the Monterey County Board of Supervisors:

1. Adopt policies for recruiting and screening appointees to Agencies, Commissions and Advisory Committees.

BOARD RESPONSE: Disagree with this recommendation. In order to best represent the individual Board members and their constituents, the current system of recruitment and screening by individual Board members best addresses this end.

2. Encourage Boards, Commissions and Committees to develop formal orientation and briefing programs for new appointees.

BOARD RESPONSE: Agree with this recommendation. Departments and agencies supporting various boards, commissions and committees will be encouraged to develop formal orientation and briefing programs for new appointees.

3. Require appointees to attend orientation and briefing programs.

BOARD RESPONSE: Agree with this recommendation. Departments and agencies supporting various boards, commissions and committees will be encouraged to require attendance of orientation and briefing sessions.

4. Require agencies to adopt attendance guidelines and establish a policy for removal of members who do not meet these standards.

BOARD RESPONSE: Agree with this recommendation. Departments and agencies supporting various boards, commissions and committees will be requested to adopt attendance guidelines and policies for members who do not meet these standards.

5. Require training of appointees which includes the appointees' responsibilities as a Board, Committee or Commission member, the mission of the Agency and the legal responsibilities of the appointee and a full understanding of the Brown Act.

BOARD RESPONSE: Agree with this recommendation. These subjects should be included in the orientation and briefing programs required for new appointees.

6. The recommendations stated above could be carried out by a sub-committee established by the Board of Supervisors.

BOARD RESPONSE: Disagree with this recommendation. These recommendations can be carried out by the County Administrative Office, working in conjunction with affected departments and agencies.

MONTEREY BAY AREA UNIFIED AIR POLLUTION CONTROL DISTRICT

RECOMMENDATIONS:

The 1996 Civil Grand Jury recommends that the District Board:

3. Request that each City Council in the District and the Board of Supervisors schedule a special session, at least annually, for a briefing by the District staff covering the priorities and activities, of the District with particular emphasis on how the activities within each jurisdiction affect the air quality of the region and how the regulatory activities of the District impact the businesses within the jurisdiction. The briefing should be well publicized so that local businesses and the public can participate.

BOARD RESPONSE: Agree with this recommendation. The Board of Supervisors is willing to schedule, at least annually, a briefing by the Monterey Bay Area Unified Air Pollution Control District covering its activities and priorities.

FACILITIES AND CONSTRUCTION CAPITAL PROJECT PROCEDURES IN MONTEREY COUNTY

FINDINGS:

1. The process for obtaining approval from the Board of Supervisors by the Department of Probation for the site selection and construction costs was done outside the scope of the normal County procedures resulting from political pressure.

BOARD RESPONSE: Partially disagree with this finding. The problem with juvenile crime in Monterey County had become a pressing issue, begging for a solution.

The former Alisal Community Hospital property, which was available, appeared to be a suitable site for the Probation Department's Youth Center Project. To the extent the process was accomplished outside of the scope of normal County procedures, the driving force was the urgent need for the facility rather than political pressure.

2. The time allowed as established by the Department of Probation and the Board of Supervisors for this capital project was unrealistic thereby leaving no time for an adequate technical analysis of the Community Hospital facility by County Departments.

BOARD RESPONSE: Agree with this finding. In retrospect, insufficient time was allowed during the initial phase of the project to develop an suitable technical analysis of the existing facility.

3. The report prepared by the hospital's "architect of record" was insufficient, allowing no time for verification by the County Departments.

BOARD RESPONSE: Agree with this finding. The report from the facility's "architect of record" narrowly focused on superficial maintenance fixes and did not address any of the more practical repair or code upgrade issues that would be minimally necessary due to the change in functional occupancy and use of the facility. Reliance upon this report was the major contributing factor behind many of the later problems encountered on this project.

4. The Board of Supervisors and County Departments failed to give full consideration for utilizing the Natividad Boys Ranch as a youth "Camp". The prior use of this property as a "Camp" program for juveniles provided an income source for the County.

BOARD RESPONSE: Disagree with this finding. During the late 1980's County staff considered converting the Natividad Boys Ranch facility into a medium security work furlough facility. As a part of this review an architect and a hydrological engineering firm were hired to prepare a feasibility analysis of this proposed conversion. The findings of these studies were that the cost of providing a clean source of sufficient water and sewage disposal made this project unfeasible. After the former tenant left the property in 1992, County staff retained a contractor to provide a cost estimate for restoring and repairing the facility. When these costs were added to the costs of providing water, sewer service, and modifying the facility to the Probation Department's needs, the site was deemed too costly and too remote to meet the Probation Department's program goals.

5. Department of Probation took the lead role in this project without the required expertise in facilities and land acquisition, and relied on misleading and incomplete reports.

BOARD RESPONSE: The Probation Department did take the lead role in this project. The Facilities and Construction Division of the County Administrative Office had the requisite expertise in building construction and project management to oversee the design and construction aspects of this project. Unfortunately, some of the information relied on in early phases of the project, particularly information in reports supplied by the architect of record, was inaccurate and/or incomplete. The lead role in all future projects will be taken by the CAO and the Support Services/Facilities and Construction Division.

6. Changes by the Department of Probation in the scope and budget of the program during the renovation process contributed to the ongoing increases in expenditures for this project.

BOARD RESPONSE: Agree with this finding. Enhancements to the project scope became an inevitable part of the programming and design development process. The required upgrades had to be incorporated into the project.

RECOMMENDATIONS:

The 1996 Civil Grand Jury recommends that:

1. The Board of Supervisors follow the County's established procedure for detailed evaluation and technical analysis of all capital projects for their approval. This would control initial project expenditures and better control budgeted-cost overrun.

BOARD RESPONSE: Agree with this recommendation. The Board of Supervisors has established procedures for detailed evaluation and technical analysis of proposed capital projects. The Finance and Capital Improvement Subcommittee of the Board reviews, evaluates, and provides early direction regarding specific program issues and procedural details of the capital projects program.

2. The County Administrative Office and Support Services provide adequate time for each capital project to allow adequate planning and technical analysis.

BOARD RESPONSE: Agree with this recommendation. It has consistently been the position of staff that each project be considered on its own merit and proceed with an appropriate amount of study, evaluation and analysis to ensure that time and funds are not spent needlessly trying to resolve "up front" issues during the design process or during construction.

3. The Board of Supervisors require a detailed, accurate, and timely evaluation of the Natividad Boys Ranch property be conducted to assess its desirability for future income producing property programs. This will ensure that the property will not remain "unused" and continue to deteriorate.

BOARD RESPONSE: Agree with this recommendation. The Natividad Boys Ranch is currently being utilized for the County Animal Control offices, and the surrounding fields are being leased for grazing. In order to utilize this property for any type of moderately intensive residential or public use it will be necessary to develop a source of potable water and to solve the wastewater disposal problem.

The County issued a Request For Proposal (RFP) in 1993, soliciting proposals for the property. None of the proposals submitted at that time were deemed feasible either due to the limited capacity of the property to support intensive public use or the lack of sufficient compensation to the County for the property. At this time, County staff does not have a plan for the ultimate use of this property. However, as County needs change over the coming years and if municipal water supply and sewer infrastructure are expanded in this direction, the possibilities for a number of public uses increases as well as marketability of the property.

4. County Administrative Office be completely responsible for managing all facility projects from initial planning phase to completion of construction/renovation. This would include post-completion review of the project to ensure that engineering expertise was utilized throughout the entire project.

BOARD RESPONSE: Agree with this recommendation. Time and effort spent in the early planning phases of a project will help considerably in reducing changes during construction. This would include post completion review of all projects.

The CAO's office will review the managing of the Capital Projects program to insure there is accountability from the planning to the completion of each project. Strong project management and control of all capital projects and renovation will reduce and control overall project expenditures.

5. County user departments must demonstrate a finalized program description prior to approval by the Board of Supervisors to prevent major costly change orders during the construction/renovation of facilities.

BOARD RESPONSE: Agree with this recommendation. This requirement is an integral part of the established process for project planning. The proposed requirement and program issues are reviewed and conceptually approved by the Board's Finance and Capital Improvement Subcommittee before design commencement is authorized.

SECURITY AND PUBLIC SAFETY IN MONTEREY COUNTY COURTHOUSES

FINDINGS:

1. Access to Monterey County Courthouses is uncontrolled and not subject to monitoring.

SHERIFF RESPONSE: At the present time there is no controlled areas in any of the County Courthouses except during high profile trials. At that time, additional officers are furnished to monitor individuals around the Courthouse, but there are no central check points or metal detectors outside of the courtrooms.

BOARD RESPONSE: Agree with this finding.

2. From information developed by the Grand Jury it is evident that control of access to Courthouses, and sensitive areas, can be accomplished without major physical changes or undue expense.

SHERIFF RESPONSE: In looking at the Salinas Courthouse Complex, it would be easier to secure the new part of the Courthouse or the North Wing. This would not take major physical changes, but would require additional personnel to manage those entering and leaving the Courthouse with the use of metal detectors. The King City Courthouse would be relatively simple as it has one entrance but again would require additional personnel to man the metal detectors in that complex. The Monterey Courthouse on the other hand has several different entrances and a thorough survey needs to be taken of that complex before any determination can be made as to modifications or cost. The one cost that is certain is that additional personnel would be required to man the entrances with metal detectors.

BOARD RESPONSE: Partially disagree with this finding. In order to provide a single point of access at the Salinas and Monterey Courthouses several entrances would need to be restricted or shut off.

It would require further analysis to determine if this would be permissible under current building and fire codes and the requirements of providing public access under the provisions of the Americans with Disabilities Act (ACT). The existence of courtrooms in each of the three wings of the Salinas Courthouse and the second floor crosswalk connections between wings would need to be addressed in finding a workable solution to this security problem.

3. Controlled access to Courthouses will cause some inconvenience to individuals who seek service from County Departments which are not Court related.

SHERIFF RESPONSE: Although controlled access to Courthouses will cause some inconveniences, the overall safety factor would far outweigh these conveniences and make for a safer working environment.

BOARD RESPONSE: Agree with this finding. Controlled access will cause delay and inconvenience to the public and County employees. The ability of members of the public, court employees and other County employees to move quickly between the three wings of the Courthouse would be impacted.

4. The inconvenience to members of the public, caused by controlled access to Courthouses, will be more than offset by the elimination of security risks to the public who has to use the Courthouses.

SHERIFF RESPONSE: During extremely busy days, there would be some inconvenience to members of the public using the Courthouse. However if some offices were moved out of the present Salinas Complex that require a lot of public access for other than court purposes, the inconvenience could be held to a minimum. The other two Courthouses would cause inconvenience to members of the public.

BOARD RESPONSE: Agree with this finding. See response to Finding #3.

5. The present arrangement, allowing anyone to enter County Courthouses, without any monitoring, subjects those whose presence is required, to an unreasonable risk.

SHERIFF RESPONSE: I agree that the present arrangements allows for free access to the Courthouses and is a potential danger, especially during high risk trials, to not only the public using the Courthouses, but the employees as well.

BOARD RESPONSE: Agree with Sheriff's response. The idea of constructing a special courtroom at the jail for high risk trials should be reconsidered for its potential to improve Courthouse security.

6. Monitoring access to Courtrooms during high risk cases is not an adequate security measure to protect the public whose presence in the Courthouse is required.

SHERIFF RESPONSE: Monitoring access to Courtrooms during high risk cases is definitely not adequate but given the present manpower and layout of the Courthouses is the best available monitoring at the present time.

BOARD RESPONSE: Agree with this finding. See previous responses to Findings.

7. The general perception is that a tragedy in one or more of the Courthouses is inevitable unless adequate security measures are promptly installed.

SHERIFF RESPONSE: In looking at what is going on around the State of California, there is no doubt that given the inadequate security at our Court Complexes, there will be a tragedy unless something is done as soon as possible.

BOARD RESPONSE: Agree with this finding. The incidence of the use of violence in our society seems to be increasing. The problems resulting from this trend are not only affecting court security, but are also occurring in social services, family support, county collections departments, county hospitals and other operations where the potential for human conflict exists. The County must remain alert to the ongoing potential for violent situations to occur and take effective action to reduce this risk whenever possible.

8. The cost of installing adequate security measures in Monterey County Courthouses, and the inconvenience to the public from maintaining controlled access to the facilities, will be less than the financial and human costs of a tragedy or tragedies which seem likely to occur.

SHERIFF RESPONSE: We cannot measure human tragedy in cents and dollars. In talking to the public, they would rather be slightly inconvenienced than in danger while using the various court complexes.

BOARD RESPONSE: Agree with this finding. See response to Finding #7.

RECOMMENDATIONS:

The 1996 Civil Grand Jury recommends that:

1. The Board of Supervisors direct the County Administrative Officer promptly to develop, in cooperation with the Sheriff's Department and the Courts, a plan for providing controlled and monitored access to Monterey County Courthouses and sensitive areas in the Courthouses.

SHERIFF RESPONSE: We have looked at this problem for many years and I agree it should be a high priority and will work hand in hand with the courts and the CAO to identify ways to tighten the security at all courthouses in Monterey County. The King City complex could be done immediately with additional manpower and metal detectors. The Salinas and Monterey Courthouses need to be surveyed and a short term solution looked at to find ways to make those two Courthouses more secure until modifications, if necessary, are made to those complexes.

BOARD RESPONSE: Agree with this recommendation. The Grand Jury report discusses the County's plan for improving security at the Salinas Courthouse by converting the North Wing of the Courthouse to a "Courts only" facility. This action will allow for controlled access and for reduced prisoner movement by constructing prisoner holding cells in the basement of the Courthouse. As noted in the Grand Jury report, this project will take several years to fully implement. The short to intermediate range options for improving Courthouse security involve:

A. Previous studies have shown that approximately one-third of the inmates appearing in the Monterey County Courts are appearing for the purpose of arraignment. Significantly reducing the number of inmates being brought from the secure jail environment to the Courthouse will markedly improve Courthouse security. During the past several months the Municipal Court and the Sheriff, in cooperation with other criminal justice agencies, have been conducting a pilot project testing the feasibility and applicability of using a video link to conduct these arraignment proceedings. The pilot project has been deemed a success by the Municipal Court and the Sheriff. Plans are underway for expanding video arraignment to the Salinas and Monterey Courthouses.

B. Explore the feasibility of restricting access to the Salinas and Monterey Courthouses, including code compliance issues, access for disabled persons, impact on departmental operations, inconvenience to the public, and cost implications.

C. Proceed with retaining a project architect for designing inmate holding cells in the North Wing Courthouse basement. This will reduce inmate movement on the Courthouse property and improve security. this phase of the project can occur as soon as Emergency Services is relocated. During this phase of Master Plan implementation, the project architect will be asked to suggest additional facility improvements which would augment Courthouse security and further plan implementation.

D. Explore with the Courts and the Sheriff the feasibility of constructing a high security courtroom at the Jail.

E. Continue to work with the Courts and the Sheriff on improving Courthouse security.

2. The Sheriff's Department work with the County Administrative Officer's office in the development of such a controlled access plan.

SHERIFF RESPONSE: Same as Recommendation #1.

BOARD RESPONSE: Agree with this recommendation. See response to Recommendation #1.

3. The Board of Supervisors assign a high priority to the Courthouse security problem in the 1997-98 budget.

BOARD RESPONSE: The Board of Supervisors will consider this issue during the FY 1997-98 budget hearings. The Board is committed to providing safe facilities for the public and employees. Courthouse security is a high priority of the Board of Supervisors.

4. The Sheriff's Department promptly develop a plan, along with a cost analysis, which will avoid the necessity of bringing prisoners into the North Wing of the Salinas Courthouse except when absolutely necessary under current legal requirements. The plan should be prevented to the Board of Supervisors for review at the earliest possible date.

SHERIFF RESPONSE: There is no present way to eliminate bringing inmates into the North Wing of the Salinas Courthouse. In order to meet our commitments to the courts in the criminal justice system, we must continue the present process until a secure courthouse, along with new holding facilities are developed within Monterey County. We will continue to work with the Courts and the Administrative Officer to expedite a Courthouse Wing only. At the present time, the Sheriff's Department does not move any inmates into the North Wing that are not absolutely necessary for court related purposes.

BOARD RESPONSE: Agree with this recommendation. Expansion of the video arraignment process to the Salinas and Monterey Courts is expected to significantly reduce the need to bring inmates to the Courthouse. If establishment of a high security Court at the jail is deemed feasible, a further reduction may be possible. Given the layout of County facilities, it does not appear feasible that the need to bring some inmates to the Courthouse can be eliminated.

HOUSING FOR LOW-INCOME RESIDENTS IN MONTEREY COUNTY

FINDINGS:

1. There is no coordinated effort by the 12 local cities, the County of Monterey, the Monterey County Housing Authority and other local agencies such as LAFCO, and AMBAG, to address the low-income housing problem.

BOARD RESPONSE: Agree with this finding.

2. Each Monterey County city, the County and the Monterey County Housing Authority wants to "solve" the low-income housing problems. However, each agency acts independently. Each has staff dealing with these issues, adopting regulations and seeking funding. They wrestle with infrastructure problems and attempt to deal with the myriad problems which accompany the growth of the population who cannot afford market rate housing. This results in an expensive duplication of effort with limited results. This disjointed approach dilutes and disperses resources and funding, making it difficult to achieve effective countywide solutions.

BOARD RESPONSE: Agree with this finding.

3. The cost of land is the number one barrier to developing feasible solutions to the low-income housing problem.

BOARD RESPONSE: Partially disagree with this finding. The cost of land is frequently, but not always, a barrier to the development of low income housing. Site development costs, neighborhood opposition, financing availability and costs, and regulatory constraints or opportunities are important factors as well.

4. Minimum densities must be allowed and required of developers. Unrealistic maximum densities preclude any possibility of effectively dealing with the low-income housing problem.

BOARD RESPONSE: Disagree with this finding. Allowable density is a function of both size and market. The usual case is that a density range is provided by general plans and zoning ahead (in time) of actual project definition, thus intentionally allowing for flexibility. We agree that minimum allowable densities may be a useful tool to combat the tendency to reduce density to satisfy "neighborhood" opposition. One potential result of such a technique, however, is denial of projects rather than a mere reduction of density.

5. Attempts to provide ownership units for low-income residents, while a noble objective, is an ineffective vehicle for dealing with this significant problem. Using available funds for low-income rental units produces much more housing. Well managed rental units offer the only practical means of dealing with the problem.

BOARD RESPONSE: Disagree with this finding. Both for-sale and rental housing should be provided for low-income households. Single room occupancy (SRO) housing similar to hotels, also can contribute to the available housing mix. Residential or commercial land designated for the higher densities typical of rental or SRO housing is very limited, particularly in the unincorporated County. Neighborhood resistance to higher intensities is a major constraint against more units of these types being built. Cities and counties usually are not expert in housing management and have traditionally stayed out of the housing management business, except through housing authorities where housing is owned. It should also be noted that rent levels in Monterey County often approach or exceed mortgage payments for similar type housing.

6. Funding for land purchases is a critical need in addressing this problem.

BOARD RESPONSE: Agree with this finding. The Board agrees that funding for land purchases is one of several needs in a comprehensive housing strategy.

7. In lieu fees, rather than site contributions or inclusionary units, are much more practical and effective tools for providing housing for low-income residents.

BOARD RESPONSE: Disagree with this finding. While in-lieu fee programs may be easier to administer than site contribution or inclusionary programs, they frequently result in dislocation of the resultant affordable housing. A major portion of the County's in-lieu fees, for example, have been spent on projects in the County's cities rather than the unincorporated area.

Experience has shown that in-lieu fees must be pooled with other federal or State government funds which are available only to non-profit housing development corporations. To date, the pool of in-lieu fees has not proven to be an attractive financing vehicle to the private sector. Out of 43 projects funded by the Inclusionary Housing Fund, only one project has been sponsored by a private sector developer.

On-site units, on the other hand, occur primarily in the unincorporated area throughout the County. On-site housing provides opportunities in some of the most desirable living areas of the County including North County, Carmel Valley, Las Palmas Ranch and the Highway 68 corridor. Almost all of these units have been provided by the private sector.

8. In lieu fees collected in Monterey County must be pooled, administered and managed effectively if there is to be any hope of achieving reasonable solutions to the low-income housing problem.

BOARD RESPONSE: Partially disagree with this finding. The County's in-lieu fees are pooled internally. It is not clear if pooling of funds among jurisdictions would in fact substantially increase the supply of affordable housing, in part because the County is so large and diverse.

9. The low-income housing problem cannot be effectively addressed unless there is the political will to confront controversial issues such as density of land development and funding needs. The 1996 Grand Jury was unable to identify such political will in the political agencies which were questioned.

BOARD RESPONSE: Disagree with this finding. Solutions to the "low-income housing problem" require far more than mere political will. The Monterey County Board of Supervisors has consistently and repeatedly declared that affordable housing is a "high priority" item for the Board's consideration. It was the first local government in the county to institute an inclusionary housing program, and the first to identify a special handling procedure for land development projects which incorporate affordable housing.

RECOMMENDATIONS:

The 1996 Civil Grand Jury recommends that:

1. Monterey County, each Monterey County city and the Monterey County Housing Authority, in cooperation with LAFCO and AMBAG, undertake a coordinated countywide effort to:

a. Identify unmet needs for housing for low-income residents.

BOARD RESPONSE: Agree with this recommendation. This is already done in the Housing Element of each jurisdiction.

b. Identify unused housing resources such as facilities at Fort Ord.

BOARD RESPONSE: Agree with this recommendation. Unused housing resources have already been identified in Fort Ord. More than 200 units of housing are scheduled for use as homeless shelters and transitional housing.

c. Identify appropriate locations for low-income housing to meet these needs; "appropriate" meaning housing accessible to employment, public transportation, schools, parks, recreation and adequate infrastructure (roads, water, sewage facilities).

BOARD RESPONSE: Agree with this recommendation. Monterey County staff is currently working with AMBAG to ensure that allocation of population growth to local jurisdictions is based on a "jobs housing balance" so that communities which experience a high rate of job growth are also held accountable for a requisite number of housing units priced to match the wage scales found in new and existing jobs within those communities. The County has in addition supported state legislation allowing more flexibility in determination of "fair share" in regional housing allocations.

d. Consolidate the public management of the effort by designating a lead agency. Since the sole mission of the Monterey County Housing Authority is to address the need for housing for low-income residents in the County, the Housing Authority appears to be the logical lead agency to deal with this problem.

BOARD RESPONSE: This recommendation would require further analysis and the participation of all general purpose local governments in the County, as well as the Housing Authority itself. It is, therefore, outside the control of Monterey County alone, and may not be implementable.

e. Assemble a management team from the Planning Department staff of the cities, the County and the Housing Authority. This team can seek assistance from the private sector, developers, land use lawyers and the staff of non-profit agencies who deal with and produce low-income housing.

BOARD RESPONSE: State law currently holds each jurisdiction responsible for meeting its obligations for affordable housing. The recommendation requires actions by agencies, firms and individuals other than Monterey County and thus may not be implementable. The unincorporated area of the County contains less than a third of the County's population; it might be appropriate for the incorporated cities, particularly Salinas, to take a leadership position on this recommendation. The County and some cities are currently engaged in a team effort dealing with city-centered growth in the Salinas Valley.

f. Back this team with political authority. This can be done by the County, each of the Cities in Monterey County and the Monterey County Housing Authority agreeing on a mission statement and directing and authorizing the team to:

(1) Compile an inventory of the resources which can be pooled and devoted to solving the low-income housing needs such as:

(a) In lieu fees.

(b) Transient occupancy taxes where it can be demonstrated that employees of facilities generating such revenues reside in other communities because of housing costs. (When employees work in one community, but cannot afford to live there, the commute produces traffic which impacts local roads and law enforcement. The employees also impact their place of residence by use of the infrastructure and schools.)

(c) State and Federal Grants.

(d) Foundation Grants.

BOARD RESPONSE: See response to Recommendation #1e above.

g. Identify staffing, facilities and functions which can be eliminated if the responsibility and authority for dealing with this issue is assigned to one agency.

BOARD RESPONSE: See response to Recommendations #1d and #1e above.

h. delegate to the lead agency the authority to manage the planning and development and funding of low-income housing in Monterey County and fund this agency with the resources which would otherwise be managed by the cities and the County.

BOARD RESPONSE: Agree with this overall recommendation. The Board of Supervisors concurs that the Monterey County Housing Authority should assume a lead agency role in pursuing low income housing in the County of Monterey. The Authority is currently responsible for increasing the supply of affordable housing countywide, and has an existing Board of Directors which reflects the geographical diversity of the County.

The Board of Supervisors also concurs with recommendations of the Grand Jury that greater coordination is needed to develop a consolidated housing plan which encompasses the entire County. To fund the effort, the Monterey County Housing Authority and non-entitlement cities should ask the State Department of Housing and Community Development to provide technical assistance grant funds to the Authority.

The Local Agency Formation Commission in its separate response to the Grand Jury has indicated that "it is supportive of continuing to work with the County of Monterey, each Monterey County city, the Monterey County Housing Authority, and AMBAG on a coordinated countywide effort to address the issue of housing for low income residents.

HOUSING AUTHORITY OF MONTEREY COUNTY

FINDINGS:

1. Representatives of the Department of Housing and Urban Development conducted an evaluation of the management of the Monterey County Housing Authority for 1993 and 1994. The Authority was rated as average for both years.

BOARD RESPONSE: Agree with this finding.

2. A financial audit by a private accounting firm in 1993 found problems with the internal controls of the Agency.

BOARD RESPONSE: Agree with this finding.

3. In attempting to audit the records for fiscal year ending June 30, 1994 the auditors discovered severe problems in the records of the Agency. The Auditors found that the books were closed very late; year-end reports had been sent to financial entities prior to close and without reconciling to the general ledger; bank records were not reconciled and questions arose about three-quarters of a million dollars that could not be tracked. Management noted the above deficiencies were the result of the computer conversion. This situation continued for months.

BOARD RESPONSE: Agree with this finding.

4. In July 1995 the Executive Director was unable to present year-end reports for fiscal year 1994 and 1995 and recommended the Director of Finance be terminated and a new Director be employed.

BOARD RESPONSE: Agree with this finding.

5. The audit progress report in January 1996 for fiscal year ending June 30, 1995 indicated failure in the Agency's budgeting controls.

BOARD RESPONSE: Agree with this finding.

6. From March through October 1996 the Interim Director brought order to the Agency and informed the Board what needed to be done, worked with the Board in selecting a Director of Finance and installed a workable financial system. During this difficult period the Interim Director focused the Board and the Agency staff to resolve the problems of the Housing Authority.

BOARD RESPONSE: Agree with this finding.

7. When the Board failed to receive timely financial reports prompt action should have been taken to relieve the problem.

BOARD RESPONSE: Agree with this finding.

8. On March 18, 1996 the Board of Commissioners placed the Executive Director on paid administrative leave and assigned an Interim Director. The Board then voted not to renew the Executive Director's contract.

BOARD RESPONSE: Agree with this finding.

9. Prior to 1996, newly appointed Commissioners received a very limited orientation and briefing on the management of the Monterey County Housing Authority.

BOARD RESPONSE: Agree with this finding.

10. Prior to 1996, most newly appointed Commissioners failed to take advantage of management training funded by the Agency.

BOARD RESPONSE: Agree with this finding.

11. Commissioners have an awesome responsibility overseeing the management of large sums of money, a large number of employees, many residents in a number of projects, building and contracts, and the general public.

The Board of Supervisors has no system in place to evaluate the performance of their appointments to the Board of Commissioners of the Monterey County Housing Authority prior to reappointment.

BOARD RESPONSE: Disagree with this finding. Individual Board members are responsible for evaluating each commissioner prior to appointment or reappointment.

RECOMMENDATIONS:

The 1996 Civil Grand Jury recommends that:

1. The Board of Supervisors define qualifications for appointments to the Housing Authority of Monterey County Board of Commissioners.

BOARD RESPONSE: Disagree with this recommendation. Other than demographic representation, individual Board members are responsible for defining qualifications for Commission members.

2. The Board of Supervisors establish a recruiting and screening system to ensure that minimum qualifications are met.

BOARD RESPONSE: Disagree with this recommendation. Individual Board members are responsible for ensuring recruiting and screening candidates.

4. The Board of Supervisors review attendance records of Commissioners prior to reappointments.

BOARD RESPONSE: Disagree with this recommendation. This activity is the responsibility of the Authority and the Commission.

**HEALTH CARE IN MONTEREY COUNTY
PROBLEMS FOR CONSUMERS AND TAXPAYERS**

FINDINGS:

1. Monterey County is modernizing the NMC, the County owned hospital and medical center.

NMC BOARD OF TRUSTEES RESPONSE: Agree with this finding. The Modernization Program to replace Natividad began in the late 1980's and continues to completion in early 1998. It was determined that the most cost effective option to maintain a local commitment to health care for all Monterey County residents was a replacement facility that modeled changes in health care delivery, i.e. reduced beds and larger outpatient services.

2. If operating revenues are insufficient, then Monterey County general revenues are liable for the principal and interest payments on the approximately \$100,000,000 cost of modernization.

NMC BOARD OF TRUSTEES RESPONSE: Partially disagree with this finding. Bond amortization will amount to approximately \$6.1 million/year, \$2.8 million is reimbursable through federal and state funding; the remainder coming from NMC Enterprise Funding. Payments of the remaining \$3.3 million annual debt will be paid from various sources within the NMC Enterprise Fund. Since Fiscal Year 1990, the County contribution to the NMC Enterprise Fund has been reduced from over \$9 million/year to \$2 million/year of required matching funds and less than \$300,000 of discretionary general funds. Moreover, NMC reduced county costs by \$4 million in FY 1993 and FY 1994.

3. When the County approved the modernization program and financing plan it was assumed that Federal Disproportionate Share Funding (SB 855) would be sufficient to pay the principal and interest on the debt.

NMC BOARD OF TRUSTEES RESPONSE: Partially disagree with this finding. Federal Disproportionate Share Funding (SB855) was planned only as a partial source of funds. Additional funds will be available through other state and federal programs.

4. There has been a 30% decline in these revenues. The amount of future revenues to NMC from this source is uncertain.

NMC BOARD OF TRUSTEES RESPONSE: Agree with this finding. Health care funding overall is uncertain, particularly from government sources, and requires management actions to adjust expenses and increase utilization to offset downward trends in specific funding. Historically, decreases in funding for some programs have been offset with increases in funding in others.

5. NMC must make up this decline in revenue by either increasing market share, raising prices when possible, or reducing expenses or a combination of the above.

NMC BOARD OF TRUSTEES RESPONSE: Partially disagree with this finding. NMC's strategy is to increase market share, improve net revenue and reduce expenses while improving quality of services. This goal is common to all institutions facing managed care challenges, especially in California. Raising prices is becoming less of an option.

6. Competition from community non-profit and other public hospitals for disproportionate share funds will continue to increase.

NMC BOARD OF TRUSTEES RESPONSE: Partially disagree with this finding. Increases for disproportionate share funds will be limited by legislation (OBRA 1993 limits) that place caps on the amounts individual hospitals can claim from this funding source. Legislation will be proposed this year to address allocation issues and county participation in funding.

7. Competition in the region for patients whose care is "covered" by either public or private funding is already intense and becoming more aggressive.

NMC BOARD OF TRUSTEES RESPONSE: Agree with this finding. Competition in health care as in every other part of our economy is the accepted marketplace method of improving service value and benefits the community as a whole.

8. The number of "covered" full time, permanent workers has dropped from 92% in 1989 to 82% at last count. (The Wall Street Journal, November 11, 1996)

NMC BOARD OF TRUSTEES RESPONSE: Agree with this finding.

9. Public funding sources are subject to political decisions and are unpredictable and unreliable.

NMC BOARD OF TRUSTEES RESPONSE: Agree with this finding. Instability of public funding for all purposes is a reality in America. Federal and state health care funding sources will continue to change as more risk is shifted to local levels and providers.

10. HMOs exercise some control over where patients go for care and can direct patients to facilities outside the area.

NMC BOARD OF TRUSTEES RESPONSE: Agree with this finding. This control is part of the strategy of HMO's to direct patients to the most cost effective institutions and appropriate levels of services. NMC is uniquely positioned as a lower-cost, primary care provider that only provides or purchases higher cost specialty services as needed.

11. The competition for "signing up" Doctors in plans with incentives for the use of a particular hospital is intense.

NMC BOARD OF TRUSTEES RESPONSE: Agree with this finding. The formation of physician organizations, some of which are aligned to a specific hospital, is a current trend and is intensifying in Monterey County.

External forces, such as the large hospital systems and doctor groups, are also change factors that could dramatically alter care and referrals within the County.

12. NMC is providing medical care to a growing number of uninsured and underinsured residents. Many of these residents are undocumented aliens who are attracted here for jobs in the agricultural industry.

NMC BOARD OF TRUSTEES RESPONSE: Agree with this finding.

13. NMC is a critical public resource and is the health care provider of last resort (the safety net) for many residents who have no other access to health care.

NMC BOARD OF TRUSTEES RESPONSE: Agree with this finding. For 110 years this has been the fundamental activity of NMC for all residents of Monterey County.

14. Recent political decisions, such as the new Federal welfare legislation and the Governor's Executive Order cutting off State funding for prenatal care for undocumented aliens, pose funding threats to NMC which cannot be quantified.

NMC BOARD OF TRUSTEES RESPONSE: Agree with this finding. These political decisions currently are part of the continuing legislative process. Sound evidence shows that it is not cost effective to deny prenatal care to any person regardless of status when federal law makes the child an American citizen. Lack of adequate prenatal care creates major financial liabilities for society if the birth becomes high risk - a significant likelihood without such care.

15. SVMH is a profitable hospital with no indebtedness. Its present financial circumstances could be threatened if NMC incurs severe financial problems, and it becomes necessary for the Board of Supervisors to sell the Center to a conglomerate. A conglomerate with access to invested capital, which does not require interest payments or debt service, would offer significant or possibly destructive competition for SVMH if it operated in this small market in a modern facility such as the new NMC. Conglomerates, with their huge capital resources, can reduce capital costs and cut prices until they take over the market and eliminate the competition.

NMC BOARD OF TRUSTEES RESPONSE: Agree with this finding. This is a principle reason to assure the viability of NMC in the local marketplace and promote reasonable local competition rather than outside control.

16. There is no collaboration between the two local public hospitals to identify and address the issues which threaten both of them.

NMC BOARD OF TRUSTEES RESPONSE: Disagree partially with this finding. NMC has been collaborating with SVMH and agrees it is necessary to collaborate and will continue to do so.

Over the past several years there have been periodic meetings between SVMH and NMC to seek opportunities to collaborate as well as with other hospital and physician providers. There have been collaborative funding arrangements to promote new programs, ongoing discussions pertaining to use of the hospital laboratories, development of a community health plan and related topics. We believe this process will continue and expand. A critical element, often overlooked, is the participation of our community doctors who are now becoming more involved with all the hospitals in growing numbers.

17. Anti-trust "restrictions" are offered as the reason for the failure of the two public hospitals to collaborate.

NMC BOARD OF TRUSTEES RESPONSE: Partially disagree with this finding. Recent federal agency rulings allow more flexibility in planning high-cost services, and both hospitals have had discussions around these issues.

18. Waivers of the anti-trust restrictions may be obtained where it can be demonstrated that a collaborative effort is in the public interest. There has been no effort by the parties to consider a plan which might best serve the interests of the residents and taxpayers of Monterey County and which might qualify for waiver of anti-trust restrictions.

NMC BOARD OF TRUSTEES RESPONSE: Partially disagree with this finding. Informal discussions have taken place and more are planned. At the appropriate time, further waiver requests would have to be agreed to and pursued.

19. The failure of the County Board of Supervisors and the Board of Directors of SVMH to identify and address the problems of duplication of facilities and services of the two publicly owned hospitals, in the current economic and political environment, is likely to result in serious disruption of medical services and significant economic problems for both hospitals to the detriment of the local consumers and taxpayers.

NMC BOARD OF TRUSTEES RESPONSE: Partially disagree with this finding. The NMC Board of Directors is addressing these issues and keeping the Board of Supervisors informed.

Basic hospital services, such as medical/surgical and intensive care with required support services are the very definition of the licensure of an acute care hospital. Specialized services have been rationalized in Monterey County much better than most areas. Currently, higher cost services are disbursed in local hospitals: 1) Heart Program (SVMH); 2) Cancer Treatment (CHOMP); 3) Intensive Care Nursery (NMC). Surrounding communities have these services in great duplication.

The entire scope of the NMC Modernization Project was thoroughly discussed in public including a special presentation to the entire board of SVMH in January of 1994. NMC received continuous support from the other hospitals and representatives of the medical community through every step of the process - again a testimonial to the essential value of NMC to the community at large.

20. Taxpayers within the SVMH District pay taxes to support both NMC and SVMH. Any threat to the economic viability of either or both facilities will have a disproportionate impact on the taxpayers within the SVMH District.

NMC BOARD OF TRUSTEES RESPONSE: Disagree with this finding. All taxpayers will be affected if federal and state program reductions (Medicare and Medicaid) and commercial managed care insurers shift costs to the local level with insufficient funding.

21. At present it is the policy of the County of Monterey to provide medical treatment to both temporary and permanent residents, regardless of the scope of the treatment needed, the cost of the treatment or the ability to pay. There is underway an analysis of the economic problems facing the County if it continues this policy.

NMC BOARD OF TRUSTEES RESPONSE: Agree with this finding. An analysis has been underway and will be presented by mid-May to review the effect of federal and state welfare reform on current policy and practices. Recommendations will come from the NMC Board of Trustees to the Board of Supervisors.

22. Our inquiry determined that there would be strong support for an independent review and analysis of health care needs and facilities in Monterey County, and for the independent development of a plan for collaboration which will avoid waste, duplication of facilities and services and possible loss of local control of key health care facilities. Support for such a review, analysis and plan was expressed by officials in Monterey County, at NMC and SVMH as well as health care experts in the private sector.

NMC BOARD OF TRUSTEES RESPONSE: Partially disagree with this finding. Development of a workable plan to maximize the quality of health care in Monterey County and to minimize the costs to patients, employers and taxpayers is a laudable objective shared by NMC. To accomplish this, we believe the key players, including local hospitals and physicians, must work together in an environment that recognizes the complexities of the process. As we have learned at the national level, this is not easy and is unlikely to work by being planned from the top down by outside "experts" no matter how competent they may be.

Representatives of NMC and the Board of Trustees have had discussions with their counterparts at SVMH and look forward to continuing and expanding the collaboration that has already begun.

RECOMMENDATIONS:

The 1996 Civil Grand Jury recommends that:

1. The Board of Supervisors and the SVMH Board promptly commission an independent review and analysis of the health care issues and economic issues facing the County and the SVMH which are caused by the competition between NMC and SVMH in a market area with limited resources. The review and analysis should be by a reputable firm with recognized expertise in health care and hospital economics. The effort should be jointly financed by the County and SVMH and be designed to achieve the following:
 - a. Identify the present and estimated need for health care facilities, functions and staffing over a period which can be reasonably estimated;
 - b. Identify the present and planned public and private facilities, equipment, functions, services and staffing;
 - c. Assess any mismatch of assets and needs;
 - d. Identify measures which are best suited to remedy the mismatch;
 - e. Evaluate the most appropriate collaborative plan for the two public hospitals, taking into account local private hospitals and the possibility of their collaboration, to reduce or eliminate duplication of facilities, equipment, functions, services and staffing and maximize the services to consumers and minimize the cost of services and the impact on taxpayers; and

f. Develop a recommendation for collaboration which could be favorably considered for a waiver of anti-trust restrictions.

NMC BOARD OF TRUSTEES RESPONSE: This recommendation requires further analysis and should be modified as follows:

There are no major mismatches of basic assets and needs between the two hospitals since their missions are radically different and their specialty services currently are complimentary. NMC is the only facility that has as its mission under Welfare and Institutions Code Section 17000 the obligation to treat all residents of Monterey County regardless of ability to pay. SVMH does not have that fundamental responsibility. SVMH is a public district hospital meaning it has access to a certain amount of home owners' property tax within a defined geographical district to fund capital improvements. NMC is a public hospital in the sense that the County of Monterey under state law meets its obligation to care for those residents not otherwise provided for. It relies on funds gathered into the County's general fund from various sources to fulfill that obligation.

However, it makes sense to collaborate in activities that provide community benefit. Both institutions have attempted to do so over the years. Representatives of both boards (Board of Trustees of NMC and SVMH) and administrators within 90 days should develop a process of exploring ways to develop a greater degree of cost effective health care for more residents of the County beginning with a community health plan to address the needs of the under- and un-insured.

Other providers should also be invited to participate including physicians and other health care providers.

BOARD RESPONSE: Agree with NMC Board of Trustees.

2. The County Board of Supervisors and the Board of Trustees of SVMH consider the appointment of a Blue Ribbon Committee to accomplish the following:
 - a. Investigate firms, interview and screen firms and recommend a firm to design and perform the review and analysis;
 - b. Oversee and supervise the design and performance of the review and analysis;
 - c. Make recommendations to the County and SVMH based on the outcome of the review and analysis; and
 - d. Oversee the implementation of the recommendations.

NMC BOARD OF TRUSTEES RESPONSE: This recommendation requires further analysis and should be modified as follows:

The NMC and Board of Trustees recommend the following process:

1. Establish a task force made up of each institutions's administrators, 2 board members and 2 medical staff members to establish guiding principles, priorities and timelines.
2. Examine various models of management/governance including a joint powers arrangement which is common among public entities.
3. Open the discussions to the public once #1 and #2 above are established for input and oversight of the process. Report to respective boards and seek approvals of the task force activities.
4. If consultants are necessary to assist the task force, mutually agree on scope of engagement and funding.
5. Commit to implementation of the recommendations after respective board approvals and establish an ongoing monitoring process.

BOARD RESPONSE: Agree with NMC Board of Trustees.

3. Such a committee will ensure the independence and objectivity of the review, analysis and recommendations.

NMC BOARD OF TRUSTEES RESPONSE: The recommendation requires further analysis and should be modified as follows:

Invite general public input into the proceedings rather than a select committee.

BOARD RESPONSE: Agree with NMC Board of Trustees.

4. Other local hospitals be invited to participate in the review and analysis. Such participation will be of benefit to local consumers and is encouraged by the 1996 Grand Jury.

NMC BOARD OF TRUSTEES RESPONSE: The recommendation requires further analysis and should be modified as follows:

Not only other hospitals but other providers, especially the medical community, should participate in discussions relating to complex community health issues and local control/response.

BOARD RESPONSE: Agree with NMC Board of Trustees.

5. Completion of planned facilities and new equipment and staffing commitments by NMC and SVMH should be postponed, if possible and appropriate, until completion of the review and analysis, and receipt of recommendations, if the facilities, equipment and staffing commitments might result in unnecessary duplication and redundancy under a collaborative action plan.

The County and SVMH must acknowledge that the residents and taxpayers of Monterey County are at risk. Unless "something" is done we face a significant drain on County resources, and Hospital District resources, possible loss of control of one or more local hospitals and serious disruption of our local health care systems. It is essential that insular attitudes and egos be subordinated to serving effectively the health needs of the residents with cost effective systems. The current situation and risks must be objectively and independently analyzed and remedies developed and implemented before we are confronted with insurmountable problems and unacceptable systems imposed by outsiders with no concern about local health care consumers and taxpayers.

The governing bodies of NMC and SVMH must act to ensure that these two critically important health care centers not only survive but have long-term economic feasibility and the capability to continue delivering quality health care in a cost effective way under local control.

The Board of Supervisors and the Board of Trustees of SVMH, must undertake a good faith effort to collaborate in solving the economic and health care issues facing the two public hospitals, local residents, and taxpayers, and this effort should be coordinated with other local hospitals. This should reduce duplication of local facilities and services. Such coordination will lead to the most efficient and cost effective health care delivery systems for local residents and eliminate unnecessary costs.

NMC BOARD OF TRUSTEES RESPONSE: The recommendation requires further analysis and should be modified as follows:

All providers should seek to serve the health care needs of the entire community at the lowest cost with the least impact on the taxpayer. NMC plays a unique and essential part in that goal. Its facilities clearly need replacement to continue its 110 year tradition as the local community's guarantor of care.

Current replacement facilities at NMC are nearly two-thirds completed. Modifying or stopping construction would result in severe financial consequences: including the negative effect on financing commitments, such as 1) lack of reimbursement for bond repayment if portions are not completed; 2) potential default on certificates of participation (long term financing); and, 3) greater costs than currently projected. The facilities will not be duplicative of SVMH which is expanding its heart center.

NMC agrees with the Grand Jury that ways must be found to work closer to provide more health care services to more people at the least cost. That effort should be the continuing goal of ALL providers in the community while maintaining local control over the destiny of health care services in Monterey County.

BOARD RESPONSE: Agree with NMC Board of Trustees.

DOMESTIC VIOLENCE IN MONTEREY COUNTY
Follow-up to Mid-Year Final Report

FINDINGS:

4. Neither the Sheriff's Station, or the three Sub-Stations had information immediately accessible.

SHERIFF RESPONSE: In again checking the main Sheriff's Office in Salinas and the two Substations, I found the necessary materials in plain public view.

5. The District Attorney's Office has printed a small card size information sheet, complete with emergency phone numbers. They also provide a card in Spanish. These are available upon request to the Sheriff's Department and the Police Departments.

BOARD RESPONSE: Agree with this finding.

6. The Domestic Violence Coordinating Council of Monterey County has published a pamphlet that is aimed at informing victims Domestic Violence is a crime, who to call if they feel they are in danger, what to expect and how to respond to the officers who answer the call, information on Restraining Orders, information that the abuser might be released, plus a Battered Woman's Safety Plan and a list of resources. This would be ideal for every Police Department and the Sheriff's Department to keep on public display, available to the public without their needing to make a specific request.

BOARD RESPONSE: Agree with this finding.

7. Victims experience many difficulties when leaving their abusers. They are the ones who must leave their home, disrupting their life and that of their children, and they must find a safe place for self and children, for they are often literally fleeing for their lives. Faced with financial, social, and family pressures, they often return to their home and abuser. This creates a cycle, as the abuser has not changed and the repetitive pattern creates severe problems for the victim and any children in the relationship. It also severely strains public resources, such as law enforcement, Courts, and Social Services.

BOARD RESPONSE: Agree with this finding.

RECOMMENDATIONS

The 1996 Civil Grand Jury recommends that:

1. Each law enforcement agency print, or obtain a currently existing list, with the information as required by the California Penal Code Section 13701 (c) and keep copies of this available to the public, who can just walk in, pick it up, and not be required to get involved in a question and answer session with an officer or clerk.

SHERIFF RESPONSE: Monterey County Sheriff's Department presently has at it's front lobbies, material that the public may pickup without talking with any members of the department regarding domestic violence.

BOARD RESPONSE: Agree with Sheriff's response.

2. All law enforcement agencies, Judges, and Probation Officers obtain a copy of the "Lethality List", which they then can use to determine if the abuser is a deadly threat to anyone else or themselves. At the time of investigating an incident, this should be used in determining whether to charge accused with a misdemeanor or felony. Judges can use it to determine setting bail amount. Probation can use it to determine if probation is being violated.

SHERIFF RESPONSE: Monterey County Sheriff's Department is presently looking at the "Lethality List" and will assess the need and usability of it in its domestic violence cases. I will also bring this before the Monterey County Chief Law Enforcement Officer's Association in order to bring uniformity throughout Monterey County in domestic violence cases.

BOARD RESPONSE: Agree with Sheriff's response.

3. The Probation Department be assisted in its efforts to obtain the electronic devices which would help to warn victims if the abuser is within lethal range. This money could come from the Monterey County Board of Supervisors or grants.

BOARD RESPONSE: If these items are requested by the Probation Department, they will be considered during the FY 1997-98 budget hearings.

4. The Monterey County Police Chiefs' Association seek funding or grant to train at least one officer from each city to be that department's expert on Domestic Violence.

SHERIFF RESPONSE: The Monterey County Chief Law Enforcement Officer's Association filed a response to this recommendation and I will work with that group in order to seek uniform training throughout Monterey County. This can be accomplished as the Chief's Association stated through present training availability with the California Peace Officer's Training funds.

BOARD RESPONSE: Agree with Sheriff's response.

5. All law enforcement officers become familiar with the Emergency Protective Orders (EPOs), and use the Lethality List to assist them in determining when one should be issued.

SHERIFF RESPONSE: Monterey County Sheriff's Department is presently training all personnel in Emergency Protective Orders.

BOARD RESPONSE: Agree with Sheriff's response.

6. Local agencies look at ways to invest in stopping the cycle of violence with funds devoted to preventive and educational services. This could reduce the financial burden on law enforcement agencies, Courts, medical services, and Child Protective Services and more importantly, it could save lives.

SHERIFF RESPONSE: The Sheriff's Department has looked at funding sources to stop the cycle of violence including D.A.R.E. and Crime Prevention. We work with all local agencies in Monterey County in order to reduce the violence and the financial burden on law enforcement agencies. We will continue our endeavors to find new ways of not only working with law enforcement, but with other agencies concerned with stopping the violence in hopes that we will continue to reduce violence in all areas.

It may be noted that in 1996, aggravated assaults were down by 69.4% in the unincorporated area which shows that our efforts in Community Policing, Crime Prevention, and the D.A.R.E./GREAT Programs are working.

BOARD RESPONSE: Agree with Sheriff's response.

EFFORTS OF MONTEREY COUNTY TO DEAL WITH THE HOMELESS PROBLEM

FINDINGS:

1. Several figures are presented about the Monterey County homeless population. In planning a service delivery system for the homeless, an accurate assessment of the target population must be accomplished. Several methods have been used resulting in disparities in numbers. A report by HUD (Housing and Urban Development Agency) estimated that in 1990, Monterey County had 910 homeless. Another method developed by the U.S. Conference of Mayors would make Monterey County with 1130 homeless. The Northcutt report estimated the homeless to number between 1300 to 2200 persons. The Department of Social Services added a criterion to homeless, "No Permanent Dwelling," and came to a figure of close to 4800 homeless in Monterey County. The Task Force of 1990 accepted the Northcutt findings. **There is a Homeless Problem in Monterey County deserving of special attention.**

BOARD RESPONSE: Agree with this finding.

2. Based on the recommendations of the Northcutt Study in 1989, the Board of Supervisors formed a Monterey County Homeless Task Force which presented the Board of Supervisors with recommendations and a plan for addressing the homeless problem. A plan was adopted for five years and a coalition of agencies dealing with the homeless was formed with the Department of Social Services given the leadership role in this effort.

BOARD RESPONSE: Agree with this finding.

3. The Department of Social Services organized the homeless effort, created staff, and sought available funding sources. Successes were achieved and services for the homeless moved forward. Several agencies report that they noticed a decline in the need for their services. The Department of Social Services efforts were tied very loosely to funding from State and Federal sources.

BOARD RESPONSE: Agree with this finding.

4. Monterey County Department of Social Services is no longer directly involved in Leadership with the Homeless Coalition of Monterey as of 1995. At the present time the Department seeks out homeless persons utilizing mobile vans and assisting clients with services of the Department.

BOARD RESPONSE: Agree with this finding. However, the Department of Social Services would like to clarify the following. The Department is no longer directly involved in leadership with the Coalition of Homeless Service Providers as of July, 1996. The Department, in collaboration with the Health Department, presently operates one mobile van with a social worker, drug and alcohol counselor and a public health nurse to assist homeless clients with a variety of services available within the Department's internal programs and services as well as access to community-based agencies and services.

5. In 1994 County employees presented a plan for discussion about the former Fort Ord area which involved the McKinney Funding Program. From that point the County employees went from servicing homeless to advocating agencies that either worked or might work with the homeless. One person described the situation as "they came out of the woodwork". These County employees as they assisted these groups in how to form and make application and then organized what the community, Cities, FORA, refer to as "Cherry Picking" (choosing the best available). Agencies went through Fort Ord and picked out buildings that they wanted for reasons which are not clear. FORA has taken the stand that out of area agencies and cities cannot send their homeless here.

BOARD RESPONSE: Partially disagree with this finding. The disputed portions and explanations include:

a. "In 1994 County employees presented a plan for discussion about the former Fort Ord Area which involved the McKinney Funding Program." The year was 1991, not 1994.

b. "One person described the situation as 'they came out of the woodwork'." Only existing non-profit agencies who had been involved in serving the homeless or whose services could be made available to the homeless were invited to participate in the property acquisition process for Fort Ord under Title V of the McKinney Act. Only agencies in Monterey County participated in this process. Eleven were successful in receiving approval for property at Fort Ord to serve the homeless.

c. The McKinney Act provided for homeless services providers to have priority in identifying and selecting properties to serve the homeless. Federal law at the time provided for this priority. Participating agencies selected properties utilizing a variety of criteria including: size, location, purpose, condition, availability to services, deferred maintenance requirements, etc. This criteria was provided to all affected parties and was addressed in the applications submitted to acquire the property.

The final selection of properties included a variety of types of buildings in different locations and in various conditions. Some were newer than others. Most housing units were in Patton, Abrams and Hayes which were built in the 60's and 70's and in conditions requiring some level of rehabilitation. The best properties were not selected wholesale by the participating agencies.

6. Except for a few agencies working with homeless that have good community support, much of the other effort has come to a standstill for homeless effort. Agencies picked areas right in the middle of a City's development and the University development. Some exchange was promised for the University area. These agencies are now realizing the tremendous cost to refurbish these buildings to bring them up to code--estimated at \$30,000 to \$50,000 per building. In addition there are the usual Government fees, fees to add utilities, add start-up costs. They also discovered that there is a deed restriction on the land so that at sale, only expenses can be recovered.

BOARD RESPONSE: Partially disagree with this finding. "Agencies picked areas right in the middle of a City's development and the University development." Great efforts were made by the participating homeless service providers acquiring property at Fort Ord to honor the university and city footprints. Property requests by the homeless service agencies were withdrawn from the university footprint very early in the process. However, agencies had to move forward in the property application process in accordance with the McKinney timeline or lose the ability to acquire any property. At this time, the City of Marina had not developed its re-use plan. Therefore agencies requested properties based on the criteria indicated in the previous response, some of which ended up in conflict with the re-use plan the city ultimately adopted. To the extent possible, some of the homeless providers subsequently changed their property locations to accommodate the city's development and re-use plans.

7. Infrastructure at Fort Ord to service the homeless is minimal. The area is away from regular transportation, jobs, training, etc., and will be very inconvenient.

BOARD RESPONSE: Partially disagree with this finding. "The area is away from regular transportation, jobs, training, etc., and will be very inconvenient." All areas of Fort Ord will require infrastructure, transportation and other services for civilian re-use. This is a natural byproduct of conversion. Plans for the area include regular transportation, jobs, training and other necessary services. The homeless will avail themselves of these services as will other residents in the area. While there may be initial inconveniences, these will subside as the area develops for civilian re-use. Until such time, some homeless service providers will provide transportation for their clients to access necessary services. Also, Monterey-Salinas Transit services are being provided to the area for homeless and other uses and will continue to develop as other providers access the properties and transportation needs are identified.

RECOMMENDATIONS:

The 1996 Civil Grand Jury recommends that:

1. The Board of Supervisors convene another Homeless Task Force similar to that of 1990 which can assess the homeless situation in the County and present a plan for the County.

BOARD RESPONSE: This recommendation requires further analysis of how such a study could be conducted and the necessary resources to complete it. It is anticipated the timeframe for the matter to be prepared for discussion to be approximately six months.

Availability of resources and funding is a major consideration to conduct such a study and convene a Task Force, including staff support and the use of consultants to potentially perform the assessment function. There are factors impacting the availability of existing resources to be diverted to this activity such as the Department of Social Services' intense involvement in automation conversion for child welfare services and income maintenance programs as well as resources required to address welfare reform issues throughout the department. All available resources are being utilized fully to address these areas. If resources could be identified, an accurate assessment of the target population is necessary. This assessment would include a uniform definition of homelessness, a reliable estimate of the numbers of homeless persons in the County, and an update of the demographics of the homeless population.

The assessment would identify what has been accomplished between 1990 and 1995, in accordance with the 1990 Homeless Plan, what remains to be done, and the effectiveness of the existing services and programs. The plan would also address the potential impact of "welfare reform" on the County homeless problem.

Community and countywide representation from business, health and social services, education, religious, and governmental entities is recommended for the reconvened Task Force. The existing Coalition of Homeless Service Providers would be key participants on the Task Force.

3. Board of Supervisors encourage the establishing of transitional housing as past studies have indicated a strong need for this type of housing.

BOARD RESPONSE: This recommendation has been implemented. Approximately 150 units for transitional housing have been acquired for use at Fort Ord to serve the homeless. The acquisition of all the properties is in the process of being completed. Permits and appropriate processes are being finalized with the cities of Marina and Seaside. The next phase will be utilization of the facilities and rehabilitation as necessary on a number of units. This housing is operated by the member agencies of the Coalition of Homeless Service Providers. Those agencies who are currently operational at Fort Ord or who will be within the next 90 days are Children's Services International, Interim Inc., Peninsula Outreach and Shelter Plus. Homeless populations served in this housing include single and two-parent families, veterans, victims of domestic violence, mentally ill adults and farm workers. It is anticipated full use of the properties will occur by 1998.

4. Board of Supervisors encourage establishing more housing facilities for migrant farm workers.

BOARD RESPONSE: This recommendation has been implemented. As indicated in the previous response, such housing will be available at Fort Ord for homeless farm workers. The County played an important role in advocating that such housing be developed. In addition, the County supports the current efforts by the City of Salinas to establish farm labor housing on Sun Street. The County has also provided leadership in the past for the development of this type of housing throughout the County by convening a Task Force for Farm Worker Housing. This Task Force identified available land, pursued funding and brought affected parties together to plan for future needs.

5. Monterey County Department of Health, Mental Health Division, expand case management services utilizing existing staff and resources to mentally ill individuals who volunteer for services and who may be at risk or require hospitalization or to remain in a homeless status.

BOARD RESPONSE: The Health Department agrees with the Grand Jury recommendation that it should continue providing case management services to those homeless individuals who are mentally ill. The Health Department's Behavioral Health Division currently does provide case management services to every homeless individual who is psychiatrically disabled who voluntarily requests services. These services are provided through (1) outreach, (2) housing, and (3) dual diagnosis programs. The first Annual Progress Report submitted by the Monterey County Mobile Outreach Services Team (M.O.S.T.) indicated that of all the people seen by the team, only eight persons had a primary diagnosis of severe mental illness. Each of those individuals was, in fact, seen by a county mental health adult service case manager and follow up services were offered.

At the initiation of the M.O.S.T. project, it was decided that because of limited grant funds that a single position would be funded for both mental health and substance abuse. Since the vast majority of homeless individuals who have behavioral health diagnosis have an addiction disorder, it was felt that a substance abuse specialist should take priority. The M.O.S.T. staff did, however, receive training from the mental health program and a procedure was established regarding how to refer homeless individuals who are suspected of having a primary psychiatric disability to the mental health staff. The Behavioral Health Division has also worked with Interim Inc. over the past two years to establish a thirty seven bed transitional residential program at Ft. Ord to treat homeless individuals who have a significant psychiatric disability. This represents a significant expansion in services for the homeless mentally ill in the coming year.

The M.O.S.T. staff also indicated in their annual report that forty one individuals had both a severe mental illness and a chronic alcohol or substance abuse problem. The mental health staff does take referrals for dual diagnosed clients. The Behavioral Health Division has worked with Interim Inc. to establish a dual diagnosis residential treatment program which is also augmented by outpatient and self help groups for dual diagnosed patients. Thus there are services available for dual diagnosed individuals who are homeless. There are, however, some individuals who will not avail themselves of services even when services have been repeatedly offered to them.

In conclusion, the Health Department's Behavioral Health Division is not only providing case management services to homeless individuals who are psychiatrically disabled but is also working with our not-for-profit residential provider, Interim Inc., to increase the number and types of services and residential placements available to this population. The Department believes that the existing service level meets the need of those homeless individuals who have a psychiatric disability and are willing to accept services.

MANAGEMENT OF THE MONTEREY COUNTY DEPARTMENT OF SOCIAL SERVICES

FINDINGS:

1. The management structure of the Department of Social Services is going through significant changes. The present structure is not functioning effectively and is not well understood. This is making it difficult for the Department to carry out its mission.

BOARD RESPONSE: Partially disagree with this finding.

a. "The present system is not functioning effectively..." The Department of Social Services does not agree with this finding because there are critical, unknown factors that prevent an accurate assessment of the validity of this statement. They are: the timeframe in which the Grand Jury examined the Department's management structure; The management structure to which the Grand Jury referred; and, what evidence the Grand Jury observed which they attributed to problems with the management structure.

The Department was informed of the results of the performance audit of the Family and Children's Services Division in January, 1996. In the Grand Jury Report, the Department management is inaccurately described as "a Deputy Director and three Assistant Directors. The Assistant Directors report to the Deputy Director who reports to the Director." This description may have been misquoted by the Grand Jury based on the previous management structure that correctly appeared in the audit report as "an Assistant Director and three Deputy Directors reporting to the Director of the Department."

Early in 1996, the Department's management functions were under review due to the receipt of the results of the performance audit in Children's Services and the retirement of one Deputy Director in December, 1995. Significant organizational restructuring, which changed the management structure to two Assistant Directors, an Administrative Service Manager, and a Personnel Manager reporting to the Director, was approved by the Board on May 7, 1996.

The Performance Audit Team concurred with these changes. The Board acknowledged that "this would be a long process". The Department of Social Services is a large department with nearly 600 employees and broad, highly diverse areas of responsibility. During the May 7, 1996 Board meeting, the CAO indicated that these changes were initial changes only and that he planned to return to the Board at a future date with further reorganization recommendations.

The Department Corrective Action Plan was presented to the Board in July, 1996 and revisions that were made were reflected in the Corrective Action Plan of November 26, 1996. Since the revised Corrective Action Plan was not completed until November, 1996 and the Grand Jury report was completed in December, 1996. There was too short a period of time to evaluate the effectiveness of a restructuring of this magnitude. Therefore, any assessment of organization effectiveness is premature at this time.

b. "The present structure...is not well understood." Although lines of authority and accountability have been strengthened in both line and support divisions, a situation exists that affects clear understanding of the current system. When the restructuring of the Department was presented to the Board of Supervisors in May, 1996, it was discovered that there were errors on the organization chart that was presented to the Board. Since the corrected organization chart has not been officially adopted, it has not been widely distributed to staff.

c. "This is making it difficult for the Department to carry out its mission." There are many ways to organize, all having certain advantages and disadvantages. The current structure has the managers of all four of the Department's divisions (Services, Income Maintenance, Administrative Services and Human Resources) with direct reporting responsibility to the Director. This makes sense from the perspective of creating a platform for collaboration in decision making that emphasizes overall Department effectiveness and decreases inequities that favor or disfavor individual components within the Department. The expected outcome is that all client and employee services will ultimately benefit from congruent and evenhanded fiscal and human resource management.

2. The training programs for staff are not coordinated with their schedules and interferes with the performance of their duties.

BOARD RESPONSE: Disagree with this finding.

a. An annual training catalog is published listing all mandated and regularly scheduled in-service training. This allows staff to plan their schedules well in advance. This catalog is prepared by a committee of line staff, supervisors, trainers, and Human Resources staff so that training needs of the Department and staff are well represented. The annual catalog is temporarily suspended in FY 1996-97 due to the implementation and training of CWS/CMS and ISAWS and the volume of training that accompanies that implementation. During the implementation phase, we only offer limited in-service training such as a class that is mandated by regulation or we have a specific request for additional training from staff. The plan is to reestablish the training committee and catalog plan for 1998 when the systems implementation is completed.

b. Training is regularly scheduled after 10:00 a.m. to allow eligibility workers to have their 8 - 10 peak processing time undisturbed.

c. Multiple sessions of training are offered on different days and times to allow staff flexibility when managing their workload.

d. In the absence of the training catalog, announcement flyers are sent out well in advance of training to allow for individual scheduling and office coverage.

e. When possible, training is given in the district offices so that staff are not required to travel.

f. A training team has been established for the implementation of the ISAWS System. This team is made up of trainers, line staff and supervisors representing each district office. In preparation for ISAWS the Department recently trained all eligibility workers and supervisors in multi-program eligibility. The training consisted of two week sessions that began July 8, 1996 and ended February 13, 1997. This training had staff input in every step of the planning process and during the training.

g. A Social Services Training Plan has been developed by the Social Services Training Steering Committee and reviewed by the Services Division staff. The intent of this plan is to provide information to staff in the Social Services Division on training policies, agency expectations and agency procedures.

h. The Department's new Social Services Training Manager position was filled in November, 1996. This position is responsible for assessing the training needs for staff in the Services Division and for coordinating and providing induction, inservice, and community based training sessions.

i. A Senior Staff Services Analyst was assigned project management with exclusive focus on CWS/CMS. A training team was established to plan and provide the necessary training to prepare staff for the implementation of the statewide automated Child Welfare Services Case Management System (CWS/CMS). Between June and October, 1996, Family and Children's staff were provided the opportunity to attain basic computer skills through the County Information System classes and on-site individual coaching. During December and January, they attended an average of 23 hours of classroom instruction provided by the training team on the CWS/CMS application. There were multiple sessions of the various modules so staff were able to enroll in advance to meet their individual scheduling needs. All staff completed the training including those that needed to make last minute changes due to caseload emergencies. Evaluations reveal that staff viewed this training as a very positive experience.

j. Training for social work staff in the Social Services Division is planned and coordinated by a training team comprised of several line staff and the Social Services Training Manager. Training is regularly scheduled every other month and flyers are provided to staff in advance so staff can plan accordingly.

3. Some programs require matching funds from the County. There has been overmatching of some program funding. Program priorities need to be reviewed to avoid waste of local funds.

BOARD RESPONSE: Partially disagree with this finding. Specifically, while there has been overmatching of some program funding, there has not been a waste of local funds. The overmatch was a result of underfunding by the state based on their underestimation of caseload rather than overstaffing by the Department of Social Services. This point was made by the Department in 1996 and funding was increased by an amount sufficient to eliminate the overmatch for FY 1996-97.

4. Personnel turnover in the Department of Social Services is high. Orientation and training of new employees is expensive and time consuming and imposes undue burdens.

BOARD RESPONSE: Partially disagree with this finding. Personnel turnover in the Department of Social Services is high.

The actual personnel turnover rate of 13% in the Department of Social Services is considered mid-range for a cross-section of comparable counties in California as established by survey. The Department utilizes two different methods for assessing turnover. One method was developed as a recruiting tool and is based on a compilation of all separations which is divided by the total numbers of positions filled within the department. This calculation is currently at 26.1% and includes separations that are inherently "positive" personnel factors. The second method removes these "positive" factors, and assesses the actual turnover rate by calculating only those "negative" personnel turnover factors, such as demotions, resignations and releases. Half of the 26.1% turnover rate is due to promotions and retirements; and these separations are inherently "positive" personnel turnover factors. The actual turnover rate is, therefore, 13%. This percentage is further offset when the number of staff who were rehired during this same period (10 employees) is included in the calculation. In addition, staff who are rehired, bring with them valuable training and experience which positively affects training costs.

A recent survey sent to eligibility workers who left DSS employment during the last two years indicated that the two most often cited reasons for dissatisfaction, if any, were related to too much paperwork or not enough staff for workload. These both should be somewhat improved with automation. Currently, Human Resources is interviewing any staff who leave the department in order to address concerns and make recommendations for possible improvements.

As the Grand Jury recognizes, "complying with detailed regulatory constraints requires well trained staff". The Department has made a decision to utilize professional Departmental training staff rather than supervisors to train new employees. This decision was made in order to ensure consistency of curriculum, training methods, and performance standards that are required to predict success on the job.

It has been determined that training conducted by specialized Department training staff may be somewhat more expensive than having the same training provided by supervisors. It is less expensive than using outside vendors because substantial reimbursement is provided through federal and state funds to the Department for providing training in this manner. Orientation and training of new employees are expensive and time consuming in the short term. The investment has been considered cost saving and more efficient in the long run, however, and has been continually supported by the Department.

There is greater opportunity to meet the challenges of the agency with a centralized, professional approach to training. For example, the Department has implemented more stringent requirements for successful completion of eligibility induction training in response to a high error rate. This change was sanctioned by County Personnel. Currently a trainee must pass induction with an 85% overall score and an 85% on the final exam or they are released from probation. Although this results in a higher initial turnover rate, it relieves the County of more extensive, time consuming, and costly terminations at future dates. We also have a better equipped work force and an improved error rate. It may also reduce the drain on supervisors' time for counseling/personnel actions based on low accuracy rates of marginal employees.

Regarding the imposition of undue burdens - Induction training for staff is a long process. The complexity of Income Maintenance and Social Services programs is such that new staff need sufficient time to absorb the regulations and practice new skills. Classroom time is supplemented by on-the-job training. Experienced staff may be covering additional cases while new staff are being trained and until they are capable of handling a caseload. The "burden" placed on staff while new employees receive training is relieved when a trained employee is better prepared to perform their duties once training has ended. Other departments and other counties utilize this Department's resources to train their staff, as well.

5. Caseloads are excessive and must be standardized. Employee turnover and inadequate case management jeopardizes the mission of the agency.

BOARD RESPONSE: Partially disagree with this finding.

INCOME MAINTENANCE DIVISION - Caseload sizes are determined in part by the fluctuating number of applicants and ongoing clients receiving assistance. They are also determined by the total number of allocated positions. The number of positions allocated to the Department is driven by the total case count throughout the fiscal year and projected caseload growth. This is factored with the funding allocation provided through federal and state appropriations and the required county match. The number of positions filled at any given time changes for many reasons, such as promotional opportunities, long term medical leaves, and turnover.

Individual worker caseloads totals are monitored weekly by supervisors and management staff through computer generated caseload reports to ensure equity.

Standards have been set by the Department that assist in providing caseload equity and fall within the budgetary constraints.

The Department makes a concerted and successful effort to underfill all vacancies with temporary staff and hires new staff on a quarterly hiring schedule. Overtime may be requested by district office managers, as justified, and authorized by the Director during peak workload months.

Finally, the current labor management agreement provides mechanisms for cooperation when there are issues regarding caseload sizes. While turnover impacts the ability to provide services the Department turnover is well within the range experienced with other county departments.

SOCIAL SERVICES DIVISION - The allocation of funding for Child Welfare, Foster Care Licensing, and Adoption funding is driven by caseload numbers which are based upon projected caseloads with adjustments for actual growth being made the year following such growth. Allocations are based upon statewide target numbers for the caseloads, which vary by the type of service performed. What these allocations do not accurately reflect are the complexities of child welfare investigation and services as well as the juvenile court related functions which staff perform. At the State level, CWDA is and has been advocating for a more equitable and appropriate funding methodology. In addition, the Department's Director and Administrative Services Officer have advocated with the California Department of Social Services for a more equitable funding strategy. The division continues to try to balance caseload considering both the numbers and the complexity, while advocating for a better allocation methodology.

In the Adult Services In-Home Supportive Services program, the caseloads are based on the need for services providable within the allocation. Case assignments are distributed equitably. There are no statewide caseload standards.

There are also no caseload standards for Adult Protective Services. Referrals for cases are taken as needed and assigned accordingly and equitably. The caseload currently exceeds the allocation's ability to fund protection activities. Efforts to secure additional funds is a continual process.

6. In order to provide sufficient services the Department must have an adequate data processing system.

BOARD RESPONSE: Agree with this finding.

RECOMMENDATIONS:

The 1996 Civil Grand Jury recommends that:

1. The management of the Department of Social Services should establish clear lines of authority and a more effective system of supervision.

BOARD RESPONSE: This recommendation has been implemented.

a. The Department of Social Services is in a period of tremendous change at all levels from Welfare Reform, automation, changing state and local roles, restructuring, and changes in response to the 1996 performance audit.

The restructuring that was approved by the Board of Supervisors in May, 1996, established strong accountability and clear lines of authority in that both client serving division managers now report to the Director, as do the Administrative Services and Human Resources Managers. One of the results of this restructuring is that policies can be more easily communicated and equitably administered among divisions.

b. All new supervisors receive instruction on the performance evaluation process. In addition, the Department has in place a rigorous performance evaluation system to ensure that evaluation of employee performance occurs timely and in accordance with stringent, carefully monitored performance standards. This has resulted in an ability to respond appropriately and in a timely manner to performance issues. The Department has received compliments from County Personnel and County Counsel for efforts in this area.

One of the goals of the Human Resources Division for 1996 and 1997 was to strengthen the training of supervisors. The implementation of the Department's automated systems (CWS/CMS and ISAWS) and the full time deployment of all training personnel to assist in providing the volume of training that accompanies that implementation have impacted that goal. However, specialized training for supervisors and managers has been recently scheduled.

It is expected that automation will simplify the current technical emphasis of most supervisory positions and permit greater opportunities for the development of higher level supervisory skills such as employee relations and staff development.

2. The County Administrative Officer (CAO) evaluate the system which is resulting in overmatching of program funds.

BOARD RESPONSE: This recommendation has been implemented. The overmatch situation was noted in the FY 1995-96 Third Quarter Financial Status Report to the Board of Supervisors (5-7-96) and timely action was taken as directed in that report to work closely with the County Administrative Office "to examine alternatives to reduce the...overmatch". The result of this Board direction was that the Director of Social Services, in conjunction with the County Administrative Office, reviewed program priorities; determined courses of action which would reduce the overmatch; and successfully argued (June 1996) with state funding sources the County's case that Monterey's allocation of state funds was unreasonably low considering current workload. The result of this was an increase of \$400,000 in state funding for FY 1996-97 - an amount sufficient to eliminate the overmatch situation which pertained in FY 1995-96.

The CAO continues to evaluate the situations in the Department of Social Services which can result in an overmatch situation through regular meetings with the Director of Social Services and through the Department's County Administrative Office analyst who receives a quarterly report on the Department's financial status including any shortfalls in state revenue which would indicate an overmatch situation.

3. The CAO evaluate the cause of employee turnover and develop a program to ensue higher rates of employee retention.

BOARD RESPONSE: This recommendation requires further analysis. The Department of Social Services agrees with the Grand Jury's recommendation that the County Administrative Office evaluate the cause of employee turnover and develop a program to ensure higher rates of employee retention. The Department conducts several programs to evaluate employee turnover and to ensure higher rates of retention.

On-site counseling by an Employee Assistance Program Provider was recently made available to all staff. Earlier such sessions were provided for social workers due to stress from automation and critical incident situations. Staff indicated such counseling was beneficial during these periods of change and the Department made a decision to continue this effort as it indicated a positive way of affecting employee morale.

The Department supports the following ongoing training and education that is designed to increase job satisfaction:

- Training in program-related topics;
- Training in career growth topics such as Preparation for Promotion; and,

-Outside training to enhance job skills and abilities.

County tuition reimbursement for employee pursuits of job-related college coursework is usually approved. "Creating a work environment where people are valued" was the focus of a Department committee. Some of the activities of this committee were the provision of notepads to all staff which stated "You Are Valued" and the development of a "Walk in My Shoes" program which promotes a better understanding and knowledge of what others do in the agency. "The EXTRA MILE" Program provides recognition to those employees who, through consistent, outstanding service significantly contribute to the day-to-day operations of the Department. On-site counseling, ongoing training programs and interdepartmental committees provide information that allows the Department to continually evaluate employee turnover so that our values employees can be retained.

4. The Department of Social Services standardize Line Worker caseloads.

BOARD RESPONSE: This recommendation requires further analysis. The Department is experiencing a major shift in its casework practices. These practices are impacted by automation and welfare reform. When implementation of these processes is completed an impact analysis will allow for review of caseloads.

5. The Department of Social Services modify the present training program for managers and line supervisors so that these meetings do not interfere with job duties.

BOARD RESPONSE: This recommendation has been implemented. The training programs that are available for managers and line supervisors are: a biannual Leadership Team Seminar; an Induction for New Supervisors; Zenger-Miller; Liebert, Cassidy and Frierson training provided through County Personnel; and Policies, Procedures, and Practices, also provided through County Personnel. In addition, special Social Work Supervisor team-building training has been scheduled. We also have general topic training such as "Presenting a Positive Image", "Basic Business Grammar", "Business Writing", and "Effective Communication". The Department typically approves outside supervisory training on as needed/as requested basis. As in all other departmental training, scheduling for managers and supervisors training occurs well in advance of training for individual scheduling and office coverage. It is the responsibility of managers and supervisors to assure that the least amount of interruption possible to their own work schedules occurs as a result of these endeavors.

Training is vital for supervisors and managers. Meetings are considered required job duties for these job classifications.

6. The County Administrative Officer's office make the installation of an adequate data processing system a high priority.

BOARD RESPONSE: This recommendation has been implemented. The County Administrative Office has supported the Departments's major automation efforts which commenced implementation in 1996. Specifically, the Child Welfare Services/Case Management System (CWS/CMS) which will automated the casework of social workers in the Family and Children's Services Division, and the Statewide Automated Welfare System (SAWS) which will automate the public assistance eligibility function are currently being installed.

The CWS/CMS automation will be in place by April, 1997 and the SAWS automation will "go live" in July, 1997. These two systems will extend EDP automation of the Department's operations from about 10% to 90%. Both of these systems have been a high priority of the County Administrative Office and the Board of Supervisors as indicated by their approval of financing plans, facilities acquisition, and appropriations in the past year.

COMPLAINT CONCERNING WELLINGTON M. SMITH JR. JUVENILE HALL

FINDINGS:

1. There is a lack of communication among the Chief Probation Officer, management, staff and Juvenile Institution Officers. There are no regular staff meetings. One Juvenile Institution Officer complained that there had only been one staff meeting in the past year. There appears to be an attitude among the Juvenile Institution Officers and other staff interviewed by the Grand Jury that management is simply unapproachable. Symbolic of this unapproachability is the fact that the Juvenile Hall Division manager keeps his door closed, despite announcing that he has an open door policy. Staff doesn't believe there is an "open door" policy. They also feel insecure, airing their concerns for the juveniles. It is worse when they complain about conditions at Juvenile Hall and air their own grievances. Complaints are often dismissed by management as the "cadre" of malcontents.

BOARD RESPONSE: Disagree with this finding. The Chief Probation Officer and department managers have met monthly with department supervisors during the tenure of the present Chief. Recently, weekly meetings with the Division Managers have been instituted.

The Operational Manager of Juvenile Hall (Assistant Manager) conducts separate monthly meetings with the supervisors at Juvenile Hall, the Division Manager attends and participates. In addition, formalized weekly meetings between the Division Manager and the Assistant Managers have been instituted. It is true that there had been only one General Staff meeting with the Division Manager conducted within the past year. Such meetings should occur at least twice a year and the Division Manager has been counseled regarding that process.

Supervisors at Juvenile Hall have been directed to conduct monthly meetings with assigned staff, for the purpose of communication and information sharing, but have been lax and sporadic in conducting such meetings. Progressive discipline has been instituted to rectify that problem. Supervisors are available to staff at all times and the duty supervisor routinely relays shift information and gives feedback to staff.

Aside from the formalized structure for meetings in the Probation Department, there is an open door policy for all Probation Department managers and all managers visit work sites on a regular basis. The Chief Probation Officer and his managers are available and visit Juvenile Hall on a regular basis, some staff converse with them freely and find them approachable. An open statement by the Division Manager, made during a general staff meeting, that his door is open, even if it is closed due to noise levels outside his door or confidential issues that he is working on, was also accepted at face value by some staff who knocked on the door and found him willing to listen to what they had to say. The assistant manager at Juvenile Hall is available on the living units and conversant with staff during a major portion of each working day.

There is also a formalized structure in place for communicating suggestions by staff, safety concerns of staff and routine policy implementation. In addition each living unit at Juvenile Hall maintains a log book for the purpose of communicating vital information.

If staff feel insecure about airing their concerns for the juveniles it may be due to the fact that their concerns are often centered around the failure of other staff to perform their required duties. This often results in "increased supervision" and documentation/discipline for failures to follow procedure or the development of new procedure to foster change. In the eyes of some, increased accountability for doing one's job, when it is not being done correctly, is making things worse.

A number of complaints at Juvenile Hall are centered around one individual complaining about another individual's performance or demeanor. In those areas requiring potential discipline, the privacy required by the peace officers bill of rights and standard personnel practice preclude informing complainants of any action taken other than the fact that the matter will be investigated and appropriate action will be taken. To state that staff complaints are dismissed is not accurate. All complaints that are brought forward are investigated. Managers routinely discuss and evaluate complaints during their meetings. Some complaints result in policy revision, some are dismissed due to lack of merit or lack of evidence supporting the complaint, and some have resulted in disciplinary action. Management fully recognizes that complainants are not always in agreement with management's evaluation/solution.

2. Morale at Juvenile Hall among the Juvenile Institution Officers and the staff was found to be poor. The poor state of morale can be attributed to an apparent failure of supervisors to implement a true two-way communication process. The staff feels there is no support from the Chief Probation Officer down to the Division Manager. Grievances from the staff are not addressed. Several comments were received concerning the lack of promotion possibilities, management's refusal to release personnel for necessary training to qualify for promotion and personnel hired from outside the system to fill slots. In conversations with individual Juvenile Institution Officers and other staff, it was obvious that the Division Manager and his assistants spend little time in individual and group meetings with Juvenile Institution Officers and other line staff.

BOARD RESPONSE: Partially agree with this finding. Morale is poor for some individuals while others have no complaints. Morale tends to fluctuate over time and is related to staff's perception of how well management is meeting their needs. A breakdown in communications can result in a decrease in morale.

Supervisors at Juvenile Hall have been re-directed to conduct monthly meetings with assigned staff, for the purpose of communication and information sharing.

It should be noted that other factors impact morale and that it is often the individual and the attitude that one takes that determine one's state of morale. A case in point is the complaint regarding lack of opportunity for promotion or that someone from outside is promoted or hired over someone that has been here a long time. A common perception for some staff is that they deserve to be promoted simply because they have been in a position for a long time.

The hiring and promotional process are competitive and are governed by the personnel process used in Monterey County. Applicants are tested and ranked by an independent panel (composed mainly of non-department personnel) and certified for departmental interview in alphabetical order, the number of names submitted for interview is determined by the number of positions open and/or the number of applicants remaining on the list. While it is desirable to promote from within, management has an obligation to hire the best qualified candidate that will best serve the needs of the County of Monterey and the Probation Department.

The same attitude is reflected when individuals complain that management refuses to release employees for necessary training to qualify for promotion. Running a 24 hour institution requires a 24 hour staff. All staff that attend training must be replaced on-site, in essence double staffing, often an overtime issue which impacts budget. During times of shortage of staff due to illness, maternity leave, injury, vacation, vacant positions etc., it is necessary to deny requests for training beyond the required hours; it has even been necessary to cancel scheduled training due to the above. In general, if training is available and if funding and replacement staff are available, staff are not only allowed but are encouraged to attend training relevant to their job. In addition it should be noted that there are staff that are motivated toward promotion and advancement that continue pursuit of their educational goals during their off duty hours.

A variety of training is offered by the Probation Department on an annual basis. The State standard for training in juvenile institutions, overseen by the Board of Corrections (STC), requires institutional supervisors to attend 40 hours annually and juvenile institution officers are required to attend 24 hours annually. On an annual basis the training hours are utilized for training required by various State and Federal mandates (First Aid, CPR etc.) and training that management requires of staff to insure competency or to rectify deficiencies. Any remaining hours may be selected from any training that is offered through STC. Training is offered on a regular basis and staff are responsible for selecting and attending the required number of hours. In addition, on an annual basis five Juvenile Hall Line Staff are selected at random from all applicants to attend the three day statewide CPPCA Training Conference.

During the past three years there has been one formal grievance, filed at Juvenile Hall, regarding scheduling. The grievance was pursued to the final step of arbitration and the arbitrator ruled in the favor of management.

3. The present decision making process is not participatory; information flows down from the Chief Probation Officer through his supervisors at Juvenile Hall and then finally to the line staff. It is recognized that not all decisions require "input" from the line staff, but the impression gained by the Grand Jury in three visits, was that the line staff felt isolated from the decision making process.

BOARD RESPONSE: Disagree with this finding. There is a formal suggestion policy in place which may be utilized by any Probation Department employee. In addition, verbal suggestions are taken into consideration when offered and may be implemented if found practical and acceptable.

While it is true that information flows downward from the Chief Probation Officer, the implication that the expressed needs of staff are not weighed in the process is incorrect. Many of the modifications to procedures and policy are based on staff input. An example of such consideration is that when staff at Juvenile Hall complained that they did not like to use and wear the same duty pack that other staff used, all staff were issued their own duty pack. More recently files were moved to a more staff-accessible location in the institution when space became available.

4. There is no formal on-the-job training process for the Juvenile Institution Officer after they have attended the Academy. Part-time officers are not involved in any on-the-job training. There is no training officer at Juvenile Hall.

BOARD RESPONSE: Agree with this finding as stated, there is a need for clarification.

It is true there is no training officer at Juvenile Hall. However, supervisors are charged with the responsibility of insuring that staff are trained and able to fulfill their function, in effect, each supervisor is a "Training Officer". All staff are provided forty hours of formalized in-service training, beyond the 160 hours training they receive at the academy, prior to assuming any duties. Temporary employees are also required to complete the same 40 hours of in-service training prior to assuming any duties. Most of the permanent JIO staff at Juvenile Hall are considered to be journey level and as such are expected to assist supervisors in the training process and to impart their knowledge and expertise to both new and temporary staff.

Recently, a revision of the training process for the entire department has been put into motion. One of the priorities is the certification of training officers in all divisions of the department.

5. The supply of clothing, shoes, sandals, socks and underwear is not sufficient for the number of juveniles housed. During the Grand Jury tours, the supply rooms contained little in the way of supplies. For example, one store room contained only seven bottles of bleach and only three cases of toilet paper. The condition of the clothing was extremely poor and juveniles were observed wearing ill-fitting clothing. "White" underwear fresh from the laundry was dingy and grey. Laundry is being done as time permits on the night shift by juveniles and night shift staff. The supplies storeroom is locked on weekends with only one key in the possession of someone usually unavailable on weekends. The Grand Jury also noted that many juveniles were without warm clothing during the official tour on February 27, 1996.

BOARD RESPONSE: Partially agree with this finding. The population at Juvenile Hall fluctuates upward and downward. At times when it has exceeded standards, very little clothing remains on the shelves and it is sometimes necessary to place frayed clothing into service. When the population is reduced, there is an abundant amount of clothing awaiting service. Juvenile Hall also employs a seamstress to repair clothing and there is a constant flow of clothing in and out of service for repair.

Supplies are ordered on a regular basis. Delays in delivery occur from time to time and it is possible to run short of items. Staff have been advised to inform the supervisor on duty or the assistant manager when unit supplies are running low. Procedures are in place for staff to contact someone that has access to the store room and both the Assistant Manager and the Division Manager have answered calls and returned to Juvenile Hall during off hours to issue needed items. The Assistant Manager is at Juvenile Hall on Saturdays, as part of his normal schedule. As a contingency, in the event that there are no supplies on hand, there are open purchase accounts in place, where hygiene items or clothing items may be purchased and such purchases have been authorized.

The present system of issuing supplies once a week is standard institution practice and limiting access to the supply storage areas was instituted due to abuses of the area when the key was readily available. It is not a sound management practice to have unlimited keys available or to allow unlimited access to supplies.

An issue was made of the fact that there were only three cases of toilet paper and seven gallons of bleach on hand. There were supply orders pending at the time.

As a note of interest, three cases of toilet paper contain two hundred and eighty rolls. Seven gallons of bleach dilute into 70 gallons of disinfectant, one diluted gallon is kept on each living unit to deal with bio-hazardous materials.

Juvenile Hall staff are responsible to see that clothing fits appropriately. Many times, contrary to direction, minors have been allowed to select their own clothing and, as is the style in the community, they select baggy clothing. Corrective action has been taken in this area.

The temperature is regulated at a comfortable setting inside the building. It is agreed that during cold weather minors are to be provided with sweatshirts when they have to go outdoors. This will be monitored by on duty supervisors or officers in charge.

6. Washing and drying all of the clothing at Juvenile Hall is not being done on a daily basis which causes the juveniles to wear dirty clothing. The size of the loads and the lack of bleach in the wash contributes to the grey look of the clothing.

BOARD RESPONSE: Partially agree with this finding. Liquid bleach was removed from general laundry service due to its potential use as a weapon and the fact that its misuse was destroying clothing. Although considerably more expensive, powdered bleach has been ordered into service to remedy the grey look. Laundry at Juvenile Hall is done on a daily basis except when there has been a mechanical failure of the washers and dryers. When that happens, clothing is sent to the county jail to be laundered. There may have been incidents when clothing was not exchanged. There is a policy requiring the exchange of clothing.

7. There is a shortage of bedding. This is compounded by the need to wrap blankets in sheets because there are no non-wool items for juveniles with allergies.

BOARD RESPONSE: Disagree with this finding. Juvenile Hall's capacity is 102 with 101 beds. There are twelve plastic stacking bunks, which require storage space, and an adequate amount of mattresses to provide bedding for 135 minors. Non-allergenic blankets are in stock and were in stock at the time of the Grand Jury's visit.

8. There is no program in place to address the hygiene and health need of the juveniles. Basic hygiene items such as toilet tissue, tooth paste and shampoo are often not available.

Some female minors complained to the Grand Jury about the availability of feminine hygiene supplies to fit their individual need and situation. Sometimes bloodstained bedding and undergarments are issued because of the inefficiency of the washing process.

A policy of keeping windows open only two inches apparently has led to health problems because there is insufficient ventilation. This policy was put in place by the Chief Probation Officer to preclude juveniles using the opening to incite other juveniles or even hurting each other.

BOARD RESPONSE: Disagree with this finding. There is a medical provider on-site or on call 24 hours a day seven days a week. An R.N. is on-site one half day Monday through Friday and an LVN is on-site all day Monday through Friday. A nurse also visits Juvenile Hall twice daily, AM and PM, on weekends for the purpose of reviewing any pressing medical problems and dispensing medication. A physician visits Juvenile Hall on a regular basis as needed and is available on call at all times. In cases of extreme emergency, minors are transported directly to Natividad Medical Center. As part of their duties, nurses advise minors on matters of health and hygiene.

Minors are required to shower daily and there is a clothing exchange schedule in place. Minors are directed to wash up after using the bathroom and are required to brush their teeth twice daily. Minors are also required to clean their rooms daily and to perform a general cleanup on weekends.

If stained linen or underwear was issued, it is not common practice and was never condoned by any manager at Juvenile Hall. Management relies on staff to inform them about deficiencies of this nature. Linens are laundered by a commercial laundry and would only be laundered at Juvenile Hall if there were a delivery problem. Such problems have occurred but they are the exception, not the rule.

From a hygienic standpoint, the laundry process at Juvenile Hall is adequate to prevent disease. The newly instituted practice of using powdered bleach should improve the aesthetic property of the clothing.

To the knowledge of the Chief Probation Officer, there is no reason to believe that limiting the opening on the windows causes health problems. There is every reason to believe that this practice has improved the safety and security of the minors housed at Juvenile Hall by limiting their ability to taunt and goad each other while they are in their rooms, thus lowering the noise level and reducing the number of fights ensuing from such taunts.

9. Athlete's foot, rashes and other skin problems are recurring problems. This may be attributable to the lack of bleach in the socks, switching of shoes without disinfecting them and socks that are either not available or full of holes. Disinfectant is not routinely available in the shower areas. Medicine is available on weekends, only in emergencies.

BOARD RESPONSE: Disagree with this finding. Athletes foot, rashes and other skin problems occur from time to time and all are treated by the medical staff. The disinfecting of shoes somehow ceased but has been reinstated. Antifungal foot powder has been placed on the units and also in the booking room where extra tennis shoes are kept. Staff have been redirected to disinfect shoes prior to reissue. As a precaution, the brand of soap/shampoo being used in Juvenile Hall was recently switched, when it was suggested that the old brand may be a skin irritant.

A nurse visits Juvenile Hall twice daily, AM and PM, on weekends for the purpose of reviewing any pressing medical problems and dispensing medication.

10. The staff has security concerns that need to be addressed. One teacher at Juvenile Hall complained that he felt insecure in his classrooms because the room's "panic button" is on the wall. If a problem develops away from that button, the teacher felt he would have to fight one or more juveniles to reach the button.

BOARD RESPONSE: Partially disagree with this finding. The risk of physical contact is inherent in institutional work. During the history of Juvenile Hall, in the memory of several long term staff, there has never been a problem in a classroom which precluded the teacher from sounding the alarm, nor has there been a teacher injured by a pupil. (Average staff response time to such an alarm is between 20 -30 seconds.) Teaching staff have recently been equipped with two-way radios allowing them to be in contact with Juvenile Institutions Officers.

Management regularly addresses security issues that are brought forward as well as management's own concerns. Staff have been provided with security packs which contain handcuffs, gloves, CPR airways and pepper spray. Television monitors have been installed in sensitive areas and are planned for other areas. They have been provided with two-way radios for emergency communication and vests that clearly identify them as staff. They have been granted limited Peace Officer status. Fencing has been improved and operational equipment has been moved from the front office to the rear building so that night staff do not have to work isolated.

Policies have been developed and put in place which enhance safety and security. These are a few of the security issues dealt with by the present management.

11. There is an overcrowding problem in the educational program.

BOARD RESPONSE: Agree with this finding.

12. There is no established employee counseling program.

BOARD RESPONSE: Disagree with this finding. There is a well established employee counseling program or Employee Assistance Program, EAP, in place. It is provided by the County Of Monterey and employees from Juvenile Hall have utilized it by self-referral and by supervisor directed referral.

RECOMMENDATIONS:

The 1996 Civil Grand Jury recommends that:

1. An independent performance audit of the Chief Probation Officer's management of the Wellington M. Smith Jr. Juvenile Hall be promptly conducted.

BOARD RESPONSE: The recommendation has been implemented. The Chief Probation Officer has requested an independent performance audit of the Probation Department and its management.

2. The Chief Probation Officer develop a standard operating procedure for all personnel at Juvenile Hall.

BOARD RESPONSE: The recommendation has been implemented. A policy and procedures manual exists. In addition the Division Manager is engaged in a major revision of the Policy Manual and its format which will make it easier to use as reference tool.

3. There be clear direction from the Chief Probation Officer through his Division Manager to the line personnel concerning training, scheduling, and personal security.

BOARD RESPONSE: Agree with this recommendation. The Chief Probation Officer believes this already exists.

4. The Chief Probation Officer establish a policy for regular scheduled staff meetings, written communication with the staff and Juvenile Institution Officers and a formal counseling system.

BOARD RESPONSE: The recommendation has been implemented.

5. An independent evaluation be performed on the current purchase and supply procedures in order to determine how the Juvenile Hall's problems with clothing, personal hygiene and other supply items can be resolved.

BOARD RESPONSE: Agree with this recommendation. The County Purchasing Manager will be requested to provide an independent evaluation and to make recommendations for improvement.

MONTEREY COUNTY SHERIFF'S DEPARTMENT

FINDINGS:

1. The Penal Code requires that specific information regarding the remedies available to Domestic Violence victims be available in local law enforcement agencies. The Sheriff's Department did not have this information available at the time of publication of the Mid-Year report. In its response to the Mid-Year Report the Department stated that this problem had been corrected and that the information is now available "at all three Sheriff's stations". A follow-up check by the Grand Jury in November 1996 disclosed that the information is not available without explanations and delays which barely complies with the letter of the law and certainly not with the spirit.

SHERIFF RESPONSE: In reviewing the Grand Jury's findings, we do meet the letter of the law, but the spirit of the law with documents we have displayed at our Sheriff's stations.

2. An escape from the prisoner recreation yard, by a dangerous felon, resulted in correction of a situation which had existed and been known as a problem. The existence of this situation and the urgent need for correction should have been a high priority matter before an escape occurred.

SHERIFF RESPONSE: As in the past, the Sheriff's Department is very proactive in the exercise yard problems. Not only the men's but the women's area as well has been put forward as a priority to the County. Unfortunately, I have no control over those priorities or the money the County expends to correct dangerous situations.

BOARD RESPONSE: The CAO works closely with the Sheriff in addressing the Sheriff's facility needs in a priority order within overall County budget priorities.

3. An attack on a prisoner in the County Jail, by a fellow prisoner, using a weapon fashioned from blades from disposable razors, brought to the Grand Jury's attention the lack of controls and monitoring of disposable razors. The blades can easily be turned into lethal weapons. The explanation was that the Department is required by law to make it possible for inmates to shave and it would be impossible to monitor disposable razors. We were informed that "in any event there are a lot of things from which weapons can be made if they want to make them".

SHERIFF RESPONSE: We continue to look at ways to keep dangerous weapons out of inmates' hands. We will continue to look at other ways of handling our razors within the county jail system including asking for additional personnel to better monitor the correctional setting. It is true that weapons can be made from many different instruments and have been as is evident by our display within the Correctional Facility.

4. Prisoners are transported to courts daily for "required" court appearances at significant expense. This exposes the public and courthouse employees to personal safety risks. Access to the courthouse is uncontrolled. Anyone can walk into the courthouse with a gun, a bomb or other weapons. As the Chief Law Enforcement Officer in Monterey County, and as elected official the Sheriff has an obligation to bring this risk to the attention of Municipal and Superior Court Judges and the Board of Supervisors in an organized and emphatic way. All of the responsible parties need to explore alternatives for handling routine court appearances which will minimize the risk to the public and courthouse personnel and which will be more cost effective.

SHERIFF RESPONSE: Until a new Courthouse complex or modifications are made to the existing Courthouse, we will be required to continually transport inmates on a daily basis to those facilities. As the chief law enforcement officer of Monterey County, this has been discussed many times with the Municipal and Superior Courts as well as members of the Board of Supervisors and the Administrative Office. It always comes down to dollars and cents.

BOARD RESPONSE: In addition to the plan for creating a separate Courts-only wing at the Courthouse, the CAO, with the support of the Courts and the Sheriff, will continue to expand the use of video arraignment throughout the Monterey County court system, explore the feasibility of establishing a high security court at the jail, and will continue to seek ways to reduce the risks associated with the need to transport and hold inmates at the Courthouse.

5. Staffing and security controls at the County Jail were described as very inadequate.

SHERIFF RESPONSE: This has again been brought to the attention of the Board of Supervisors and the CAO's Office many times that we do not meet standards set by the Board of Corrections in many areas. We have had to make adjustments to meet safety requirements for staff and inmates. The only way to solve this problem is for the County to agree to an audit with the State Board of Corrections and then meet those staffing recommendations as set forth by that agency. We do bring the staffing problems and controls for the Board during each budget cycle.

6. The problems which came to our attention indicate the possible lack of a management system with effective direction, supervision, oversight, monitoring, reporting and accountability.

SHERIFF RESPONSE: I am not sure as to what is indicated in this item, but we continually look at our management system and the direction we are going within the Sheriff's Department. We most recently had a Team Building Workshop and have included all segments of supervision and management to try and aggressively look at where we are and where we are going to go in the next few years.

RECOMMENDATIONS:

The 1996 Civil Grand Jury recommends that:

1. The Board of Supervisors direct the County Administrative Officer's office to conduct a performance audit of the Sheriff's Department. The audit should include:

- a. Whether there is in place in the Department a management system which at minimum:

- (1) Identifies and defines public safety issues and brings them before the Board of Supervisors for public review and discussion;

SHERIFF RESPONSE: The Monterey County Board of Supervisors audits the Sheriff's Department on a yearly basis during the budget cycle. During this budget cycle, it is brought to the CAO's attention, as well as the Board of Supervisors' attention, public safety issues along with requests for adequate resources to meet the various law enforcement programs throughout the County.

During the budget hearings which are open to the public, these issues are addressed and expounded upon and myself, along with members of the Sheriff's staff are available for public questions from the public as well as questions from the Board of Supervisors or other members of the county family.

BOARD RESPONSE: The Board of Supervisors will consider the resources necessary to perform audits in the Sheriff's Department, as well as other departments, during the FY 1997-98 budget process.

(2) Identifies unmet needs on an ongoing basis along with a process for establishing well understood priorities for meeting these needs;

SHERIFF RESPONSE: Again, during the budget cycle, we identify and bring up unmet needs for our Department. We also bring these needs up periodically during the budget year in order to let the Administration and the Board of Supervisors know that there is a concern from the Department as well as citizens within the community.

BOARD RESPONSE: Agree with Sheriff's response.

(3) Has up to date training standards and performance standards and a process for monitoring and enforcing the standards; and

SHERIFF RESPONSE: The Sheriff's Department presently has up-to-date training standards as set forth by the State of California as well as performance standards and a process for monitoring and enforcing the standards. If we are unable to meet the standards it is due to the lack of funding to train our people properly and this has been brought to the Board of Supervisors' attention time after time for many years.

BOARD RESPONSE: Agree with Sheriff's response.

(4) Has well understood reporting and accountability policies.

SHERIFF RESPONSE: There are checks and balance throughout the entire County system that deal with reporting and accountability policies and the Sheriff's Department adheres to these along with other departments within Monterey County.

BOARD RESPONSE: Agree with Sheriff's response.

b. Whether there should be an assessment to determine the staffing and facilities needs to meet minimum law enforcement requirements in unincorporated Monterey County and a process established to keep the needs assessment update and routinely brought before the Board of Supervisors for review.

SHERIFF RESPONSE: There is an ongoing assessment done by the CAO's office and the Sheriff's Department in determining staffing and facility needs to meet the minimum law enforcement requires in unincorporated Monterey County. Routinely, these needs are brought before the Supervisors once a year, however, if the need arises anytime during a budget year, the needs are brought before the Board of Supervisors so that they are able to make the determination as to the funds available to support these needs.

BOARD RESPONSE: Agree with Sheriff's response.

c. Whether there are significant instances of noncompliance with State laws as in the case of the Penal Code requirements dealing with Domestic Violence.

SHERIFF RESPONSE: Each year, there are many laws passed that change the way law enforcement does business. We stay up with all the new state laws and work hard to stay in compliance. We will intensify these efforts in the coming year to make sure that we are not out of compliance with any laws presently on the books or future laws.

BOARD RESPONSE: Agree with Sheriff's response.

d. Whether the management of the Sheriff's Department is "reactive". Rather than having internal systems in place to identify potential problems and develop remedial measures, does the Department wait until a problem occurs and only then respond?

SHERIFF RESPONSE: The Sheriff's Department is "reactive" in many instances by the pure nature of our jobs. We are, however, proactive in many other areas. We have a very aggressive Crime Prevention Unit which has tripled over the last two years in order to help citizens stop crime before it happens. We have increased our proactive approach with the community by implementing Community Oriented Policing and getting Deputies involved with their beat areas in order to help citizens help us solve problems before they develop. We have been very active in the areas of working with the youth in such jobs as D.A.R.E. Officers North County Diversion Youth Program, our Explorer Program, and most recently the implementation of the School Resource Officer's Program. We will continue to be proactive looking for problems before they happen and finding solutions when possible.

The Board of Supervisors has been very supportive in our proactive approach and I am sure will continue in the future.

BOARD RESPONSE: Agree with Sheriff's response.

2. That the Sheriff promptly develop a specific proposal, with a cost analysis, for modifying the system of prisoner and detainee court appearances which will avoid both the security problems and the cost of the present system. This proposal should be submitted to the Monterey County Municipal and Superior Court Judges and the Board of Supervisors for early public review and discussion.

SHERIFF RESPONSE: The Sheriff's Department again has participated and will continue to participate with the court systems and the CAO's office to identify and obtain a designated courthouse complex that will greatly enhance the security problems we now encounter. It is my recommendation that we move forward with this process as soon as possible and that meetings be set up between members of the Board of Supervisors, the CAO's office, Judges, and the Sheriff's Department to start this process as soon as possible.

BOARD RESPONSE: In addition to the plan for creating a separate Courts-only wing at the Courthouse, the CAO, with the support of the Courts and the Sheriff, will continue to expand the use of video arraignment throughout the Monterey County court system, explore the feasibility of establishing a high security court at the jail, and will continue to seek ways to reduce the risks associated with the need to transport and hold inmates at the Courthouse.

Grand Jury

P.O. Box 1819
Salinas, CA 93902
(408) 755-5020



June 16, 1997

Mr. Simon Salinas, Chairman
Monterey County Board of Supervisors
Salinas Courthouse
240 Church Street
Salinas, CA 93901

Dear Chairman Salinas:

The 1997 Monterey County Civil Grand Jury appreciated the invitation to participate in the April 15 Board meeting where your responses to the 1996 Grand Jury Final Report were presented and approved. The 1997 Grand Jury has studied the responses and has also received 41 responses from Cities, Agencies and Special Districts. This memo is for the purpose of presenting the results of the Monterey County Board of Supervisors responses as well as those from County Departments.

Very few of the responders seemed to be fully aware of the impact of changes made in the Penal Code in 1996, even though the 1996 Grand Jury sent a letter in early January to each potential respondent pointing out these changes. About 30% of the responses received were not fully in accord with the revised Penal Code provisions. The 1997 edition of the California Penal Code includes the changes made in 1996. The most important from the standpoint of responders to the Grand Jury Final Report is Section 933.05, which defines in greater detail the contents of an acceptable response. For those responses which promise future action the new rules require that a specific timeframe be provided to define when these future actions will be taken, and this has not been provided by any of the responders, including the Board of Supervisors. For easy reference, a copy of Penal Code Section 933.05 is appended to this memo (Attachment 1).

In the face of this shortfall in the responses, and in the interest of helping the responders conform to the Penal Code, the 1997 Grand Jury decided to categorize the responses and to reply by letter to the responders. Many additional actions are needed to bring the responses into conformance with the Penal Code. The Grand Jury feels this follow-up is necessary to put the local government groups in Monterey County into conformance with the law; also it will provide useful correction for future responders to the 1997 Final Report and later Grand Jury reports.

Attachment 2 to this letter is a detailed analysis of the responses from the Monterey County Board of Supervisors and from County Departments under the Board's direct supervision. There are a number of actions needed which are highlighted for easy reference. The Grand Jury has also included some brief comments where the Monterey County responses are at odds with the 1996 Grand Jury Final Report.

Mr. Simon Salinas, Chairman
Monterey County Board of Supervisors
June 16, 1997
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For your further information we have included with this letter a summary of all responses received from all responders, including the Cities and Special Districts. This is Attachment 3. All of these responses are in the public domain, so if you or your staff would like access to them for your own information, it can be arranged through the Grand Jury office.

Yours truly,

A handwritten signature in cursive script, appearing to read "D. Roger Loper".

D. Roger Loper, Foreman
1997 Monterey County Grand Jury

Attachments (4)

933.05.

(a) For purposes of subdivision (c) of Section 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:

(1) The respondent agrees with the finding.

(2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.

(b) For purposes of subdivision (c) of Section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following actions:

(1) The recommendation has been implemented, with a summary regarding the implemented action.

(2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.

(3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.

(4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.

(c) However, if a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county department headed by an elected officer, both the department head and the board of supervisors shall respond if requested by the grand jury, but the response of

the board of supervisors shall address only those budgetary or personnel matters over which it has some decisionmaking authority. The response of the elected department head shall address all aspects of the findings or recommendations affecting his or her department.

(d) A grand jury may request a subject person or entity to come before the grand jury for the purpose of reading and discussing the findings of the grand jury report that relates to that person or entity in order to verify the accuracy of the findings prior to their release.

(e) A grand jury shall provide to the affected agency a copy of the portion of the grand jury report relating to that person or entity two working days prior to its public release and after the approval of the supervising judge. No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report.

SEC. 2. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

Notwithstanding Section 17580 of the Government Code, unless otherwise specified, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

Monterey County Board of Supervisors responses fall into the following categories:

933.05(b)(2) Recommendations will be implemented: 2,3,4 and 5 except no timeframes are specified;

933.05(b)(4) Recommendations will not be implemented: 1 and 6

Grand Jury comments:

The Board of Supervisors and the Grand Jury are in fundamental disagreement on the basic allegiance owed by persons appointed to the boards, commissions and committees working with Monterey County Government. The Grand Jury believes these people form part of the public participation in representative government and owe primary allegiance to the people of Monterey County at large. The responses of the Board of Supervisors to this Project (plus some very explicit quotations from individual Supervisors as recently reported in the local press) indicate that individuals appointed by a certain Supervisor owe allegiance to that Supervisor.

To comply with Penal Code Sections 933.05(b)(2) and (3), timeframes for implementation of Recommendations 2,3,4 and 5 must reach the Grand Jury by June 30, 1997.

Project 3 Monterey Bay Unified Air Pollution Control District. Only Recommendation 3 must be answered by Monterey County Board of Supervisors.

The Monterey County Board of Supervisors response falls into the following category:
933.05(b)(2) Recommendation will be implemented (but no timeframe is stated).

Grand Jury comments:

Most of the Cities were receptive to periodic updates from the MBUAPCD. Perhaps Monterey County could take the lead in arranging these, since no response was received from the MBUAPCD itself.

To comply with Penal Code Section 933.05(b)(2), a timeframe for implementation of Recommendation 3 must reach the Grand Jury by June 30, 1997.

Project 4 Facilities and Capital Project Procedures. 5 Recommendations. Board of Supervisors were asked for responses to all five.

The Monterey County Board of Supervisors responses fall into the following categories:

933.05(b)(1) Recommendation has been implemented: 1, 2 and 3

933.05(b)(2) Recommendations 4 and 5. No timeframe is specified, because the implementation must be done from time-to-time as new projects are being developed.

The 1996 Grand Jury Final Report also specified that separate responses be submitted by the County Administrative Officer (Recommendations 1,2 and 4); The Monterey County Probation Department (Recommendations 3 and 5); and the Facilities and Construction Services Division of the Administration Department (Recommendations 1,2,4 and 5) None of these responses have been received.

Project 5 Security and Public Safety in Monterey County Courthouses. 4
Recommendations.

Monterey County Board of Supervisors asked to respond to Recommendations 1 and 3.

Board of Supervisors responses fall into the following category:

933.05(b)(2) Recommendation will be implemented in future
Recommendations 1-4 inclusive except the Board presentation does not include the required timeframe.

Monterey County Sheriff was asked to respond to Recommendations 1,2 and 4. His responses fall into the following categories:

933.05(b)(2) Recommendations will be implemented in the future
Recommendations 1 and 2 except the Sheriff does not present any timetable for these changes.

933.05(b)(4) Recommendation will not be implemented. Recommendation 4

Grand Jury comments:

These responses are not only lacking in the failure to provide the required timeframe for the agreed action, but the actions themselves will require years to implement. The thrust of the 1996 Grand Jury Report was that the present situation is dangerous and unacceptable. The Sheriff's responses indicate a realistic concern for the urgency of the present situation, but also indicate his frustration in accepting that the Board of Supervisors will not do anything to rectify this dangerous situation.

In addition to the Grand Jury report, the Supervisors heard an eloquent exposition of the problem on April 15, 1997, when the Presiding Judge of the Superior Court, Judge Jonathan Price, expressed his concern over the wide open courthouse in which he and his colleagues -- and many County employees -- have to do their work. He backed these comments with a letter dated March 3, 1997.

Offering a long-range plan to build a new courthouse complex may be a proper and necessary solution, but the short-term dangers can and should be materially reduced by relatively modest changes in the accessibility of the present courthouse to County employees and the public. The Board of Supervisors has had adequate expert advice to know that this unacceptable risk can and should be reduced by improved security in the existing courthouses before the end of 1997.

To comply with Penal Code Section 933.05(b)(2), the Board of Supervisors and the Sheriff must provide the Grand Jury with timetables for the implementation of Recommendations 1 through 4 by June 30, 1997.

The 1996 Grand Jury Report requested responses for Recommendations 1 and 2 from the Chief Administrative Officer. These responses have not been received.

- Project 6 City of Salinas Procedures for Making Appointments to Boards and Commissions. No Responses required from the Board of Supervisors.
- Project 7 Housing for Low-Income Residents of Monterey County 1 Recommendation, the Monterey County Board of Supervisors was asked to respond to Recommendations 1a through 1h.

Monterey County Board of Supervisors responses fall into the following categories:

- 933.05(b)(1) Recommendations already implemented: Recommendations 1a, 1b
- 933.05(b)(2) Recommendation will be implemented
Recommendations 1c except the response does not indicate the required timeframe for implementation.
- 933.05(b)(3) Recommendation requires further analysis, except this analysis is to be promised by a date certain no later than six months after the date of the Grand Jury Final Report (i.e., July 29, 1997).

Grand Jury comments:

Board of Supervisors says Salinas should take the leadership in coordination of affordable housing activities. Salinas has not responded to the Grand Jury report. Many cities have indicated no need for or interest in the Grand Jury proposal. If, as the Board response states, the County agrees with the Grand Jury proposal, someone should take the trouble to make a phone call and get this ball rolling. To comply with Penal Code Section 933.05(b)(2), timeframe for Recommendation 1c must reach the Grand Jury by June 30, 1997. To comply with Penal Code Section 933.05(b)(3), analysis of Recommendations 1d through 1h must reach the Grand Jury by July 29, 1997. ✓ 29

- Project 8 Housing Authority of Monterey County. 6 Recommendations. The Monterey County Board of Supervisors was asked to respond to Recommendations 1, 2 and 4.

The 1997 Grand Jury categorized the Board of Supervisors responses as follows:
Penal Code Section 933.05(b)(4) Recommendation will not be implemented for reasons stated. Recommendations 1, 2 and 4.

Grand Jury comments:

Here is the same basic disagreement as set out in the Grand Jury comments to Project 2. The Board of Supervisors resists setting any standards of background or experience for its appointees to the Housing Authority Board of Commissioners, and is disinterested in the activity of its appointees in such a simple matter as attending meetings. The important thing is that the appointee have allegiance to the appointing Supervisor.

Project 9 Salinas Union High School District. 3 Recommendations. The Board of Supervisors was not asked to respond on this issue, but the Monterey County Superintendent of Schools was asked and did respond.

The Grand Jury categorized the report from the Monterey County Superintendent of Schools as follows:

Penal Code Section 933.05(b)(1) Recommendations have been implemented: Recommendations 1, 2 and 3.

Project 10 Graves School District 7 Recommendations. Monterey County Board of Supervisors was not asked to respond, but the Monterey County Superintendent of Schools was asked to respond to all seven Recommendations, which he did.

The responses of the Monterey County Superintendent of Schools can be categorized as follows:

Penal Code Section 933.05(b)(1) The Recommendation has been implemented. Recommendations 1,2,3,4,5 and 6

Penal Code Section 933.05(b)(3) The Recommendation requires further analysis. Recommendation 7 but no timeframe for completing the analysis was provided.

To comply with Penal Code Section 933.05(b)(3) the Superintendent of Schools must send the results of his analysis to the Grand Jury by July 29, 1997. 29

Project 11 Health Care in Monterey County, a Problem for Consumers and Taxpayers. 5 Recommendations, the Board of Supervisors was asked to respond to all 5.

The Board of Supervisors chose to endorse the responses prepared by the NMC Board of Trustees. The Grand Jury had categorized these responses as follows:

Penal Code 933.05(b)(3) Recommendations require further analysis. Recommendations 1,2,3,4 and 5 except the required timeframe for completing the study was not mentioned; it must be completed by July 29, 1997. 29

Grand Jury comments:

The Grand Jury is surprised at the nonchalance of the NMC responses to the recommendations of the 1996 Grand Jury; and since the Board of Supervisors simply endorsed these rather flaccid responses, the Jury is equally taken aback by the Board responses. For your information, the Salinas Valley Memorial Healthcare System rejected all of the 1996 Grand Jury Recommendations. The 1997 Grand Jury understands that NMC - and the County - face some serious long-range problems in the health care area. We are perplexed to find that the major health care players in the Salinas area are disinterested in a proposal that they confer together to develop long-range plans.

Penal Code Section 933.05(b)(3) Requires that the analyses promised by NMC - and, by endorsement, by the Board of Supervisors - to be completed no later than six months after the date of the Final Report, i.e., by July 29, 1997.

- Project 12 Domestic Violence in Monterey County 6 Recommendations
The Monterey County Board of Supervisors and the Sheriff's Department were asked to respond to all 6 Recommendations. The Board of Supervisors responses to Recommendations 1,2,4 and 5 was to agree with the Sheriff. The Grand Jury has categorized these responses as follows:
Penal Code Section 933.05(b)(1) The Recommendation has been implemented Recommendation 1,5, and 6 (6 is for Sheriff only)
Penal Code Section 933.05(b)(2) The Recommendation will be implemented with timeframe
Recommendation 2 and 4 except the required timeframe has not been stated
Penal Code Section 933.05(b)(3) The Recommendation requires further analysis to be completed in six months' time
Recommendation 3 (Board of Supervisors only)

Grand Jury comments:

Most of the Cities responding on this item have implemented Recommendations 1,2,4 and 5.

To comply with Penal Code Section 933.05(b)(2) the Board of Supervisors and the Sheriff must provide a timeframe for Recommendations 2 and 4 by June 30, 1997. To comply with Penal Code Section 933.05(b)(3) the Board of Supervisors must complete its analysis of the Probation Department electronic warning devices by July 29, 1997. Monterey County Board of Supervisors did not respond to Recommendation 6.

- Project 13 Efforts of Monterey County to Deal with the Homeless Problem 5 Recommendations. Board of Supervisors was asked to respond to Recommendations 1,4 and 5. Monterey County Health Department was asked to respond separately to Recommendation 5.

The Grand Jury categorized the Board of Supervisors responses as follows:

Penal Code Section 933.05(b)(1) Recommendations have been implemented: Recommendations 3,4 and 5

Penal Code Section 933.05(b)(3) Recommendation requires further analysis: Recommendation 1 except there is no stated timeframe for completing the analysis.

To comply with Penal Code Section 933.05(b)(3) The Board of Supervisors must report the results of its analysis by July 29, 1997.

- Project 14 Management of the Monterey County Department of Social Services 6 Recommendations, Board of Supervisors asked to respond to all 6

The Grand Jury has categorized the Board of Supervisors responses as follows:

Penal Code Section 933.05(b)(1) Recommendation has been implemented; Recommendations 1,2,3,4,5 and 6

County Administrative Officer was asked to respond to Recommendations 2,3 and 4, but

no response was received; Director of Monterey County Department of Social Services was asked to respond to all Recommendations, but no response was received.

Project 15 Complaint Concerning Wellington M. Smith Jr. Juvenile Hall. 6 Recommendations. Board of Supervisors was asked to respond to Recommendations 1 through 5.

Grand Jury categorized the Board of Supervisors responses as follows:

Penal Code Section 933.05(b)(1) Recommendations have been implemented:
Recommendations 1,2,3,4 and 5

The Grand Jury report requested responses from the Monterey County Probation Officer to Recommendations 2,3 and 4; but no response has been received.

Project 16 Monterey County Sheriff's Department. 3 Recommendations. Board of Supervisors was asked to respond to Recommendations 1 and 2. The Sheriff was also asked to respond to Recommendation 2. Both responses were included with the Board's report.

The Grand Jury categorized these responses as follows:

Penal Code Section 933.05(b)(1) Recommendation has been implemented:
Recommendations 1a(3) 1a(4), 1b, 1c, and 1d

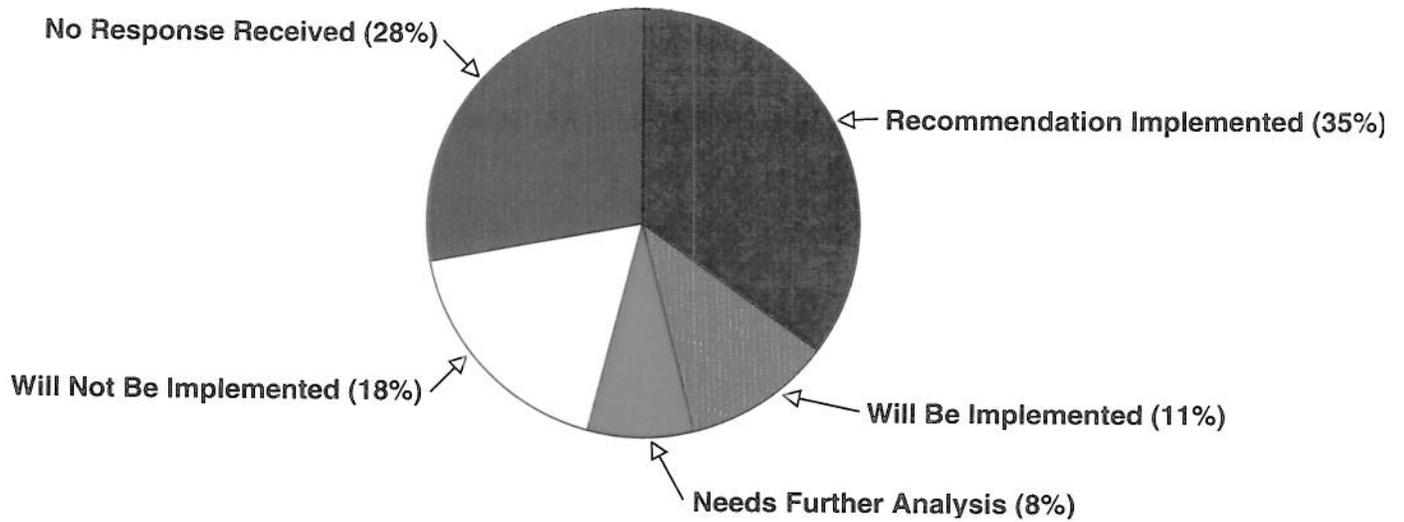
Penal Code Section 933.05(b)(2) Recommendation will be implemented in a stated timeframe.

Recommendations 1a(1), 1a(2) and 2 except that there have been no timeframes stated for implementing these Recommendations.

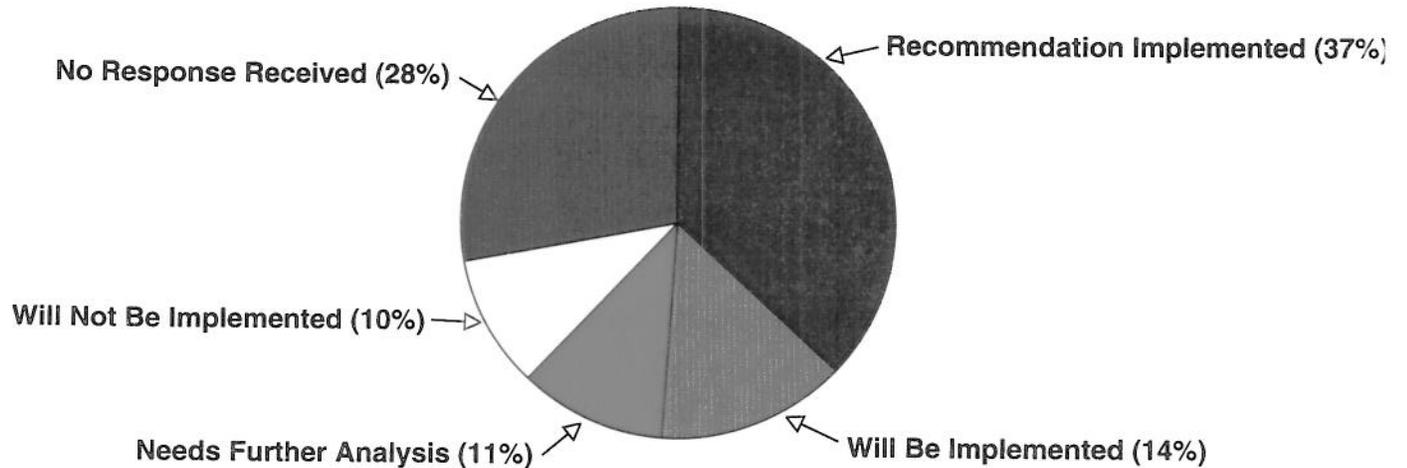
To comply with the provisions of Penal Code 933.05(b)(2) a firm timeframe for implementation of Recommendations 1a(1), 1a(2), and 2 must reach the Grand Jury by June 30, 1997.

CLASSIFICATION OF RESPONSES

ALL RESPONSES INCLUDING MONTEREY COUNTY



RESPONSES FROM MONTEREY COUNTY ONLY BOARD OF SUPERVISORS AND COUNTY DEPARTMENTS



DRAFT
5-25-97

GRAND JURY STATIONERY
To: All Committee Chairpersons for Consideration
by their Committees

Mr. Simon Salinas, Chairman
Monterey County Board of Supervisors
Salinas Courthouse

Dear Chairman Salinas:

The 1997 Monterey County Civil Grand Jury appreciated the invitation to participate in the April 15 Board meeting where your responses to the 1996 Grand Jury Final Report were presented and approved. The 1997 Grand Jury has studied the responses and has also received 41 responses from Cities, Agencies and Special Districts. This memo is for the purpose of presenting the results of our study of the Monterey County Board of Supervisors responses as well as those from County Departments.

Very few of the responders seemed to be fully aware of the impact of changes made in the Penal Code in 1996, even though the 1996 Grand Jury sent a letter in early January to each potential respondent pointing out these changes. About 30% of the responses received were not fully in accord with the revised Penal Code provisions. The 1997 edition of the California Penal Code includes the changes made in 1996. The most important from the standpoint of responders to the Grand Jury Final Report is Section 933.05, which defines in greater detail the contents of an acceptable response. For those responses which promise future action the new rules require that a specific timeframe be provided to define when these future actions will be taken, and this has not been provided by any of the responders, including the Board of Supervisors. For easy reference, a copy of Penal Code Section 933.05 is appended to this memo (Attachment 1).

In the face of this shortfall in the responses, and in the interest of helping the responders conform to the Penal Code, the 1997 Grand Jury decided to categorize the responses and to reply by letter to the responders. Many additional actions are needed to bring the responses into conformance with the Penal Code. The Grand Jury feels this follow-up is necessary to put the local government groups in Monterey County into conformance with the law; also it will provide useful correction for future responders to the 1997 Final Report and later Grand Jury reports.

Attachment 2 to this letter is a detailed analysis of the responses from the Monterey County Board of Supervisors and from County Departments under the Board's direct supervision. There are a number of actions needed which are highlighted for easy reference. The Grand Jury has also included some brief comments where the Monterey County responses are at odds with the 1996 Grand Jury Final Report.

For your further information we have included with this letter a summary of all responses received from all responders, including the Cities and Special Districts. This is Attachment 3. All of these responses are in the public domain, so if you or your staff would like access to them for your own information, it can be arranged through the Grand Jury office.

Yours truly,

drl/5-27-97
BOSResponses

D. Roger Loper, Foreman

**§933.05. Response to Grand Jury
Recommendations—Content Requirements;
Personal Appearance by Responding Party;
Grand Jury Report to Affected Agency.**

(a) For purposes of subdivision (c) of Section 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:

(1) The respondent agrees with the finding.

(2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.

(b) For purposes of subdivision (c) of Section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following actions:

(1) The recommendation has been implemented, with a summary regarding the implemented action.

(2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.

(3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.

(4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.

(c) However, if a finding or recommendation of the grand jury addresses budgetary or personnel matters of a county department headed by an elected officer, both the department head and the board of supervisors shall respond if requested by the grand jury, but the response of the board of supervisors shall address only those budgetary or personnel matters over which it has some decisionmaking authority. The response of the elected department head shall address all aspects of the findings or recommendations affecting his or her department.

(d) A grand jury may request a subject person or entity to come before the grand jury for the purpose of reading and discussing the findings of the grand jury report that relates to that person or entity in order to verify the accuracy of the findings prior to their release.

(e) A grand jury shall provide to the affected agency a copy of the portion of the grand jury report relating to that person or entity two working days prior to its public release and after the approval of the supervising judge. No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report. Leg.H. 1996 ch. 1170.

ATTACHMENT 2
ANALYSIS OF MONTEREY COUNTY BOARD OF SUPERVISORS RESPONSES
TO THE 1996 GRAND JURY FINAL REPORT

In the following discussion, frequent reference is made to the responses to Grand Jury reports as defined in Penal Code Section 933.05(b); this Section defines required responses to Grand Jury reports. The full wording of Section 933.05 is set out in the accompanying Attachment 1. In this Attachment 2, the following abbreviated meanings are intended:

- 933.05(b)(1) Recommendation has been implemented;
- 933.05(b)(2) Recommendation will be implemented within a stated timeframe;
- 933.05(b)(3) Recommendation requires further analysis/study to be completed and results reported by July 29, 1997;
- 933.05(b)(4) Recommendation will not be implemented for reasons stated.

Monterey County Board of Supervisors or Monterey County Departments were asked to provide a response to 15 of the 16 projects presented in the 1996 Grand Jury Final Report, although not for every one of the recommendations in most cases.

The 1997 Grand Jury has categorized the County responses to Grand Jury recommendations as follows, and offers the following comments on the responses:

- Project 1 Governing and Managing Monterey County. 14 recommendations.
- The Monterey County Board of Supervisors responses fall into the following categories:
- 933.05(b)(1) Recommendations already implemented: 1,2,3,4,5,7,11,12
 - 933.05(b)(2) Recommendations will be implemented: 8,9,10,13,14 except no timeframe has been specified
 - 933.05(b)(3) Recommendation requires further study: 6, except no timeframe is provided.

Grand Jury comments:

The Board of Supervisors is to be commended for launching the workshop program, but is reminded that the thrust of this Project is to reform and streamline the management of County Government. The March and May 1997 workshops were a modest first step, but much remains to be done. The Board also deserves applause for its steps taken to improve the County's performance on capital projects.

To comply with Penal Code Sections 933.05(b)(2) and (3) timeframes for completion of promised actions on Recommendations 8,9,10,13 and 14 must reach the Grand Jury by June 30, 1997. The planned further analysis of County's response to Recommendation 6 must reach the Grand Jury by July 29, 1997. Although separate responses for all 14 recommendations were requested from the Chief Administrative Officer, none were received.

- Project 2 Appointments by Board of Supervisors to Boards, Commissions and Committees. 6 Recommendations

DRAFT
5-15-97

To: Committee Chairpersons for Committee
Consideration

ATTACHMENT 2
ANALYSIS OF MONTEREY COUNTY BOARD OF SUPERVISORS RESPONSES
TO THE 1996 GRAND JURY FINAL REPORT

In the following discussion, frequent reference is made to the responses to Grand Jury reports as defined in Penal Code Section 933.05(b); this Section defines required responses to Grand Jury reports. The full wording of Section 933.05 is set out in the accompanying Attachment 1. In this Attachment 2, the following abbreviated meanings are intended:

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Project 1 Governing and Managing Monterey County. 14 recommendations.
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1,2,3,4,5,7,11,12
- 933.05(b)(2) Recommendations will be implemented:
8,9,10,14 except no timeframe has been specified
- 933.05(b)(3) Recommendation requires further study:
6, ~~12~~ except no timeframe is provided for Recommendation 6

Grand Jury comments:

The Board of Supervisors is to be commended for launching the workshop program, but is reminded that the thrust of this Project is to reform and streamline the management of County Government. The March 1997 workshop was a modest first step, but much remains to be done. The Board also deserves applause for its steps taken to improve the County's performance on capital projects.

To comply with Penal Code Sections 933.05(b)(2) and (3) timeframes for completion of promised actions on Recommendations 8,9,10 and 14 must reach the Grand Jury by June 30, 1997. The planned further analysis of County's response to Recommendation 6 must reach the Grand Jury by July 29, 1997. Although separate responses for all 14 recommendations were requested from the Chief Administrative Officer, none were received.

Project 2. Appointments by Board of Supervisors to Boards, Commissions and Committees. 6 Recommendations

Monterey County Board of Supervisors responses fall into the following categories:

- 933.05(b)(2) Recommendations will be implemented:
2,3,4 and 5 **except no timeframes are specified;**
- 933.05(b)(4) Recommendations will not be implemented:
1 and 6

Grand Jury comments:

The Board of Supervisors and the Grand Jury are in fundamental disagreement on the basic allegiance owed by persons appointed to the boards, commissions and committees working with Monterey County Government. The Grand Jury believes these people form part of the public participation in representative government and owe primary allegiance to the people of Monterey County at large. The responses of the Board of Supervisors to this Project (plus some very explicit quotations from individual Supervisors as recently reported in the local press) indicate that individuals appointed by a certain Supervisor owe allegiance to that Supervisor.

To comply with Penal Code Sections 933.05(b)(2) and (3), timeframes for implementation of Recommendations 2,3,4 and 5 must reach the Grand Jury by June 30, 1997.

Project 3 Monterey Bay Unified Air Pollution Control District. Only Recommendation 3 must be answered by Monterey County Board of Supervisors.

The Monterey County Board of Supervisors response falls into the following category:

- 933.05(b)(2) Recommendation will be implemented (but no timeframe is stated.)

Grand Jury comments:

Most of the Cities were receptive to periodic updates from the MBUAPCD. Perhaps Monterey County could take the lead in arranging these, since no response was received from the MBUAPCD itself.

To comply with Penal Code Section 933.05(b)(2), a timeframe for implementation of Recommendation 3 must reach the Grand Jury by June 30, 1997.

Project 4 Facilities and Capital Project Procedures. 5 Recommendations. Board of Supervisors were asked for responses to all five.

The Monterey County Board of Supervisors responses fall into the following categories:

- 933.05(b)(1) Recommendation has been implemented:
1, 2 and 3
- 933.05(b)(2) Recommendations 4 and 5 No timeframe is specified, because the implementation must be done from time-to-time as new projects are being developed.

The 1996 Grand Jury Final Report also specified that separate responses be submitted by the County Administrative Officer (Recommendations 1, 2 and 4); The Monterey County Probation Department (Recommendations 3 and 5); and The Facilities and Construction Services Division of the Administration Department (Recommendations 1, 2, 4 and 5) None of these responses have been received.

Project 5 Security and Public Safety in Monterey County Courthouses. 4 Recommendations. Monterey County Board of Supervisors asked to res-

pond to Recommendations 1 and 3.

Board of Supervisors responses fall into the following category:

933.05(b)(2) Recommendation will be implemented in future
Recommendations 1-4 inclusive **except the Board presentation does not include the required timeframe.**

Monterey County Sheriff was asked to respond to Recommendations 1,2 and 4. His responses fall into the following categories:

933.05(b)(2) Recommendations will be implemented in the future
Recommendations 1 and 2 **except the Sheriff does not present any timetable for these changes.**

933.05(b)(4) Recommendation will not be implemented.
Recommendation 4

Grand Jury comments:

These responses are not only lacking in the failure to provide the required timeframe for the agreed action, but the actions themselves will require years to implement. The thrust of the 1996 Grand Jury Report was that the present situation is dangerous and unacceptable. The Sheriff's responses indicate a realistic concern for the urgency of the present situation, but also indicate his frustration in accepting that the Board of Supervisors will not do anything to rectify this dangerous situation.

In addition to the Grand Jury report, the Supervisors heard an eloquent exposition of the problem on April 15, 1997 when the Presiding Judge of the Superior Court, Judge Jonathon Price, expressed his concern over the wide open courthouse in which he and his colleagues -- and many County employees -- have to do their work. He backed these comments with a letter dated March 3, 1997.

Offering a long-range plan to build a new courthouse complex may be a proper and necessary solution, but the short-term dangers can and should be materially reduced by relatively modest changes in the accessibility of the present courthouse to County employees and the public. The Board of Supervisors has had adequate expert advice to know that this unacceptable risk can and should be reduced by improved security in the existing courthouses before the end of 1997.

To comply with Penal Code Section 933.05(b)(2), the Board of Supervisors and the Sheriff must provide the Grand Jury with timetables for the implementation of Recommendations 1 through 4 by June 30, 1997.

The 1996 Grand Jury Report requested responses for Recommendations 1 and 2 from the Chief Administrative Officer. These responses have not been received.

Project 6. City of Salinas Procedures for Making Appointments to Boards and Commissions. No responses required from the Board of Supervisors.

Project 7 Housing for Low-Income Residents of Monterey County 1
Recommendation, the Monterey County Board of Supervisors was asked to respond to Recommendations 1a through 1h.

Monterey County Board of Supervisors responses fall into the following categories:

933.05(b)(1) Recommendations already implemented:
Recommendations 1a,1b

- 933.05(b)(2) Recommendation will be implemented
Recommendations 1c except the response does not indicate
the required time frame for implementation.
- 933.05(b)(3) Recommendation requires further analysis, except this
analysis is to be promised by a date certain
no later than six months after the date of the
Grand Jury Final Report (i.e. July 29, 1997).

Grand Jury comments:

Board of Supervisors says Salinas should take the leadership in coordination of affordable housing activities. Salinas has not responded to the Grand Jury report. Many cities have indicated no need for or interest in the Grand Jury proposal. If, as the Board response states, the County agrees with the Grand Jury proposal, someone should take the trouble to make a phone call and get this ball rolling.

To comply with Penal Code Section 933.05(b)(2), timeframe for Recommendation 1c must reach the Grand Jury by June 30, 1997. To comply with Penal Code Section 933.05(b)(3), analysis of Recommendations 1d through 1h must reach the Grand Jury by July 29, 1997.

Project 8 Housing Authority of Monterey County. 6 Recommendations. The Monterey County Board of Supervisors were asked to respond to Recommendations 1, 2 and 4.

The 1997 Grand Jury categorized the Board of Supervisors responses as follows;
Penal Code Section 933.05(b)(4) Recommendation will not be implemented for reasons stated.
Recommendations 1, 2 and 4

Grand Jury comments:

Here is the same basic disagreement as set out in the Grand Jury comments to Project 2. The Board of Supervisors resists setting any standards of background or experience for its appointees to the Housing Authority Board of Commissioners, and is disinterested in the activity of its appointees in such a simple matter as attending meetings. The important thing is that the appointee have allegiance to the appointing Supervisor.

Project 9 Salinas Union High School District. 3 Recommendations. The Board of Supervisors was not asked to respond on this issue, but the Monterey County Superintendent of Schools was asked and did respond.

The Grand Jury categorized the report from the Monterey County Superintendent of Schools as follows:

Penal Code 933.05(b)(1) Recommendations have been implemented:
Recommendations 1, 2 and 3.

Project 10 Graves School District 7 Recommendations Monterey County Board of Supervisors was not asked to respond, but the Monterey County Superintendent of Schools was asked to respond to all seven Recommendations, which he did.

The responses of the Monterey County Superintendent of Schools can be categorized as follows:

Penal Code 933.05(b)(1) The Recommendation has been implemented
Recommendations 1, 2, 3, 4, 5, 6

Penal Code 933.05(b)(3) The Recommendation requires further analysis.

Recommendation 7 but no timeframe for completing the analysis was provided.

To comply with Penal Code Section 933.05(b)(3) the Superintendent of Schools must send the results of his analysis to the Grand Jury by July 29, 1997

Project 11 Health Care in Monterey County, a Problem for Consumers and Taxpayers. 5 Recommendations, the Board of Supervisors was asked to respond to all 5. The Board of Supervisors chose to endorse the responses prepared by the NMC Board of Trustees. The Grand Jury has categorized these responses as follows: Penal Code 933.05(b)(3) Recommendations require further analysis. Recommendations 1, 2, 3, 4 and 5 except the required timeframe for completing the study was not mentioned; it must be completed by July 29, 1997.

Grand Jury comments:

The Grand Jury is surprised at the nonchalance of the NMC responses to the recommendations of the 1996 Grand Jury; and since the Board of Supervisors simply endorsed these rather flaccid responses, the Jury is equally taken aback by the Board responses. For your information, the Salinas Valley Memorial Healthcare System rejected all of the 1996 Grand Jury Recommendations. The 1997 Grand Jury understands that NMC - and the County - face some serious long-range problems in the health care area. We are perplexed to find that the major health care players in the Salinas area are disinterested in a proposal that they confer together to develop long-range plans.

Penal Code 933.05(b)(3) requires that the analyses promised by NMC - and, by endorsement, by the Board of Supervisors - be completed no later than six months after the date of the Final Report, i.e. by July 29, 1997.

Project 12 Domestic Violence in Monterey County 6 Recommendations. The Monterey County Board of Supervisors and the Sheriff's Department were asked to respond to all 6 Recommendations. The Board of Supervisors responses to Recommendations 1, 2, 4, and 5 was to agree with the Sheriff. The Grand Jury has categorized these responses as follows:

Penal Code Section 933.05(b)(1) The Recommendation has been implemented:

Recommendation 1, 5, and 6 (6 is for Sheriff only)

Penal Code Section 933.05(b)(2) The recommendation will be implemented with timeframe

Recommendation 2 and 4 except the required timeframe has not been stated

Penal Code Section 933.05(b)(3) The Recommendation requires further analysis to be completed in six months' time.

Recommendation 3 (Board of Supervisors only)

Grand Jury comments:

Most of the Cities responding on this item have implemented Recommendations 1, 2, 4, and 5.

To comply with Penal Code Section 933.05(b)(2) the Board of Supervisors and the Sheriff must provide a timeframe for recommendations 2 and 4 by June 30, 1997. To comply with Penal Code Section 933.05(b)(3) the Board of Supervisors must complete its analysis of the Probation Department electronic warning devices by July 29, 1997.

Monterey County Board of Supervisors did not respond to Recommendation 6.

Board of Supervisors Responses
Page 6

- Project 13 Efforts of Monterey County to Deal with the Homeless Problem 5 Recommendations Board of Supervisors was asked to respond to Recommendations 1, 4 and 5. Monterey County Health Department was asked to respond separately to Recommendation 5.
The Grand Jury categorized the Board of Supervisors responses as follows:
Penal Code Section 933.05(b)(1) Recommendations have been implemented:
Recommendations 3, 4 and 5
Penal Code Section 933.05(b)(3) Recommendation requires further analysis:
Recommendation 1 **except there is no stated timeframe for completing the analysis.**
To comply with Penal Code Section 933.05(b)(3) the Board of Supervisors must report the results of its analysis by July 29, 1997.
- Project 14 Management of the Monterey County Department of Social Services 6 Recommendations, Board of Supervisors asked to respond to all 6 *all rec'd*
The Grand Jury has categorized the Board of Supervisors responses as follows:
Penal Code Section 933.05(b)(1) Recommendation has been implemented;
Recommendations 1, 2, ~~5 and 6~~ 3, 4, 5 and 6
~~Penal Code Section 933.05(b)(3) Recommendation requires further analysis
Recommendations 3 and 5 except no mention is made of a timeframe
for the planned analysis~~
~~To comply with Penal Code 933.05(b)(3) the promised analysis must reach the
Grand Jury by July 29, 1997.~~
County Administrative Officer was asked to respond to Recommendations 2, 3 and 4, but no response was received; Director of Monterey County Department of Social Services was asked to respond to all Recommendations, but no response was received.
- Project 15 Complaint Concerning Wellington M. Smith Jr. Juvenile Hall. 6 Recommendations. Board of Supervisors was asked to respond to Recommendations 1 through 5.
Grand Jury categorized the Board of Supervisors responses as follows:
Penal Code Section 933.05(b)(1) Recommendations have been implemented:
Recommendations 1, 2, 3, 4 and 5
The Grand Jury report requested responses from the Monterey County Probation Officer to Recommendations 2, 3 and 4; but no response has been received.
- Project 16 Monterey County Sheriff's Department. 3 Recommendations. Board of Supervisors was asked to respond to Recommendations 1 and 2. The Sheriff was also asked to respond to Recommendation 2. Both responses were included with the Board's report.
The Grand Jury categorized these responses as follows:
Penal Code Section 933.05(b)(1) Recommendation has been implemented:
Recommendations 1a(3) 1a(4), 1b, 1c, and 1d
Penal Code Section 933.05(b)(2) Recommendation will be implemented in a stated timeframe.
Recommendations 1a(1), 1a(2) and 2 **except that there have been no timeframes stated for implementing these Recommendations.**

To comply with the provisions of Penal Code 933.05(b)(2) a firm timeframe for implementation of Recommendations 1a(1), 1a(2) and 2 must reach the Grand Jury by June 30 1997

Legend:

- 0 Response required, none received;
- 1 Recommendation has been implemented;
- 2 Recommendation will be implemented within a stated timeframe;
- 3 Further analysis required to be completed within 6 months of the date of the Final Report;
- 4 Recommendation will not be implemented, with reasons.

Project and Responder	Recommendations and Responses													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Governing and Managing Monterey County	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Monterey County Board of Supervisors	1	1	1	1	1	3*	1	2*	2*	2*	1	1	2*	2*
Monterey County Administrative Officer	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Appointments by Board of Supervisors to Boards, Committees and Commissions	1	2	3	4	5	6								
Monterey County Board of Supervisors	4	1	1	1	1	4								
3. Monterey Bay Unified Air Pollution Control District	1	2	3											
MBUAPCD	0	0	0											
City Council of:														
Carmel			0											
Del Rey Oaks			1											
Gonzales			1											
Greenfield			0											
King City			0											
Marina			2*											
Monterey			4											
Pacific Grove			3*											
Salinas			0											
Sand City			2*											
Seaside			0											
Soledad			0											
Monterey County Board of Supervisors			2*											
4. Facilities and Construction Capital Project Procedures in Monterey County	1	2	3	4	5									
Monterey County Board of Supervisors	1	1	1	2*	2*									
County Administrative Officer	0	0	0	0	0									
Monterey County Probation Department														
Support Services - Facilities and Construction	0	0	0	0	0									

* No timeframe was specified

- Legend:
- 0 Response required, none received;
 - 1 Recommendation has been implemented;
 - 2 Recommendation will be implemented within a stated timeframe;
 - 3 Further analysis required to be completed within 6 months of the date of the Final Report;
 - 4 Recommendation will not be implemented, with reasons.

Project and Responder	Recommendations and Responses					
9. Salinas Union High School District	1	2	3			
Each Trustee of the Salinas Union High School District	1	1	1	(Not all Trustees replied)		
Superintendent of the Salinas Unified High School District	1	1	1			
Monterey County Superintendent of Schools	1	1	1			
10. Graves School District	1	2	3	4	5	6 7
Graves School Board	0	0	0	0	0	0 0
Principal/Teacher	0	0	0	0	0	0 0
Monterey County Superintendent of Schools	1	1	1	1	1	1 3*
11. Health Care in Monterey County - Problems for Consumers and Taxpayers	1	2	3	4	5	
Monterey County Board of Supervisors	3*	3*	3*	3*	3*	3*
Natividad Medical Center Board of Trustees	3*	3*	3*	3*	3*	3*
Board of Trustees, Salinas Valley Memorial Hospital	4	4	4	4	4	4
12. Domestic Violence in Monterey County	1	2	3	4	5	6
Monterey County Board of Supervisors	1	2*	3*	2*	1	1
Sheriff's Department	1	2*	3*	2*	1	1
All Monterey County Police Departments:	1	1	2	1	1	1
Carmel						
Del Rey Oaks	1	1	1	1	1	1
Gonzales	1	1	1	1	1	1
Greenfield	1	1	1	1	1	1
King City	1	1	1	1	1	1
Marina	1	2*	4	2*	1	1
Monterey	1	1	1	1	1	1
Pacific Grove	1	1	1	1	1	1
Salinas	0	0	0	0	0	0
Sand City	1	1	1	1	1	1
Seaside	0	0	0	0	0	0
Soledad	1	2*	4	1	1	1

* No timeframe was specified

Legend:

- 0 Response required, none received;
- 1 Recommendation has been implemented;
- 2 Recommendation will be implemented within a stated timeframe;
- 3 Further analysis required to be completed within 6 months of the date of the Final Report;
- 4 Recommendation will not be implemented, with reasons.

Project and Responder	Recommendations and Responses					
	1	2	3	4	5	6
13. Efforts of Monterey County to Deal With the Homeless Problem	1	2	3	4	5	
Monterey County Board of Supervisors	3*		1	1	1	
Fort Ord Reuse Agency		0				
Monterey County Department of Health, Mental Health Division					0	
14. Management of the Monterey County Department of Social Services	1	2	3	4	5	6
Monterey County Board of Supervisors	1	1	1	1	1	1
Director, Monterey County Department of Social Services	0	0	0	0	0	0
County Administrative Officer	0	0	0			0
15. Complaint Concerning Wellington M. Smith Juvenile Hall	1	2	3	4	5	6
Monterey County Board of Supervisors	1	1	1	1	1	1
Monterey County Chief Probation Officer	0	0	0	0	0	
16. Monterey County Sheriff's Department	1a	1b	1c	1d	2	3
Monterey County Board of Supervisors	1	1	1	1	2*	
Monterey County Sheriff					2*	

* No timeframe specified

MONTEREY COUNTY



AUDITOR - CONTROLLER

(408) 755-5040 • FAX (408) 755-5098 • P.O. BOX 390 • SALINAS, CALIFORNIA 93902

JACK L. SKILLICORN

AUDITOR-CONTROLLER

DAVID G. ELLEDGE

ASSISTANT AUDITOR-CONTROLLER

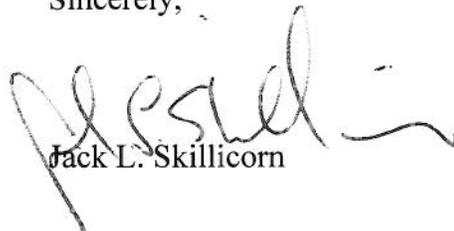
February 21, 1997

Honorable Jonathan Price
Presiding Judge of the Superior Court, 1997
Courthouse
Salinas, California 93901

Penal Code Section 933 requires elected officers to respond to Grand Jury findings and recommendations that pertain to matters under their control. This response to the 1996 Grand Jury Report ("Report") is filed in compliance with that requirement.

The Auditor-Controller agrees with the 1996 Grand Jury's recommendation and is presently working with the County Administrative Officer to strengthen our Internal Audit Division, including the Performance Audit Team.

Sincerely,



Jack L. Skillicorn

JLS/bsp

cc: Board of Supervisors
Ernest K. Morishita, Administrative Officer



MONTEREY

COUNTY

PROBATION DEPARTMENT

VINCENT J. LOSTETTER
CHIEF PROBATION OFFICER

August 20, 1997

Mr. D. Roger Loper, Foreman
1997 Monterey County Civil Grand Jury
P. O. Box 414
Salinas, California 93902

Dear Mr. Loper:

Your letter of August 15, 1997, indicates that the 1997 Grand Jury never received my response to the 1996 Grand Jury recommendations 2, 3 and 4 as stated in Exhibit B, page 9 of your 1997 Mid-Year Final Report.

I have attached a copy of my memo dated March 14, 1997 to Mr. Jim McKnew of the County Administrative Office with pages 19 and 20 of my overall response. A copy of the entire response was hand delivered to the Superior Court Clerk's Office, addressed to the Grand Jury on or about March 14, 1997 by Probation Division Manager Lawrence McCormick.

In addition, my response to the 1996 Grand Jury recommendations 2, 3 and 4 are included on pages 72 and 73 of the Board of Supervisors report dated April 15, 1997 (attached). I have taken the liberty to highlight each response on each report for your convenience.

Thank you for your response to my letter.

Sincerely yours,

Vincent J. Lostetter
Chief Probation Officer
County of Monterey

VJL:een

Encl.

MAIN OFFICE
1422 NATIVIDAD ROAD
SALINAS, CA 93906
(408) 755-3900
FAX (408) 755-3990

MONTEREY OFFICE
1200 AGUAJITO ROAD, SUITE 008
MONTEREY, CA 93940
(408) 647-7739
FAX (408) 647-7881

WELLINGTON M. SMITH, JR.
JUVENILE HALL
1420 NATIVIDAD ROAD
SALINAS, CA 93906
(408) 755-3910
FAX (408) 759-7225

YOUTH CENTER
970 CIRCLE DRIVE
SALINAS, CA 93905
(408) 759-6700
FAX (408) 784-0254

MEMORANDUM

PROBATION DEPARTMENT
COUNTY OF MONTEREY

DATE: March 14, 1997

TO: Jim McKnew, County Administrative Office

FROM: Vincent J. Lostetter, Chief Probation Officer 

SUBJECT: 1996 Civil Grand Jury Response

I have attached for you the Monterey County Probation Department response to the 1996 Civil Grand Jury. In addition, for your convenience, a floppy disc in Word Perfect 6.1 format is attached.

cc: The Honorable Jonathan Price
The Honorable Michael Fields

FINDING:

11. There is an overcrowding problem in the educational program.

RESPONSE

The Chief Probation Officer agrees with this finding.

FINDING:

12. There is no established employee counseling program.

RESPONSE

The Chief Probation Officer disagrees with this finding.

There is a well established employee counseling program or employee assistance program ,EAP, in place. It is provided by the County Of Monterey and employees from Juvenile Hall have utilized it by self referral and by supervisor directed referral.

RECOMMENDATIONS:

The 1996 Civil Grand Jury recommends that:

1. An independent performance audit of the Chief Probation officer's management and oversight of the Wellington M. Smith Jr. Juvenile Hall be promptly conducted.

RESPONSE

The recommendation has been implemented. The Chief probation Officer has requested an independent audit and assessment of the Probation Department and it's management.

2. The Chief Probation officer develop a standard operating procedure for all personnel at Juvenile Hall.

RESPONSE

The recommendation has been implemented. A policy and procedures manual exists. In addition the Division Manager is engaged in a major revision of the Policy Manual and it's format which will make it easier to use as reference tool.

3. There be clear direction from the Chief Probation officer through his Division Manager to the line personnel concerning training, scheduling, and personal security.

RESPONSE

The Chief Probation Officer believes this already exists.

4. The Chief Probation officer establish a policy for regular scheduled staff meetings, written communication with the staff and Juvenile Institution Officers and a formal counseling system.

RESPONSE

The recommendation has been implemented.

5. An independent evaluation be performed on the current purchase and supply procedures in order to determine how the Juvenile Hall's problems with clothing, personal hygiene and other supply items can be resolved.

RESPONSE

The County Purchasing Manager will be requested to provide an independent evaluation and to make recommendations for improvement.

6. The 1997 Grand Jury investigate the Probation Department and its management.

RESPONSE

Q ✓ 7-23-97

Grand Jury



P.O. Box 1819
Salinas, CA 93902
(408) 755-5020

June 16, 1997

Mr. William D. Barr,
Monterey County Superintendent of Schools
901 Blanco Circle
Salinas, CA 93902

Dear Mr. Barr:

Thank you for your letters of March 14 and March 17 responding to the 1996 Grand Jury Final Report. As you probably know, the California Legislature revised many of the provisions of the Penal Code referring to Grand Juries. On September 30, 1996 these changes were signed into law and they appear in the 1997 edition of the Penal Code. One important change is the addition in Section 933.05 of more specific rules about responses to Grand Jury Final Reports.

The 1997 Grand Jury is categorizing all responses received on recommendations in the 1996 Final Report according to these expanded and restated definitions.

The Grand Jury believes your responses can be categorized as follows:

1996 Grand Jury Project 9 Salinas Union High School 3 Recommendations:
Penal Code Section 933.05(b)(1) Recommendations have been implemented
Recommendations 1, 2, and 3

1996 Grand Jury Project 10 Graves School District 7 Recommendations:
Penal Code Section 933.05(b)(1) Recommendations have been implemented
Recommendations 1,2,3,4,5 and 6
Penal Code Section 933.05(b)(3) Recommendation requires further analysis.

Recommendation 7 However, your letter did not indicate a timeframe for completing your analysis of the possible consolidation of the Graves School Board with other organizations.

One of the provisions of Section 933.05(b)(3) is that for those recommendations requiring further analysis, the results of the analysis are to be reported to the Grand Jury within six months of the date of the Grand Jury Final Report, i.e., in our present case by July 29, 1997.

Please let us know if you think we have misunderstood your advice in categorizing your responses as we have. We will look forward to receiving your analysis on Recommendation 7 on the Graves School matter.

Yours truly,

D. Roger Loper, Foreman

Attachment: Penal Code Section 933.05



Monterey County Office of Education

William D. Barr
Monterey County
Superintendent of Schools

901 Blanco Circle

Post Office Box 80851

Salinas, California 93912-0851

Salinas (408) 755-0300

Monterey (408) 373-2955

Facsimile (408) 753-7888

June 20, 1997

Mr. D. Roger Loper, Foreman
Monterey County Grand Jury
P. O. Box 1819
Salinas, CA 93902

Dear Foreman Loper:

This is being written in response to your letter of June 16, 1997 regarding time lines for the possible consolidation of the Graves School District with other school districts.

The initiation of proposals for school district unifications are primarily governed by California Education Code Sections 35700, 35720 and 35721. In brief, these sections say that a proposal for a school district unification may be initiated by either:

- 1) a petition signed by 10 percent of the registered voters of the entire district;
- 2) a petition signed by 25 percent of the registered voters of the affected territory;
- 3) a petition signed by governing boards of all affected districts;
- 4) a petition signed by the owner(s) of uninhabited territory;
- 5) County Committee Plans and Recommendations.

To this date, the Monterey County Superintendent of Schools has not received any petition requesting the unification of the Graves School District with any other school district.

I have discussed with the County Committee On School District Organization the unification of the Graves School District, and it is their strongly held opinion that such initiatives must arise from the desires of the electorate, those directly affected by the proposed reorganization. Accordingly, until a petition is received no time line can be prepared for the reorganization of the Graves School District.

For the Grand Jury's information, I have enclosed a copy of Flowcharts V-3 and V-4 from the School District Organization Handbook to help the Members understand the process of such a reorganization.

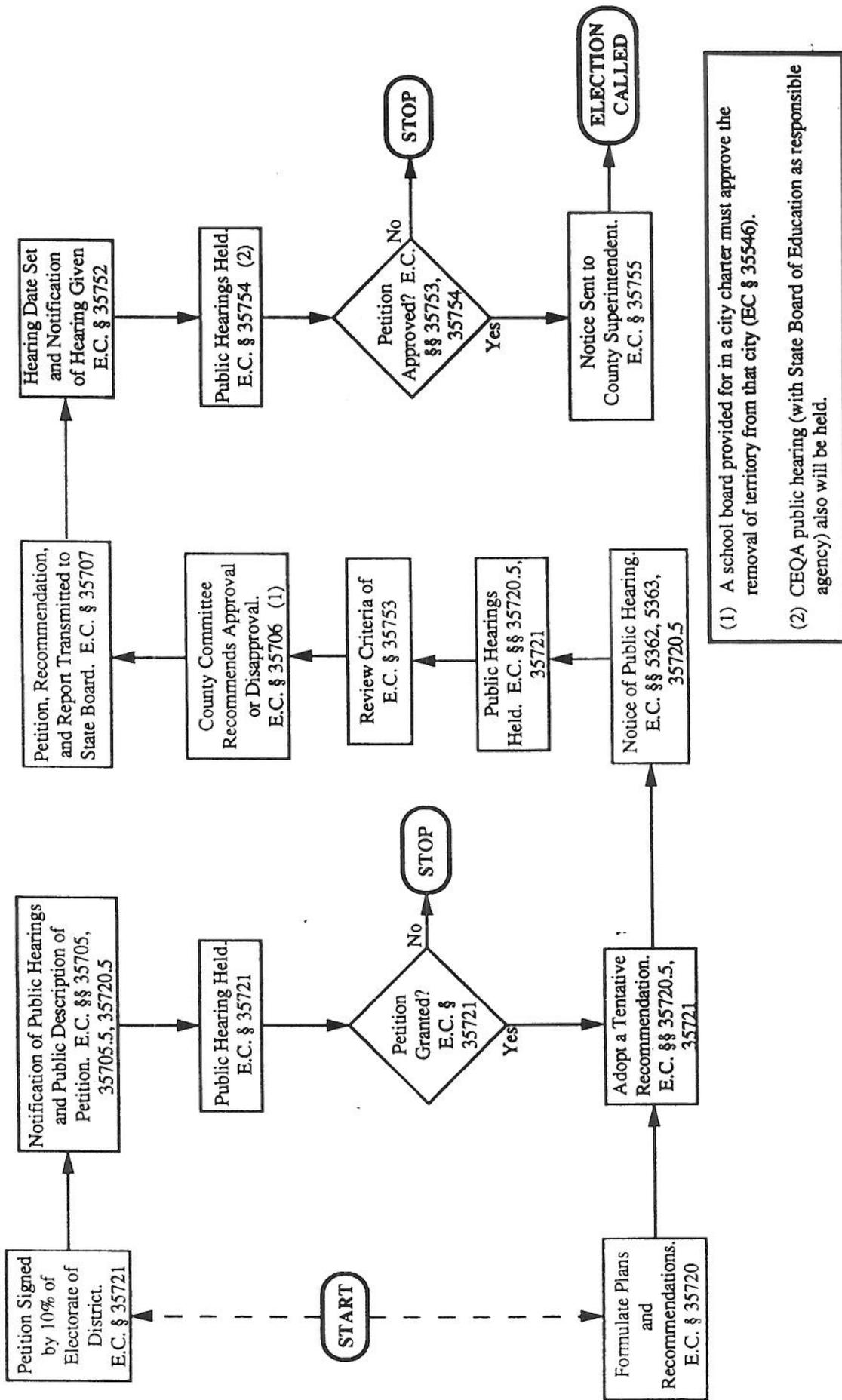
If the Members of the Grand Jury have other questions or needs, please do not hesitate to contact me.

Sincerely,


William D. Barr
Monterey County
Superintendent of Schools

FLOWCHART V-4

UNIFICATION INITIATED BY 10% PETITION OR COUNTY COMMITTEE

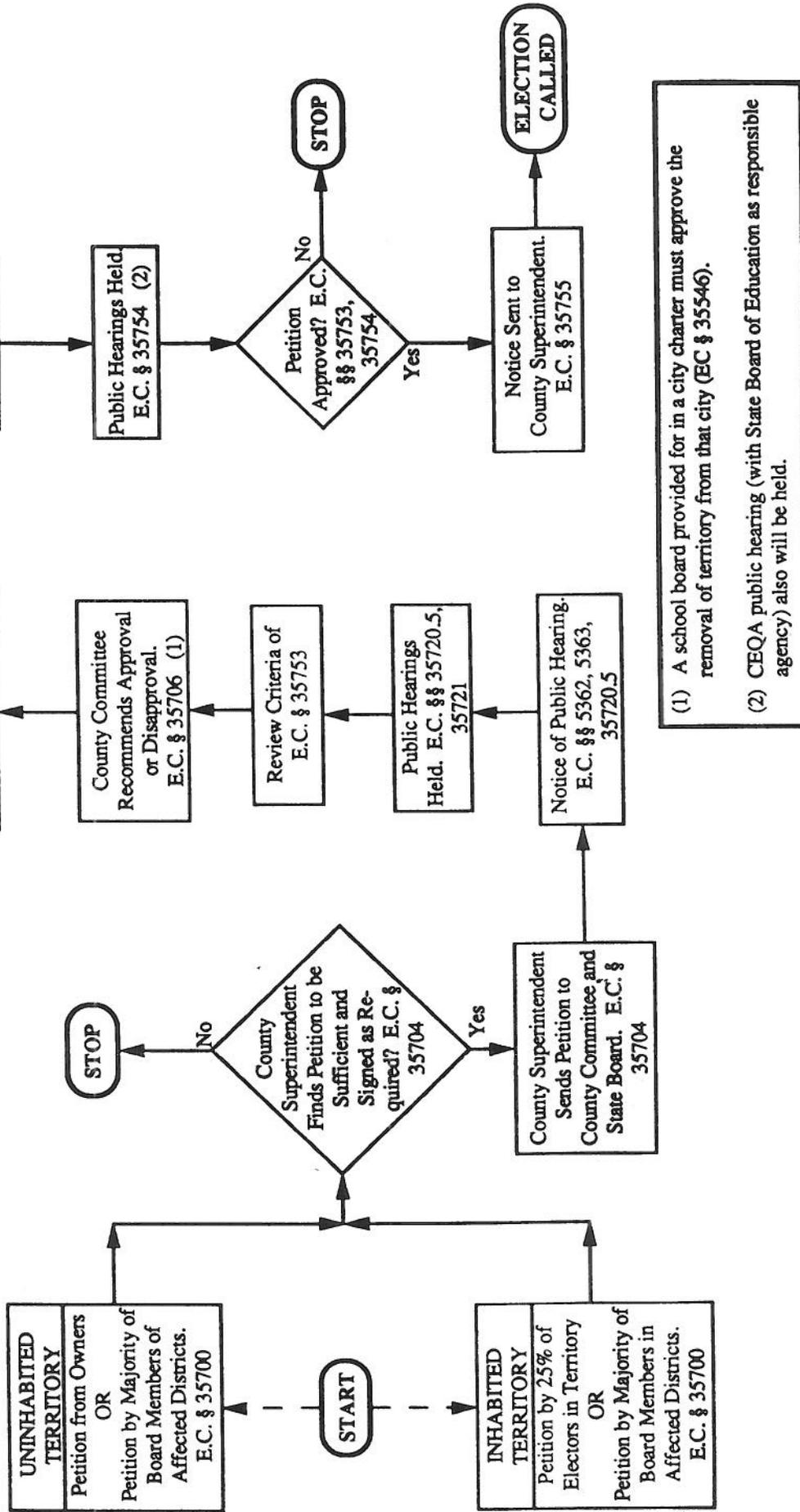


(1) A school board provided for in a city charter must approve the removal of territory from that city (EC § 35546).

(2) CEQA public hearing (with State Board of Education as responsible agency) also will be held.

FLOWCHART V-3

UNIFICATION INITIATED BY OWNERS, 25% PETITION, OR DISTRICT GOVERNING BOARD



(1) A school board provided for in a city charter must approve the removal of territory from that city (EC § 35546).

(2) CEQA public hearing (with State Board of Education as responsible agency) also will be held.

DRAFT
5-26-97

Grand Jury Stationery
To: Mahlon Coleman for Consideration
by the Education Committee

Mr. William D. Barr,
Monterey County Superintendent of Schools
901 Blanco Circle
Salinas, CA. 93902

Dear Mr. Barr:

Thank you for your letters of March 14 and March 17 responding to the 1996 Grand Jury Final Report. As you probably know, the California Legislature revised many of the provisions of the Penal Code referring to Grand Juries. On September 30, 1996 these changes were signed into law and they appear in the 1997 edition of the Penal Code. One important change is the addition in Section 933.05 of more specific rules about responses to Grand Jury Final Reports.

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The Grand Jury believes your responses can be categorized as follows:

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Recommendations 1, 2 and 3

1996 Grand Jury Project 10 Graves School District 7 Recommendations:

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Recommendations 1,2,3,4,5 and 6

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One of the provisions of Section 933.05(b)(3) is that for those recommendations requiring further analysis, the results of the analysis are to be reported to the Grand jury within six months of the date of the Grand Jury Final Report, i.e. in our present case by July 29, 1997.

Please let us know if you think we have misunderstood your advice in categorizing your responses as we have. We will look forward to receiving your analysis on Recommendation 7 on the Graves School matter.

Yours truly

D. Roger Loper, Foreman

Attachment: Penal Code Section 933.05

dr: 5-26-97
BarrResponses



Monterey County Office of Education

William D. Barr
Monterey County
Superintendent of Schools

901 Blanco Circle

Post Office Box 80851

Salinas, California 93912-0851

Salinas (408) 755-0300

Monterey (408) 373-2955

Facsimile (408) 753-7888

March 14, 1997

Eileen L. Wright,
Administrative Aide to the Civil Grand Jury
P. O. Box 414
Salinas, CA 93902

RE: Response to the 1996 Monterey County Civil Grand Jury Final Report

Dear Ms. Wright:

My senior management staff and I have thoroughly reviewed the 1996 Grand Jury Report regarding the fiscal crisis in the Salinas Union High School District. This letter serves as my response to the Grand Jury's findings and recommendations as required by law.

Under the provisions of AB 1200, County Superintendents of Schools have been delegated by the State legislature certain powers and responsibilities designed to assist districts which experience significant financial difficulties. In 1995-96, when my office determined that the Salinas Union High School District was in real danger of becoming financially insolvent, I authorized the assignment of a Negative Financial Certification and assumed control of the District's financial budget.

At that time my goals for the District were to balance the budget, restore the reserves, and help to cure the financial virus which had infected the District's operating environment. To achieve these goals the following steps were taken by my office:

1. The State's Financial Crisis and Management Assistance Team (FCMAT) was called upon to conduct a comprehensive review of the District's fiscal operation. Their report highlights the root causes of the District's financial distress, and their recommendations provide sound guidance for fiscal recovery.

- 2.. A fiscal adviser was selected and assigned to the District to help the administrative staff and interim Superintendent evaluate their fiscal position and suggest corrective actions where appropriate. Dr. Tony Russo served as the fiscal adviser, and was of great assistance to both the District and my office in the management of this situation.
3. My office required that the District organize and develop a comprehensive, multi-year financial recovery plan which addressed the recommendation(s) of the FCMAT team, and was responsive to the concerns identified by two separate Board-appointed citizens committees assigned with the task of studying the fiscal problems of the District.

I am pleased to report that our collective efforts to date have been successful. The Salinas Union High School District adopted a budget for 1996-97 which both restored the State mandated Reserves for Economic Uncertainty (3%), and returned the District to a balanced operating position. In order to ensure that this fiscal position is maintained in the future, my office is monitoring the District's condition as follows:

- a) Members of the Business Department staff regularly receive, analyze, and evaluate fiscal information about the District. Their findings are communicated back to the District's business staff through correspondence and personal meetings.
- b) The District has been required to provide my office with periodic updates regarding on-going progress being made with the District's financial recovery plan.
- c) The District and I agreed that the Fiscal Advisor, although no longer formally assigned to the District, would return on a periodic basis as a consultant to the Board and new Superintendent.
- d) Where appropriate, my office has been able to provide on-going training opportunities for selected members of the District's business staff.

The entire Salinas Union High School community is to be commended for the progress which has been achieved to date. However, this process is still incomplete. The critical areas of communication, accountability, and team-

Eileen L. Wright

RE: Response to the 1996 Monterey County Civil Grand Jury Final Report

March 14, 1997

Page 3

work, which were highlighted as areas of deficiency in the FCMAT Report, are on-going efforts which will require a significant investment of time and energy by all parties. With the selection of Dr. Fernando Elizondo as Superintendent, I believe that the District is now positioned to address the fundamental issues directly. The ultimate success of this endeavor will rest with the participants -- Board members, Superintendent, administrative staff, employee groups, parent and community supporters. I have every expectation that they will succeed.

I thank the Grand Jury for their interest and thorough review of this issue. If my office can be of further assistance to the Grand Jury, please do not hesitate to contact me.

Sincerely,



William D. Barr
Monterey County
Superintendent of Schools

WDB:sc



The Superior Court
and
Municipal Court
County of Monterey

SUPERIOR COURT
P.O. BOX 414
SALINAS, CA 93902
(408) 755-5060
FAX: (408) 759-6846

MUNICIPAL COURT
P.O. BOX 1051
SALINAS, CA 93902
(408) 755-5050
FAX (408) 755-5483

March 3, 1997

Supervisor Simon Salinas, Chair
Monterey County Board of Supervisors
240 Church Street, N. Wing
Salinas, CA 93901

Dear Supervisor Salinas,

The Final Report of the 1996 Civil Grand Jury brings again to the forefront the issues of court security and facilities. After reviewing the Report, the Municipal and Superior Courts feel it is timely to suggest how your Board might approach the Grand Jury's recommendations.

First, the Grand Jury Report is correct. In the past ten to twenty years there have been numerous and protracted discussions on the issues of security and adequate court facilities, but to date no plan has ever been implemented. We have been extremely fortunate that Monterey County has not experienced a courthouse tragedy. It is time to move forward and resolve these issues. These are serious public safety concerns which deserve immediate attention by the County, the Courts, and the Sheriff.

Second, as suggested in the past, the north wing of the Salinas courthouse could be renovated and modified to serve as a court facility, with all other non-court functions relocated elsewhere. Given the potential for violence in today's world, the idea of a secure building dedicated to court use is almost a must and should be pursued. However, it is now questionable whether the north wing could ever be modified to truly meet the security and functional needs of the court system today and into the future.

It should also be noted that every time the "North Wing Plan" comes up for serious discussion by the County, asbestos abatement becomes a major stumbling point. The Courts agree that investing in asbestos abatement for a remodel of the entire north wing might not be cost effective nor the best use of Courthouse Construction Fund revenue. The north wing might be better suited for general County office space, which would not require extensive remodeling and abatement. Conceivably, a new facility, specifically designed and built to meet today's standards for secure court facilities, might be the most cost effective

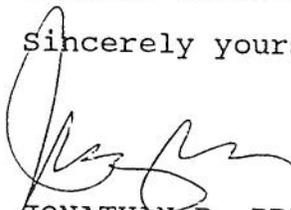
March 3, 1997
Supervisor Simon Salinas, Chair
Page 2 of 2

and efficient approach for the County and the Courts. As the Grand Jury pointed out in its Report, "the decision to relocate administrative functions in a new facility and retrofit the older facility to provide security for the court system should be re-evaluated."

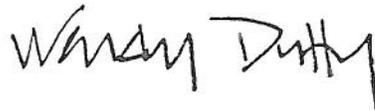
Finally, to answer the immediate issues raised by the Grand Jury, the Courts suggest that the Board adopt and announce a timetable for a three to five-year plan for a new or remodeled Salinas court facility without delay. In the meantime, controlled and monitored access to all courthouse buildings (Salinas, Juvenile Court, Monterey, and King City) should go into effect immediately. Controlled access could be accomplished before the end of this fiscal year, using keyed doorways and strategically placed metal detectors at courthouse entrance points. The fact that other public offices may exist in the same wings of the courthouse where courtrooms are located is no longer a valid reason to delay securing all courthouse buildings. Without controlled and monitored access, the County is allowing unfettered and potentially lethal access to court facilities, thereby unduly exposing public employees and the public in general to potential danger.

The Courts think that the issues raised by the Grand Jury can be resolved to everyone's benefit and satisfaction. We are looking forward to working with your Board and the Sheriff to develop and carry out a plan to finally resolve these issues. We would be glad to meet with you or any other Board member, at your earliest convenience, to further discuss solutions to these issues.

Sincerely yours,



JONATHAN R. PRICE
Presiding Judge
Superior Court



WENDY DUFFY
Presiding Judge
Municipal Court

cc: All Board Members
All Superior and Municipal Court Judges
Norman Hicks, Sheriff
Katharine McCormick, Municipal Court Administrator
Sherri Pedersen, Superior Court Administrator
Ernest K. Morishita, County Administrative Officer

Grand Jury

P.O. Box 1819
Salinas, CA 93902
(408) 755-5020



June 16, 1997

Mr. David Pendergrass, President
Association of Monterey Bay Area Governments
P.O. Box 809
Marina, CA 93933-0809

Dear Mr. Pendergrass:

Thank you for your letter of April 9, with its response to the 1996 Grand Jury Final Report. As you may know, the California Legislature passed a bill which was signed into law on September 30, 1996; this new law changes and expands the requirements for responses to Grand Jury Reports. Section 933.05 defines what acceptable responses must contain.

For purposes of classification of responses received on the 1996 Final Report, the 1997 Grand Jury decided that your response was in reference to Recommendations 1a through 1h for the Grand Jury project "Housing for Low-Income Residents of Monterey County". The Grand Jury classified your response under the new rules in the 1997 edition of the Penal Code as follows:

"Penal Code Section 933.05(b)(4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor."

Please let me know if we have misinterpreted your response.

Yours truly,

A handwritten signature in cursive script, appearing to read "D. Roger Loper".

D. Roger Loper, Foreman

Attachment: Penal Code Section 933.05

DRAFT
5-18-97

Grand Jury Stationery
To: Bob LeFevre for Cities
Committee Consideration

Mr. David Pendergrass, President
Association of Monterey Bay Area Governments
P.O. Box 809
Marina, CA. 93933-0809

Dear Mr. Pendergrass:

Thank you for your letter of April 9 with its response to the 1996 Grand Jury Final Report. As you may know, the California Legislature passed a bill which was signed into law on September 30, 1996; this new law changes and expands the requirements for responses to Grand Jury reports. Section 933.05 defines what acceptable responses must contain.

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Please let me know if we have misinterpreted your response.

Yours truly,

D. Roger Loper, Foreman

Attachment: Penal Code Section 933.05

AMBAG

ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS

(408) 883-3750 FAX (408) 883-3755

Office Location: 445 Reservation Road, Suite G, Marina
P.O. Box 809, Marina, CA 93933-0809

April 9, 1997

MTG 4/15/97

The Honorable Jonathan Price
Presiding Judge of the Superior Court
County of Monterey
P.O. Box 414
Salinas, CA 93902

RE: 1996 Monterey County Civil Grand Jury Report

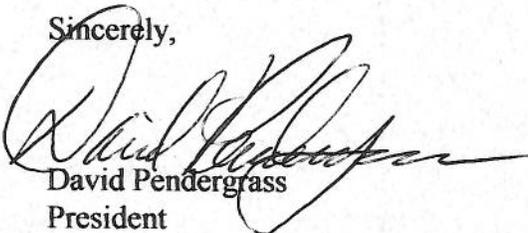
Dear Judge Price:

This constitutes the Association of Monterey Bay Area Governments' response to the Grand Jury's recommendation on "Housing for Low-Income Residents in Monterey County."

The Association of Monterey Bay Area Governments is responsible pursuant to state housing law to prepare a five-year housing needs report, which allocates various types of housing, including very-low and low-income to each city and county in the Monterey Bay region. The actual provision of housing rests with the local jurisdictions.

As a regional planning agency the Association of Monterey Bay Area Governments shall cooperate fully with Monterey County, each city in Monterey County, and the Monterey County Housing Authority in coordinated countywide and region wide housing planning efforts. As far as the development of, and funding for low-income housing is concerned, those activities belong with local land use jurisdictions and other authorities.

Sincerely,


David Pendergrass
President

cc: Monterey County Board of Supervisors
Monterey County Housing Authority
All City Councils in Monterey County
Monterey County Grand Jury

*4-11-97
To Sherri
JP*

Grand Jury

P.O. Box 1819
Salinas, CA 93902
(408) 755-5020



June 16, 1997

Mr. Michael A. Houlemard
Executive Director, Fort Ord Reuse Agency
100 12th Street, Building 2880
Marina, CA 93933

Dear Mr. Houlemard:

In the 1996 Grand Jury Final Report, issued on January 29, 1997, there were two items requiring responses from FORA. A letter was written to Mr. Leslie White on January 7, 1997 referring him to the California Penal Code provisions requiring responses to Grand Jury Final Reports. In short, FORA should have responded by April 29, 1997.

We do not have these responses. Whether our request was overlooked by your staff or whether they went astray at your end or at our end, we do not know. In any event, getting them into our hands has now become a matter of some urgency.

FORA was asked for responses on two items:

Project 7. Housing for Low-Income Residents of Monterey County. FORA was asked to respond to recommendations 1a to 1h, pages 45-46 of the 1996 Grand Jury Final Report.

Project 13. Efforts to Deal with the Homeless Issue. FORA was asked to respond to recommendation 2 on page 90 of the 1996 Grand Jury Final Report.

If your staff has not yet prepared these responses it will be helpful to refer to Section 933.05 of the 1997 edition of the California Penal Code, as the rules for responses have changed and the new rules appear in the 1997 edition only. Should they need to acquire a copy of the Final Report, these are available free of charge in the Jury Commissioner's office, Room 320 of the Monterey County Courthouse in Salinas.

May we have your responses as soon as possible?

Yours truly,

A handwritten signature in dark ink, appearing to read "D. Roger Loper". The signature is written in a cursive style with some loops and flourishes.

D. Roger Loper, Foreman

Attachment: Penal Code Section 933.05

DRAFT
5-24-97

Grand Jury Stationery

Acting Manager of FORA (I have name and address in my file in Salinas)

Dear Mr. _____

In the 1996 Grand Jury Final Report, issued on January 29, 1997 there were two items requiring responses from FORA. A letter was written to Mr. Leslie White on January 7, 1997 referring him to the California Penal Code provisions requiring responses to Grand Jury Final Reports. In short, FORA should have responded by April 29, 1997.

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May we have your responses as soon as possible?

Yours truly,

D. Roger Loper, Foreman

Attachment: Penal Code Section 933.05

drl/5-28-97
FORAResp

DRAFT
5-24-97

Grand Jury Stationery

Acting Manager of FORA (I have name and address in my file in Salinas)

Dear Mr. _____

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May we have your responses as soon as possible?

Yours truly,

D. Roger Loper, Foreman

Attachment: Penal Code Section 933.05

del 5-28-97
FORAREsp

Elaine Osborn
Graves School District
P.O. Box 885
Salinas, CA 93901

D. Roger Loper, Foreman
Grand Jury
P.O. Box 1819
Salinas, CA 93902

Dear Mr. Loper,

This is in response to your letter dated June 16, 1997. In reading the response of the Graves School Board of Trustees to your recommendation #6, dated April 15, 1997, I agree with Mr. Lanini's statement that the Board is "trying to build a better better relationship between the Board, the Staff, Parents, and the community." If I can be of further assistance, please do not hesitate to contact me.

Sincerely,



Elaine Osborn

Grand Jury

P.O. Box 1819
Salinas, CA 93902
(408) 755-5020



June 16, 1997

Ms. Elaine Osborne
Graves School District
P.O. Box 885
Salinas, CA 93901

Dear Ms. Osborne:

Thank you for your letter of April 15, 1997, responding to the 1996 Grand Jury Final Report. We feel your letter is responsive, and ask only that you give us an idea of when the required improved communications systems described in Recommendation 6 will be implemented. Please let us have a firm schedule by the end of June.

Yours truly,

A handwritten signature in cursive script, appearing to read 'D. Roger Loper'.

D. Roger Loper, Foreman

Attachment: Penal Code Section 933.05

DRAFT
5-24-97

Grand Jury Stationery
TO: Mahlon Coleman for the Education
Committee's Consideration. (Who is Ms.
Osborne? Teacher? Principal? Board Member?)

Ms. Elaine Osborne
Graves School District
P.O. Box 885
Salinas, CA. 93901

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Yours truly,

D. Roger Loper, Foreman

Attachment: Penal Code Section 933.05

drl 5-24-97
Osborne Graves Respons

Grand Jury

P.O. Box 1819
Salinas, CA 93902
(408) 755-5020



June 16, 1997

Mr. Jose A. Alcala
260 San Jon Road
Salinas, CA 93907

Dear Mr. Alcala:

Thank you for your letter of April 21, 1997. The 1997 Grand Jury agrees that you have no obligation to help us in connection with the 1996 Grand Jury Report on its investigation into the management of the Graves School.

One place where you could be of help, though, is in connection with the obligation of the Graves School Board to respond to the 1996 report. They are required by law (Penal Code Section 933.05) to respond, and as of the date of this letter, their response is 48 days late. We are writing them separately to urge their prompt response, but as a member of the Board you can help us in urging them to comply.

Yours truly,

A handwritten signature in cursive script, appearing to read "D. Roger Loper".

D. Roger Loper, Foreman

Attachment: Penal Code Section 933.05

DRAFT
5-18-97

grand jury stationery
to: Mahlon Coleman for Education Committee
Consideration.

Mr. Jose A. Alcalá
260 San Jon Road
Salinas, CA. 93907

Dear Mr. Alcalá:

Thank you for your letter of April 21, 1997. The 1997 Grand Jury agrees that you have no obligation to help us in connection with the 1996 Grand Jury Final Report on its investigation into the management of the Graves School.

One place where you could be of help, though, is in connection with the obligation of the Graves School Board ~~and of the Teacher/Principal~~ to respond to the 1996 report. They are required by law (Penal Code Section 933.05) to respond, and as of the date of this letter, their response is 43 days late. We are writing them separately to urge their prompt response, but as a member of the Board you can help us in urging them to comply.

Yours truly,

D. Roger Loper, Foreman

drl 5-18-97
Graves Response

Grand Jury

P.O. Box 1819
Salinas, CA 93902
(408) 755-5020



June 16, 1997

Mr. Gerald F. Lanini
Member, Graves School District Board
103 Highway 183
Salinas, CA 93907

Dear Mr. Lanini:

Thank you for your letter of April 15, 1997. The purpose of this letter is to tell you we received your letter and appreciate all you have done in your task as a member of the Board.

I think it would be a good idea for you and your colleagues, on the Graves School District Board, to set up a rereading of the Grand Jury Final Report on the Graves School for a meeting late in 1997 or early 1998. That would give another six months or so to be sure that all the steps you have taken are completed and firmly in place in the management of the Graves School.

We have also had a very encouraging report from Ms. Elaine Osborne.

Yours truly,

D. Roger Loper, Foreman

DRAFT
6-1-97

Grand Jury Stationery

Mr. Gerald F. Lanini
Member, Graves School District Board
103 Highway 183
Salinas, CA. 93907

Dear Mr. Lanini:

Thank you for your letter of April 15, 1997. The purpose of this letter is to tell you we received your letter and appreciate all you have done in your task as a member of the Board.

I think it would be a good idea for you and your colleagues on the graves School District Board to set up a rereading of the Grand Jury Final Report on the Graves School for a meeting late in 1997 or early 1998. That would give another six months or so to be sure that all the steps you have taken are completed and firmly in place in the management of the Graves School.

We have also had a very encouraging report from Ms. Elaine Osborne.

Yours truly,

D. Roger Loper, Foreman

drl/6-2-97
GravesLanini

April 15, 1997

Elaine Osborn
Graves School District
P.O. Box 885
Salinas, Ca. 93901

Honorable Judge Price:

The following is my response to the 1996 Grand Jury Report.

Recommendation #1

The Board has written and adopted many policies in the last 8 months.

Recommendation #2

The Board has adopted job descriptions and evaluation forms that are implemented at set intervals.

Recommendation #3

I feel that the Board's personal agendas should not pertain to me, and I make all efforts to insure this environment exists.

Recommendation #4

Two months ago the Board joined the CSBA. I feel that this is a positive step towards learning the roles and responsibilities of school board members.

Recommendation #5

Job descriptions were written and adopted in August of 1996.

Recommendation #6

The recommendation has not yet been implemented, but will be implemented in the future.

Recommendation #7

The Board is in the process of hiring a 2 day per week administrator to assist the principal in administrative and management duties.

I hope I have responded to your recommendations in the appropriate way. If I can be of further assistance please contact me.

Thank you


Elaine Osborn

Copy To Members

Monterey County Grand Jury.
April 15, 1997.

Dear Judge Price:

As a Board member of the Graves School District, I am responding to the Grand Jury Report of 1996.

In reading this report I have found some miss statements that should be corrected first. It states that the school teaches K-6, when it actually teaches K-8. I have also noted it sounds that the school Board has never adopted any Policies, when we have adopted polices in 1985.

Two years ago I went and meet with the County Superintendent of School about a number of problems that the district was facing. It was at this time the Superintendent recommended we hire a Advisor to help us thru these times. Upon this recommendation the Board hired, an Advisor who helped and guided the Board on new Board Polices and up dating the existing ones. This Advisor also advised the Board on our current financial picture and how we could improve it. The Board acted on many of the Advisors recommendations. In regards to the petition that was presented to the Board, I believe that this matter was properly handled, within our existing policies. Since this matter I have seen a closer working relationship between the Board, Staff and the Parents, which makes for a better working system.

RECOMMENDATION #1.

The Board does have extensive Policies, and is in the process of reviewing and updating and adding new ones as time progresses.

RECOMMENDATION #2.

The Board has in place a process for evaluating all employees of the District, for both their performance and standards.

RECOMMENDATION #3.

I believe the true responsibility of a Board member is to try and provide within the means of the District the best education possible for the students. We as Board members come from different walks of life, so there is different options express at every Board meeting. No one Board member can and should not speak for the Board for this is a joint action.

RECOMMENDATION #4.

The Board has joined the California School Boards Association, and is being keep aware of any meetings in the future, and also any county events.

RECOMMENDATION #5.

In our present Policy Book there is written job description for the entire present staff, This was approved by the Board on 8/20/96, and 12/11/96.

RECOMMENDATION #6.

The Board accepts this recommendation, and is trying to build a better relationship, between the Board, Staff, Parents and the community.

RECOMMENDATION #7.

At the present I feel that we are meeting the needs of the districts in the education of the children. I believe that our past record has shown that the students that graduate from Graves have not been deprived of any education and most have continued on to higher education. I know that there is a trend for unification of small school districts. This Board should be aware of the pro and cons of unification, and keep in mind what is best for the child and their

education.

I hope that this answers the above matters that were in the 1986 Grand Jury Report. I will be happy to respond to any further questions if necessary.

Sincerely ,

A handwritten signature in black ink, appearing to read "Gerald F. Lanni". The signature is stylized with a large, sweeping initial "G" and "L".

Gerald F. Lanni.

Board Member of the Graves School District.

Jose A. Alcala
260 San Jon Road
Salinas, CA 93907

No reply required

April 21, 1997

Monterey County Grand Jury
Honorable Judge Price
P.O. Box 1819
Salinas, CA 93902

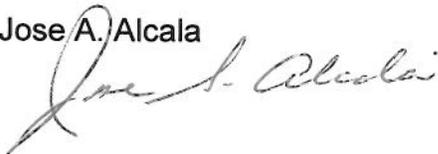
Dear Honorable Judge Price,

This is to inform you that I, Jose Alcala, replaced Debi Vierra as a Provisional Appointee of the Graves School Board on October 13, 1997. As per my conversation with Eileen Wright, I'm writing this letter in lieu of responding to Recommendations 1-7 on the Grand Jury Report. Due to the circumstances, my responses would not be valid.

Please feel free to contact me should you have any further questions.

Thank you.

Jose A. Alcala



cdn
1.wri

MONTEREY COUNTY

OFFICE OF THE COUNTY COUNSEL

(408) 755-5045 - P.O. BOX 1587, COURTHOUSE, SALINAS, CALIFORNIA 93902-1587
FAX NO. (408) 755-5283

DOUGLAS C. HOLLAND
COUNTY COUNSEL



February 26, 1997

Board of Trustees of Graves School District
Post Office Box 885
Salinas, California 93902-0885

Re: Final Report of the 1996 Monterey County Civil Grand Jury

Honorable Members of the Board of Trustees:

In its final report, the 1996 Monterey County Civil Grand Jury reported on its investigation of a complaint claiming mismanagement of Graves School District and the school, inappropriate conduct by the Principal/Teacher, and a lack of communication between the Board, staff, and parents. In concluding its report, the grand jury indicated that responses are required by "Each School Board Member." You have asked whether the response to the grand jury's report, as required by Penal Code section 933(c), is to be submitted by each school board member, as indicated by the grand jury, or by the Board of Trustees as a whole.

Penal Code section 933(c) provides as follows:

"No later than 90 days after the grand jury submits a final report on the operations of any public agency subject to its reviewing authority, the governing body of the public agency shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body, and every elective county officer or agency head for which the grand jury has responsibility pursuant to Section 914.1 shall comment within 60 days to the presiding judge of the superior court, with an information copy sent to the board of supervisors, on the findings and recommendations pertaining to matters under the control of that county officer or agency head and any agency or agencies which that officer or agency head supervises or controls. In any city and county, the mayor shall also comment on the findings and recommendations. All such comments and reports shall forthwith be submitted to the presiding judge of the superior court who impaneled the grand jury. A copy of all responses to grand jury reports shall be placed on file with the clerk of the public agency and the office of the county clerk, or the mayor when applicable, and shall remain on file in those offices. One copy shall

be placed on file with the applicable grand jury final report by, and in the control of the currently impaneled grand jury, where it shall be maintained for a minimum of five years." (Emphasis added.)

The requirement of Penal Code section 933(c) that the governing body of the public agency comment on the grand jury's findings and recommendations is consistent with Education Code section 35164, which provides that the governing board act by a majority of all of the membership constituting the governing board. The latter code section recognizes that individual members of the governing board have no inherent power to act for the governing board of which they are members or for the public agency.

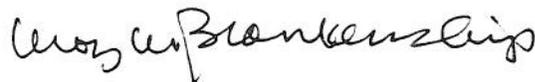
Although it is apparent that the grand jury wanted each school board member to focus on what was happening at the school with respect to the governing board's oversight of the District, the school, and the staff, the grand jury's requirement that each school board member comment on the indicated recommendations is inconsistent with Penal Code section 933(c) and is, we believe, in excess of the grand jury's statutory authority.

We, therefore, recommend that the Board of Trustees of Graves School District, as the governing body charged with operation and control of the school district, respond to the recommendations of the 1996 Monterey County Civil Grand Jury.

Please contact this Office if you have additional questions concerning this matter.

Very truly yours,

DOUGLAS C. HOLLAND
County Counsel



LEROY W. BLANKENSHIP
Assistant County Counsel

cc: 1997 Monterey County Civil Grand Jury
Hon. Jonathan Price, Presiding Judge, Monterey County Superior Court
William D. Barr, Monterey County Superintendent of Schools



MONTEREY BAY

Unified Air Pollution Control District
serving Monterey, San Benito, and Santa Cruz counties

AIR POLLUTION CONTROL OFFICER
Douglas Quetin

24580 Silver Cloud Court • Monterey, California 93940 • 408/647-9411 • FAX 408/647-8501

7-23-97 [Signature]

June 17, 1997

D. Roger Loper, Foreman
Monterey County Grand Jury
Post Office Box 1819
Salinas, California 93902

Subject: Response to the 1996 Monterey County Grand
Jury Report: Monterey Bay Unified Air Pollution
Control District

Dear Foreman Loper:

I am in receipt of your letter dated June 16th advising that the Grand Jury had not received a response from the District on their Final Report.

The District's response was mailed to the Grand Jury on March 26, 1997.
Enclosed please find another copy of that response.

Should you have any questions please feel free to contact me. My apologies for any inconvenience which may have occurred.

Sincerely,

Douglas Quetin
Air Pollution Control Officer

Enclosure: Response letter, w/attachments

DISTRICT
BOARD
MEMBERS

CHAIR:
Oscar Rios
Watsonville

VICE CHAIR:
Judy
Pennycook
Monterey
County

Jack Barlich
Del Rey Oaks

Ray Belgard
Santa Cruz
County

John
Johnson
County

John Myers
King City

Tom Perkins
Monterey
County

Ron
Rodrigues
San Benito
County

Colla Scott
Santa Cruz

Alan Styles
Salinas

Walt Symons
Santa Cruz
County



MONTEREY BAY

Unified Air Pollution Control District
serving Monterey, San Benito, and Santa Cruz counties

AIR POLLUTION CONTROL OFFICER
Douglas Quetin

24580 Silver Cloud Court • Monterey, California 93940 • 408/647-9411 • FAX 408/647-8501

March 26, 1997

The Honorable Jonathin Price
Presiding Judge of the Superior Court
c/o Eileen Wright
Monterey County Grand Jury, Superior Court
P.O. Box 414
Salinas, CA 93902

SUBJECT: RESPONSE TO THE 1996 MONTEREY COUNTY
GRAND JURY REPORT, "MONTEREY BAY UNIFIED
AIR POLLUTION CONTROL DISTRICT"

Dear Judge Price:

This correspondence was approved March 26, 1997 by the MBUAPCD Board of Directors as the response to the 1996 Monterey County Grand Jury Report "Monterey Bay Unified Air Pollution Control District" RESPONSES REQUIRED. This report and the District response has also been reviewed by the 1996 District Board of Directors Chairwoman, Ruth Kesler.

RECOMMENDATIONS

1. "Review the job description for the Chief Executive Officer (Air Pollution Control Officer), the job qualifications, and the requirements of the position, to determine whether the qualifications should include education, training and experience in management and demonstrated management skills."

Response:

We appreciate the Grand Jury's view that the District hire Air Pollution Control Officers with demonstrated management skills. We certainly agree. The job description for the position emphasizes this by requiring five years of management experience in order to apply; four of the six **REQUIRED SKILLS**

DISTRICT BOARD MEMBERS

CHAIR:
Oscar Rios
Watsonville

VICE CHAIR:
Judy Pannycok
Monterey County

Jack Barlich
Del Rey Oaks

Ray Belgard
Santa Cruz County

Johnsen
erey
County

John Myers
King City

Tom Perkins
Monterey County

Ron
Rodrigues
San Benito County

Celia Scott
Santa Cruz

Alan Styles
Salinas

Walt Symons
Santa Cruz County

are in the management area.

We also expect that the Air Pollution Control Officer will continually work on management skills in addition to the other skills necessary to the position. As you noted this is occurring on a continual basis.

We have reviewed the current job description for the position pursuant to your recommendation and find it adequate at this time.

Recommendation

2. "Direct the Air Pollution Control Officer to conduct a needs and capability assessment of the District based on reasonable revenue expectations and its ability to provide staffing to meet the identified needs within the District. Based on this review and analysis, the Air Pollution Control Officer should be directed to propose a set of priorities which can be reasonably achieved within the District's revenues and resources. These proposed priorities should be reviewed, revised as needed and adopted and used as a guide for staff in carrying out the mission of the District"

Response:

Meeting the requirements of the air district within our resources is a vital function of the MBUAPCD Board of Directors. Although we can point to two programmatic efforts where this is particularly addressed, the budget process and strategic planning, in fact, such assessment is ongoing. An example of this continual appraisal can be noted in the Part 3 FORMATS AND STYLE CONVENTIONS of the Enforcement Protocol RULE DEVELOPMENT, ADOPTION AND PUBLICATION where it is required that each rule adoption or revision address the impact of that action on the agency's resources.

The District budget sets out those resources that are required in order to implement state and federal law as well as the policies and rules and regulations of the District. The budget format for FY 97-98 is being revised to provide the public a deeper understanding of the requirements of the District, including goals and the resources necessary to carry out those requirements. Please find enclosed a draft format that has been approved by the District's Budget and Personnel Committee and the Advisory Committee to guide the staff in the preparation of that document.

The District also convenes annual Strategic Planning Retreats during which priorities are set out for the coming period. All Board Members, Alternates and staff managers and supervisors participate in these planning sessions. For your

reference, enclosed are the 1995 and 1996 Strategic Planning Retreats Goals and Objectives. Each month during the regularly scheduled District Board meeting the Air Pollution Control Officer reports on the implementation status of these Goals and Objectives. An example copy of one of these reports is enclosed also for your information.

We trust this adequately responds to the 1996 Grand Jury concerns regarding the air district.

Sincerely,



Oscar Rios, Chair
Board of Directors

- Enclosures: Job Description of the MBUAPCD Air Pollution Control Officer
- Excerpts from Enforcement Protocol: Rule Development, Adoption and Publication
- Draft format for the FY 97-98 District Budget
- Summary of the September 15, 1995 MBUAPCD Strategic Planning Retreat, and Summary of the April 17, 1996, MBUAPCD Strategic Planning Board Meeting
- February 19, 1997, Status of Goals and Objectives

MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT

AIR POLLUTION CONTROL OFFICER/EXECUTIVE OFFICER

DEFINITION

Under policy direction of the MBUAPCD Board, organizes coordinates and directs through management staff all District functions and activities; provides policy guidance and strategies regarding air quality management; fosters cooperative working relationships with the Board, District staff, industry, the public and other agencies, performs related work as assigned.

DISTINGUISHING CHARACTERISTICS

This position has overall responsibility for policy development, administration, financial management, enforcement, permit, technical, planning and public information functions of the MBUAPCD. The incumbent is responsible for accomplishing all District goals and objectives in an effective, efficient manner.

PRINCIPLE DUTIES

(The following is used as a partial description and is not restrictive to duties required.)

Plans, organizes and directs District activities; develops goals and objectives for the District with Board review; directs implementation of policies and procedures; evaluates programs, procedures and systems for overall effectiveness.

Represents the District in various negotiations with other governmental agencies, industrial sources and consultants regarding funding, program development, fines, permits, variance conditions, contracts and local District regulations; coordinates air matters among the cities and counties within the District.

Reviews and authorizes personnel actions; evaluates the work of subordinate supervisory personnel; reviews progress reports and confers with staff to define and solve problems.

Works closely with and advises the Board, the Hearing Board, the Advisory Committee, their committees, District staff, industry, the public and other agencies to implement effective air quality management programs and to ensure compliance with air quality laws, rules and regulations.

Formulates the comprehensive, annual budget for District operations.

Represents the district before the media, other agencies and the public.

EMPLOYMENT STANDARDS

Graduation from college with a Bachelor's degree in an environmental science, engineering, business administration or a related field and five years of experience managing an engineering, monitoring, research or enforcement program in air

quality or any combination of training and/or experience that could likely provide the desired knowledge and abilities.

KNOWLEDGE OF:

Air quality programs and regulations; principles, practices and research methods related to the analysis and control of air pollution; principles and practices of organization, management, governmental budgeting and personnel administration; planning practices and techniques.

SKILLS IN:

Planning, organizing, coordinating and directing air quality management programs and activities.

Appointing, motivating and evaluating staff and providing for their training and professional development.

Analyzing complex technical and administrative problems, evaluating alternative solutions and adopting effective courses of action.

Interpreting, explaining and applying District regulations, plus state and federal laws.

Representing the District effectively in contacts with the public, industry and other agencies.

Promoting cooperative relationships with staff, governmental, industrial and public groups concerned with air pollution control programs.

PHYSICAL DEMANDS

This is essentially a desk job. The job requires occasional travel. Physical demands include occasional lifting up to 10 lbs., walking, some bending, stooping and squatting.

SPECIAL REQUIREMENT

A valid California driver's license for equipment to be operated.

FLSA STATUS - exempt

WORKING CONDITIONS

Environment is generally clean with a limited exposure to condition such as dust, fumes, odors, or noise.

MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT

< Enforcement Division >

ENFORCEMENT PROTOCOL

Protocol No: ENF-RD-01 Draft _____
Supersedes: February 27, 1995 Final _____
Date: March 28, 1995 Pages _____
Title: Rule Development, Adoption and Publication

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PART 1 PURPOSE

This Protocol establishes the procedures to be followed in the development, adoption and publication of new rules and of rule revisions. This Protocol assumes that all rulemaking activities will be carried out or coordinated by the Rule Development Section. It attempts to incorporate all procedural requirements of applicable statutes, regulations, grants and interagency agreements.

For related procedures, see Enforcement Protocol ENF-YYY, for Interdivisional Rule Development; or Enforcement Protocol ENF-ZZZ, for Contract Rule Development.

PART 2 RULEMAKING PROCESS TIMELINE

The following timeline summarizes the Protocol and indicates the estimated time which should be allotted for each activity. Time estimates are given for two categories of rules, based on degree of complexity. "Average" rules are those for which model rules and staff reports or technical guidance documents have been prepared by the California Air Resources Board (ARB) or the U.S. Environmental Protection Agency (EPA). Such rules would require little District staff development and only one public workshop. "Complex" rules would typically be those which would require an environmental impact report (EIR); extensive socioeconomic effect studies; best available control technology (BACT), best available retrofit control technology (BARCT), reasonably available control technology (RACT), or maximum available control technology (MACT) determinations; or several public workshops.

Weeks		Activity
Average	Complex	
		Initial Research

PART 3 FORMATS AND STYLE CONVENTIONS

3.1 Style Conventions

3.1.1 Abbreviations and Acronyms

Spell out the entire term the first time, and follow it with the abbreviation or acronym in parentheses.

3.1.2 Capitalization

Capitalize Rule, Part and Section when referring to one in particular within the text of a rule. Capitalize acronyms.

3.1.3 Numbers

Spell out numbers one through nine; use numerals for 10 and above.

3.1.4 References

Provide complete legal citations, when appropriate.

3.2 Description of General Staff Report Format

3.2.1 "Issue"

This is a one or two sentence description of the proposed regulatory action.

3.2.2 "Request (or Recommendation)"

A "Request" section is used for all staff reports addressed to "Interested Parties"; a "Recommendation" section is used for the Advisory Committee and Board staff reports. This section is typically a one sentence description of what actions are being requested be made by the reader.

3.2.3 "Abstract"

The "Abstract" is a very concise, and simple executive summary of the proposed regulatory action. Keep in mind that the reader of this section will have no familiarity or background with the issues being discussed.

3.2.4 "Discussion"

3.2.4.1 "Section 1 Background"

This section may include the type of source, the emission inventory and reductions involved, regulatory history and related rules. It also includes a one or two sentence description of the reasons why the rule is being revised or adopted.

3.2.4.2 "Section 2 Authority"

Besides the general authority for the adoption of rules, this section cites the specific section or part of the federal and/or California Clean Air Act which provides the authority for adopting this rule.

3.2.4.3 "Section 3 Benefits of the Proposed Regulatory Action"

This includes both the human health effects and environmental effects which would result from the adoption or revision of the rule.

3.2.4.4 "Section 4 Summary of Major Provisions"

This should be a "bullet" or itemized list which very briefly describes the substantive provisions or revisions of the rule.

3.2.4.5 "Section 5 Affected Sources (Optional)"

This section will only be included if a complete socioeconomic analysis is not necessary for the rule adoption. This information may also be provided in Section 1, Background, if desired.

3.2.4.6 "Section 6 Socioeconomic Effects (or Fiscal Impact upon Sources)"

If the rule adoption would have a significant environmental impact, then a complete socioeconomic analysis will need to be completed. Standard issues to be addressed are included in the staff report format. These are sometimes referred to as "Polanco requirements". If there are no significant environmental impacts expected from the rule adoption, then the macro "nopolanc" can be used. The socioeconomic factors which must be considered are as follows:

The type of industries or business, including small business, affected by the rule or regulation;

The impact of the rule or regulation on employment and the economy of the region affected by the adoption of the rule or regulation;

The range of probable costs, including costs to industry or business, including small business, of the rule or regulation;

The availability and cost effectiveness of alternatives to the rule or regulation being proposed or amended;

The emission reduction potential of the rule or regulation;

The necessity of adopting, amending, or repealing the rule or regulation in order to attain state and federal ambient air standards.

3.2.4.7 "Section 8 District Implementation"

This section includes activities that will be necessary for the District to ensure implementation of the rule, such as holding adoption workshops, developing the Compliance Assistance materials, issuing permits and increasing the frequency of inspections.

3.2.4.8 "Section 9 Fiscal Impact upon the District"

Enumerates any potential fiscal impacts, such as increased workloads, which would result from implementation of the rule.

3.2.4.9 "Section 10 California Environmental Quality Act (CEQA) Status"

This analysis will be completed by the Planning and Air Monitoring staff, and any necessary documents generated by them. However, there may be CEQA documents which may need to be included as staff report attachments, such as an initial study and negative declaration (Neg. Dec.) or an environmental impact report (EIR).

3.2.4.9.1 Categorical Exemption

In the event that Planning Division staff determine that a project is categorically exempt, the format for the Legal Notice to be published is o:\enfrules\leglnote.cat. Example language appropriate language for a categorical exemption can be included in the staff report and in any other documents by invoking the macro "catexmpt".

3.2.4.9.2 Negative Declaration

In the event that Planning Division staff determine that an Initial Study and Negative Declaration (Neg. Dec.) must be prepared for a project, appropriate language must be incorporated into the Legal and Public Notices, staff reports and Board Resolution. Typical language appropriate when a Neg. Dec. is involved is included in the standard format for each staff report; and in the files o:\enf\rules\forms\leglnote.neg, o:\enf\rules\forms\pubnote.neg and o:\enf\rules\forms\resolut.neg. Alternate language may be provided by Planning Division staff, particularly in the case of a Mitigated Neg. Dec. To insert such language, the macro "negdec" may be invoked. Any comments on the Proposed Neg. Dec. or Mitigated Neg. Dec. should be summarized in this section or Section 11 of the staff report. A copy of the associated CEQA documents should be included as attachments to the staff report.

3.2.4.9.3 EIR

In the event that Planning Division staff determine that an EIR must be prepared for a project, appropriate language to be included in the Legal and Public Notices, staff reports and Board resolution should be obtained from the Planning Division staff. Any comments on the draft EIR (DEIR) or final EIR (FEIR) should be summarized in this section. A copy of the associated CEQA documents should be included as attachments to the staff report.

3.2.4.10 "Section 11 Proposed Schedule for Rule Development" (Internal Rule Packets)

An example format is provided at o:\enf\rules\forms\propsked.frm.

3.2.4.11 "Section 11 Schedule of Meetings" (Public Notice Rule Packet)

This section is only included in the Public Notice version of the staff report.

3.2.4.12 "Section 11 Comments Received" (Advisory Committee or Board Rule Packets)

This section includes oral communication as well as written correspondence related to the proposed rulemaking action, including comments on associated CEQA documents.

3.2.5 Attachments

This includes copies of the rule text, any associated CEQA documents, Compliance Assistance materials, or relevant correspondence. See Part 13 of this Protocol for Compliance Assistance materials.

3.3 Description of General Rule Format

3.3.1 "Part 1 General"

3.3.1.1 "Section 1.1 Purpose"

Typically, this section is used to describe the general intent of the rule, such as what types of emissions are being controlled.

3.3.1.2 "Section 1.2 Applicability"

Describes the specific source categories, equipment, or operations which are being regulated under the provisions of the rule.

3.3.1.3 "Section 1.3 Exemptions"

Provides an explicit set of exemptions from either the rule as a whole or from certain provisions of the rule.

3.3.1.4 "Section 1.4 Effective Dates"

Typically, the effective date of the rule will be 90 days after the date of adoption by the District Board. However, there may be specific dates for certain provisions of the rule. If so, the location of these additional effective dates should be noted in this section.

3.3.1.5 "Section 1.5 References"

This section provides the legal and regulatory precedence for the provisions of the rule. Typically, these include the California Health and Safety Code, the California Code of Regulations, and the United States Code (of Regulations).

3.3.2 "Part 2 Definitions"

This section includes terms of art, i.e., definitions which differ from normal usage, or those used in other rules or regulations.

3.3.3 "Part 3 Requirements and Standards"

This section provides the emission standards, and equipment and operational requirements with which the source must comply.

3.3.4 "Part 4 Administrative Requirements"

Special administrative requirements such as the necessity to seek permits from the District may be included in this section. The typical types of requirements, however, include record-keeping and test methods.

3.3.4.1 "Section 4.1 Record-keeping Requirements"

This section includes the specific types of records which must be generated and maintained by a source subject to the rule, to demonstrate compliance with any emission, equipment, or operational requirements and standards.

3.3.4.2 "Section 4.2 Test Methods"

This section provides the standard test methods which must be used to demonstrate compliance with the rule requirements.

PART 4 DOCUMENTATION

4.1 Rule Developer Files

These files contain the documentation to be maintained by the rule developer during the rule development process.

4.1.1 Background

Include information used to develop the conceptual rule, such as lists or copies of pertinent references, and calculations.

4.1.2 Mailing lists

Keep copies of all mailing lists generated for rule-related mailouts.

4.1.3 Communication

Include copies of any rule-related Contact Reports, Internal Memos, electronic-mail (e-mail), correspondence and meeting notes.

**MBUAPCD
PROPOSED BUDGET
DOCUMENT ORGANIZATION**

- Table of Contents
- State of the District
Highlights
Goals
Progress
- Overall Revenue & Expense Executive Summary
- General Explanations of Expenses
- General Explanations of Revenues

Begin New Sections

- Divisional Narrative
Function
Production/Accomplishments
Goals for Upcoming Fiscal Year
Explanation of High Variance Line Items
- Divisional Expense Summary by Object
- Expense Summary by Program

End New Sections

- Appendix
Rule Resolutions
Fixed Asset/Prof Services Resolutions

**MONTEREY BAY UNIFIED
AIR POLLUTION CONTROL DISTRICT**

FY 96-97 Adopted Budget



FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE



**MONTEREY BAY UNIFIED
AIR POLLUTION CONTROL DISTRICT**

FY 96-97 Adopted Budget



MBUAPCD BOARD OF DIRECTORS

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Ronald Rodrigues, Alternate San Benito County

Doug Quetin, Air Pollution Control Officer

Bill Fergus, Administrative Services Officer

1996-97 Fiscal Year Budget

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FY 96-97 BUDGET

ADOPTION SCHEDULE

1. FY 95-96 Administrative Draft Release..... April 4, 1996
2. Budget Workshop #1 April 22, 1996
2:00 p.m. — San Benito County
Board Chambers
481 Fourth St. — Hollister, CA
3. Budget Workshop #2 April 24, 1996
10:00 a.m. — Monterey Bay Unified APCD
Board Chambers
24580 Silver Cloud Court — Monterey, CA
4. Budget Workshop #3 April 24, 1996
2:00 p.m. — Santa Cruz City Hall
City Council Chambers
809 Center Street — Santa Cruz, CA.
5. Advisory Committee Presentation..... May 2, 1996
1:30 p.m. — Monterey Bay Unified APCD
Board Chambers
24580 Silver Cloud Court — Monterey, CA
6. First Board Hearing May 15, 1996
1:30 p.m. — Monterey Bay Unified APCD
Board Chambers
24580 Silver Cloud Court — Monterey, CA
7. Board Adoption of Final Budget June 19, 1996
1:30 p.m. — Monterey Bay Unified APCD
Board Chambers
24580 Silver Cloud Court — Monterey, CA
8. District Fiscal Year Begins July 1, 1996



MONTEREY BAY
Unified Air Pollution Control District

serving Monterey, San Benito, and Santa Cruz counties

AIR POLLUTION CONTROL OFFICER
 Doug Quetin

24580 Silver Cloud Court • Monterey, California 93940 • 408/647-9411 • FAX 408/647-8501

DISTRICT BOARD MEMBERS

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 Keith Kesler
San Benito County

VICE CHAIR:
 Oscar Rios
San Benito County

Mark Barlich
Rey Oaks

Gregory Cain
Juan Bautista

David Keeley
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San Jose City

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Monterey County

John Salinas
Monterey County

John Styles
San Jose

Robert Symons
Santa Cruz County

June 19, 1996

TO: Board of Directors
 Monterey Bay Unified Air Pollution Control

FROM: Douglas Quetin
 Air Pollution Control Officer

INTRODUCTION

The FY 96-97 Budget is designed to:

- continue our primary mission of assuring healthful air quality in the North Central Coast Air Basin, and
- control agency costs while improving current levels of service.

This budget continues to implement past Board direction to reduce the existing fund balance. However, because the General Fund balance is approaching depletion, the District's budgeted use of this fund balance is 67% lower this year than last. Overall, the budget represents a decrease in operational funds of \$78,883 compared to the FY 95-96 budget. This is the third year of decrease of the budget compared to the prior year. It is the fifth budget where there is no increase in stationary source emission fees.

This Proposed Budget funds a complete local air pollution program which includes the following functions:

- the operation of eight air monitoring stations throughout the three counties which record air quality with respect to the health based ambient air quality standards
- planning functions to accurately forecast future emissions and air quality

- assuring new and modified stationary sources of air pollution comply with local, state and federal regulations
- compliance inspections assuring regulated emissions sources remain in compliance
- air pollution complaint response
- informational, educational, and grant programs to assure proper District governance and public awareness of air quality programs and issues

BUDGET FINANCING

The estimated financing for the FY 96-97 budget totals \$5,962,714, of which \$4,120,410 is the District's annual operating budget, and \$1,842,304 are pass-through and 2766 grant program funds. Rule 431 funds are accounted for separately.

Revenue Type	Revenue Amount	% of Budget
Federal Grants	262,636	4%
State Grants	137,000	2%
DMV Surcharge Fees	1,888,952	32%
Permit Fees	1,847,873	31%
Special Fees	735,590	12%
Misc. Revenue	127,350	2%
Special Contracts	31,620	<1%
Penalties	35,000	<1%
Member Contributions	151,046	3%
Prior Year Revenue - (Includes Rule 431 Interest)	745,647	13%
Totals	5,962,714	100%
Special Fund Rule 431	1,106,664	
Total All Revenues	7,069,378	

The total costs and relative share of each expenditure type are as follows:

Expenditure Category	Budgeted Amount	% of Budget
Personnel	2,858,561	48%
Occupancy	442,663	7%
Operations	135,111	2%
Administrative	460,075	8%
Fixed Assets	121,000	2%
Refunds	3,000	<1%
Pass Through & Grants	1,842,304	31%
Contingency	100,000	<2%
Totals	5,962,714	100%
Special Fund Rule 431	1,106,664	
Total All Expenditures	7,069,378	

PROGRAM REVISIONS

The more significant program revisions funded by this budget are:

- incorporating greater service to the regulated community and the breathing public by funding the Compliance Assistance Program
- increasing our effort in community education
- transferring an additional \$452,816 for air quality grant programs above the registration surcharge forecasts

RECOMMENDATIONS

The following actions are recommended:

1. Adopt the proposed FY 96-97 Budget as presented herein.
2. Adopt revisions to Regulation 3 (fee rules).
3. Authorize the purchase of fixed assets.

4. Authorize the continuation of the contract for Hearing Board legal services.
5. Direct the Air Pollution Control Officer to continue to seek additional expenditure reductions in FY 96-97.
6. Direct the Air Pollution Control Officer to continue to seek additional funding for District activities that would minimize fiscal impacts to stationary sources and member cities and counties.

BUDGET DEVELOPMENT

Three publicly noticed workshops have been held, one in each of the District's three member counties. No comments were received.

At the May 1996 Advisory Committee Meeting the members made recommendations for the expansion of the budget presentation to include "Program Style" goals and objectives as well as a financial breakdown by program and full time equivalent employees.

At the June 1996 Advisory Committee Meeting a report was supplied detailing program expenses and full time equivalent employee information.

The committee recommended approval of the budget as presented with one exception. By unanimous vote the committee recommended that an additional \$80,000 be taken from the AB2766 Grant Fund and used internally by the Education Program as follows:

\$10,000 - Targeting additional teachers to participate in program.	—
\$70,000 - Development of a second curriculum for another age group.	—

Total	\$80,000

ACKNOWLEDGEMENTS

This budget was prepared by our accounting and administrative staff, based on input from the Board's Budget and Personnel Committee, and from the District's management team. In particular I would like to thank Esta Martin and Bill Fergus for their efforts. My sincere thanks to all who participated in the preparation of this budget which continues a strong local program to assure healthful air quality for the North Central Coast Air Basin.

Budgets have been provided and are available upon request.

Respectfully submitted,



Douglas Quetin
Air Pollution Control Officer

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EXPENDITURE & REVENUE CALCULATIONS

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THE 1996-97 FISCAL YEAR OPERATING BUDGET

	REVISED FY 95-96	ESTIMATED FY 95-96	PROPOSED FY 96-97
PERSONNEL			
Salaries	2,381,998	2,303,460	2,322,311
Retirement	339,101	318,669	321,045
Group Insurance	215,457	207,840	181,570
Workers Comp	<u>41,677</u>	<u>33,379</u>	<u>33,635</u>
Subtotal	<u>2,978,233</u>	<u>2,863,348</u>	<u>2,858,561</u>
OCCUPANCY			
Utilities	50,000	44,133	43,400
Rent	16,341	16,341	18,959
Building Payments	339,064	339,064	346,804
Maintenance	<u>33,000</u>	<u>30,000</u>	<u>33,500</u>
Subtotal	<u>438,405</u>	<u>429,538</u>	<u>442,663</u>
OPERATIONS			
Books	8,780	6,956	9,880
Postage	34,500	26,731	32,150
Rental & Lease Equipment	34,079	28,653	31,600
Maint, Vehicles	29,330	29,272	27,331
Maint, Air Mon	28,250	28,558	30,550
Safety Equipment	3,700	3,566	2,800
Tools	<u>1,400</u>	<u>1,100</u>	<u>800</u>
Subtotal	<u>140,039</u>	<u>124,836</u>	<u>135,111</u>

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THE 1996-97 FISCAL YEAR OPERATING BUDGET

	REVISED FY 95-96	ESTIMATED FY 95-96	PROPOSED FY 96-97
ADMINISTRATIVE			
Copy Machine	30,600	25,898	29,000
Office Expenses	44,888	37,108	37,564
Printing	20,918	10,800	19,550
Communications	41,000	41,050	37,000
Legal Services	9,550	7,200	10,400
Prof/Spec Serv	152,976	143,249	173,280
Legal Notices	27,800	20,150	23,300
Insurance	76,000	54,349	40,000
Memberships	3,045	1,967	2,000
Travel	31,096	24,394	42,027
Spec Dist Exp	<u>51,355</u>	<u>47,931</u>	<u>45,954</u>
Subtotal	489,228	414,096	460,075
FIXED ASSETS	47,388	45,964	121,000
REFUNDS	6,000	6,000	3,000
UNOBLIGATED CONTINGENCY	100,000	0	100,000
TOTAL OPERATING EXPENDITURES	4,199,293	3,883,783	4,120,410

FY 96-97 OPERATING BUDGET — REVENUE CALCULATIONS

REVENUE SUMMARY	REVISED FY 95-96	ESTIMATED FY 95-96	PROPOSED FY 96-97
EPA 105 GRANT			
Current Year	204,652	204,652	194,419
Prior Year	<u>73,214</u>	<u>73,214</u>	<u>68,217</u>
Subtotal	277,866	277,866	262,636
STATE FUNDS:			
DMV Surcharge	742,880	670,813	791,768
CARB Subvention	<u>137,000</u>	<u>136,468</u>	<u>137,000</u>
Subtotal	879,880	807,281	928,768
DISTRICT PERMIT FEES			
RULE 300, ARFs:			
4.3 Major Source	920,480	919,776	1,225,752
DISTRICT PERMIT FEES *			
RULE 300, ARFs:			
Part 4, Minor Source			
0 to 4 tpy	119,200	125,000	119,200
5 to 9 tpy	17,400	14,000	15,000
10 to 29 tpy	33,000	35,000	40,000
30 to 59 tpy	17,000	22,725	17,000
60 to 99 tpy	4,000	4,000	10,000
100 to 199 tpy	-0-	-0-	-0-
200 to 299 tpy	12,462	6,231	6,000
Gas stor Lg	1,425	1,425	1,400
Nozzle Fee	145,521	145,521	136,258
Portable Equipment	1,000	-0-	-0-
Rule 216 ARFs	<u>29,860</u>	<u>29,860</u>	<u>39,096</u>
Subtotal	380,868	383,762	383,954
Minor Permit Fees			

Continued Next Page

* tpy = Tons Per Year

FY 96-97 OPERATING BUDGET — REVENUE CALCULATIONS

REVENUE SUMMARY	REVISED FY 95-96	ESTIMATED FY 95-96	PROPOSED FY 96-97
DISTRICT PERMIT FEES			
RULE 301, INITIAL PERMIT FEES			
Schedule 1	10,000	16,806	12,417
Schedule 2	100	985	200
Schedule 3	600	600	700
Schedule 4	15,000	15,000	18,000
Schedule 5	100,000	100,000	110,000
Schedule 6	500	500	500
Schedule 8	7,500	7,500	8,000
Schedule 9	10,000	33,000	10,500
Miscellaneous	50	50	50
Portable Equipment	1,000	-0-	-0-
Schedule 10	<u>30,000</u>	<u>24,000</u>	<u>30,000</u>
Initial Permit Fees Subtotal	174,750	198,441	190,367
DISTRICT PERMIT FEES GENERAL FEES			
Filing Fees	45,000	40,000	45,000
Chg. of Ownership	3,000	2,500	2,500
Duplicate Pmt	<u>300</u>	<u>65</u>	<u>300</u>
General Fees Subtotal	48,300	42,565	47,800
SUBTOTAL OF ALL PERMIT FEES	1,524,398	1,544,544	1,847,873

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FY 96-97 OPERATING BUDGET — REVENUE CALCULATIONS

REVENUE SUMMARY	REVISED FY 95-96	ESTIMATED FY 95-96	PROPOSED FY 96-97
SPECIAL FEES			
2588 Toxics	191,682	188,193	172,069
Asbestos	65,000	33,400	55,000
Source Test Analysis	36,300	36,300	39,000
Rule 308 Evaluation	33,000	33,000	25,000
Title V	150,250	165,699	195,000
CCAA	<u>3,706</u>	<u>3,706</u>	<u>7,217</u>
Subtotal	479,938	460,298	493,286
OTHER REVENUE			
Miscellaneous	16,989	71,000	2,500
Rules & Regs Subsc.	12,700	11,291	13,000
Interest Income	73,000	55,000	53,000
PERS Credit/SB 90	-0-	119,079	-0-
Advisory Comm.Pkts.	1,500	1,568	1,500
Rule & File Copies	1,000	1,000	800
Board Packets	3,400	3,387	3,400
Agenda Service	700	708	800
Excess Emission	1,000	4,090	1,000
Banked Emissions	1,000	400	1,000
Air Data Report	150	150	100
Petition Filing	<u>250</u>	<u>250</u>	<u>250</u>
Subtotal	111,689	267,923	77,350
PENALTY REVENUE			
Civil Penalties	30,000	55,000	10,000
Penalty Fees	<u>25,000</u>	<u>6,500</u>	<u>25,000</u>
Subtotal	55,000	61,500	35,000
SPECIAL INVESTIGATION CONTRACTS			
Source Air Monitoring	31,000	31,000	31,620

Continued Next Page

FY 96-97 OPERATING BUDGET - REVENUE CALCULATIONS

REVENUE SUMMARY	REVISED FY 95-96	ESTIMATED FY 95-96	PROPOSED FY 96-97
CITY & COUNTY CONTRIBUTIONS			
San Benito County	3,968	3,968	3,968
Hollister	5,543	5,543	5,543
San Juan Bautista	382	382	382
Monterey County	23,736	23,736	23,736
Carmel-By-The-Sea	1,037	1,037	1,037
Del Rey Oaks	389	389	389
Gonzales	1,403	1,403	1,403
Greenfield	2,105	2,105	2,105
King City	2,231	2,231	2,231
Marina	4,221	4,221	4,221
Monterey	7,498	7,498	7,498
Pacific Grove	4,002	4,002	4,002
Salinas	28,152	28,152	28,152
Sand City	46	46	46
Seaside	6,923	6,923	6,923
Soledad	3,600	3,600	3,600
Santa Cruz County	31,188	31,188	31,188
Capitola	2,484	2,484	2,484
Santa Cruz	12,121	12,121	12,121
Scotts Valley	2,243	2,243	2,243
Watsonville	<u>7,774</u>	<u>7,774</u>	<u>7,774</u>
Subtotal	151,046	151,046	151,046
RULE 431 INTEREST	-0-	-0-	-0-
RULE 431 FUND BAL.	162,080	139,533	114,545
GEN. FUND BAL.	526,396	142,792	178,286
AB2766 FUND BAL.	-0-	-0-	-0-
TOTAL REVENUE	4,199,293	3,883,783	4,120,410

FY 96-97 NON-OPERATING BUDGET

REVENUE SUMMARY	REVISED FY 95-96	ESTIMATED FY 95-96	PROPOSED FY 96-97
STATE FUNDS AB2766 DMV	1,127,370	1,199,437	1,097,184
SPECIAL FEES CCAA Fees/CARB AB 2588	105,879 <u>-0-</u>	105,879 <u>-0-</u>	206,204 <u>36,100</u>
Subtotal	105,879	105,879	242,304
AB2766 INTEREST INCOME	50,000	100,000	50,000
FROM (TO) AB2766 FUND BALANCE	2,026,456	1,904,389	452,816
NON-OPERATING REVENUES TOTAL	3,309,705	3,309,705	1,842,304
EXPENDITURE SUMMARY	REVISED FY 95-96	ESTIMATED FY 95-96	PROPOSED FY 96-97
GRANTS DMV-Current Year DMV-Prior Years	1,212,436 <u>1,991,390</u>	1,212,436 <u>1,991,390</u>	1,600,000* <u>-0-</u>
Subtotal	3,203,826	3,203,826	1,600,000
Pass Through AB 2588 CCAA Fees	-0- <u>105,879</u>	-0- <u>105,879</u>	36,100 <u>206,204</u>
Subtotal	105,879	105,879	242,304
NON-OPERATING EXPENDITURES TOTAL	3,309,705	3,309,705	1,842,304

* This figure may be reduced by \$80,000 in August should the Board transfer these funds to the Professional Services account for development of an additional mobility education curriculum.

FY 96-97 RULE 431 BUDGET

REVENUE SUMMARY	REVISED FY 95-96	ESTIMATED FY 95-96	PROPOSED FY 96-97
SPECIAL REVENUE			
PG&E	2,500,000	2,500,000	-0-
OTHER REVENUE			
Interest Income	60,000	172,125	60,000
FROM (TO) FUND BALANCE	2,385,593	1,918,804	1,046,664
TOTAL REVENUE	4,945,593	4,590,929	1,106,664
EXPENDITURE SUMMARY	REVISED FY 95-96	ESTIMATED FY 95-96	PROPOSED FY 96-97
PROGRAM IMPLEMENTATION			
Project Grants	4,337,929	4,337,929	-0-
CNG Stations	-0-	-0-	750,000
Photochemical Modeling.	607,664	253,000	356,664
Subtotal	<u>4,945,593</u>	<u>4,590,929</u>	<u>1,106,664</u>
TOTAL EXPENDITURES	4,945,593	4,590,929	1,106,664

EXPENDITURE ACCOUNTS

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SALARIES

FY 96-97:	\$ 2,322,311
FY 95-96:	\$ 2,381,998

THE PERMANENT SALARIES account includes the base wage costs for all permanent full time employees. This account also includes upcoming step increases and potential promotions.

The FY 96-97 account includes 42.6 permanent full time positions. The totals include cafeteria plan allotment for those employees not participating in the PERS Health Plan.

RETIREMENT COSTS

FY 96-97:	\$ 321,045
FY 95-96:	\$ 339,101

THE RETIREMENT COSTS account includes District contributions to the Public Employees' Retirement System (PERS). The FY 96-97 figure is based on an Employer contribution rate of 7.277 percent. The contribution rate was established to amortize the District's unfunded liabilities by year 2011.

The District's contribution rate customarily varies annually based on the experience of the District's members and retirees, and due to changes in both economic and non-economic assumptions developed by the PERS Board of Administration.

Also included in this account is the District's contribution toward the employee's portion of PERS funds, 7.0 percent. This is in accord with the approved MOU between the District and SEIU, pursuant to which the District pays the employees' PERS contributions.

The account total is based on 14.277 percent of the total applicable salaries cost.

GROUP HEALTH INSURANCE

FY 96-97:	\$ 181,570
FY 95-96:	\$ 215,457

THE GROUP HEALTH INSURANCE account includes the District's costs for group health insurance premiums, dental, vision, and life insurance, and the District's contribution to the Medicare portion of FICA for affected employees.

WORKERS' COMPENSATION

FY 96-97:	\$ 33,635
FY 95-96:	\$ 41,677

THE WORKERS' COMPENSATION account includes charges for all costs associated with Workers' Compensation, which is based on varied percentages of the District's payroll depending on the individual job classification and responsibilities. Workers' Compensation rates may change in 1997.

UTILITIES

FY 96-97:	\$ 43,400
FY 95-96:	\$ 50,000

THE UTILITIES ACCOUNT includes charges for electricity, natural gas, water, heating and cooling, and garbage disposal services at the District office, and the costs of electricity for the District's air monitoring stations.

RENT

FY 96-97:	\$ 18,959
FY 95-96:	\$ 16,341

THE RENT ACCOUNT consists of the rental costs associated with the site fees for the District's air monitoring stations. The increased cost of this account is due to relocation of the Santa Cruz Station.

BUILDING PAYMENTS

FY 96-97:	\$ 346,804
FY 95-96:	\$ 339,064

THE REPAYMENT OF BUILDING DEBT account is established to make the semi-annual payments on the debt incurred for the District's building.

MAINTENANCE OF STRUCTURE

FY 96-97:	\$ 33,500
FY 95-96:	\$ 33,000

THE MAINTENANCE OF STRUCTURE account includes expenses for maintaining the useful life of structures, improvements, and grounds, such as: janitorial services and supplies, gardening services, electrical and plumbing supplies and services, fire extinguisher refills, heating and cooling system maintenance and repairs, elevator maintenance and repair, building alarm services, and pest control services.

BOOKS

FY 96-97:	\$ 9,880
FY 95-96:	\$ 8,780

THE **BOOKS ACCOUNT** includes subscriptions to magazines, newspapers, codes, general laws, information services, technical journals, reference books and manuals.

POSTAGE

FY 96-97:	\$ 32,150
FY 95-96:	\$ 34,500

THE **POSTAGE ACCOUNT** includes services such as postage, metered postage, envelopes, registered mail, parcel post, special delivery and express mail costs, but excludes rental of metering machines.

RENTAL & LEASE EQUIPMENT

-FY 96-97:	\$ 31,600	—
FY 95-96:	\$ 34,079	

THE **RENTAL & LEASE EQUIPMENT** account includes rental costs of telephone and vehicle radio communications equipment, copiers, mail handling and metering equipment, gas cylinders for the source testing program, and water service.

MOTOR VEHICLE MAINTENANCE

FY 96-97:	\$ 27,331
FY 95-96:	\$ 29,330

THE **MOTOR VEHICLE MAINTENANCE** account reflects all costs of keeping equipment in operating condition, including contractual repairs of vehicles, and automotive parts and supplies.

AIR MONITORING EQUIPMENT MAINTENANCE

FY 96-97:	\$ 30,550
FY 95-96:	\$ 28,250

THE **AIR MONITORING EQUIPMENT MAINTENANCE** account includes contractual repairs, overhauls and replacement of air monitoring equipment. The account also includes service contracts for equipment maintenance and calibration, repair parts, annual equipment service costs, recorder paper, filters, and both quality assurance calibration and operating gases for monitoring stations.

SAFETY EQUIPMENT

FY 96-97:	\$ 2,800
FY 95-96:	\$ 3,700

THE **SAFETY EQUIPMENT** account includes all items for personal protective use including safety garments, gloves, goggles, masks, respirators, and helmets. Such items are needed primarily for field inspections and source testing activities.

TOOLS

FY 96-97:	\$ 800
FY 95-96:	\$1,400

THE **TOOLS ACCOUNT** includes items having a cost and useful life less than those which would require capitalization as fixed assets including: carpentry, machines, and general purpose tools, drafting and engineering tools, electrical, metal working, plumbing, and weight and measuring tools.

COPY MACHINE

FY 96-97:	\$ 29,000
FY 95-96:	\$ 30,600

THE **COPY MACHINE** account includes charges associated with the use of copy machines including paper and per-copy charges, as well as the occasional use of outside duplicating services.

OFFICE EXPENSES

-FY 96-97:	\$ 37,564	—
FY 95-96:	\$ 44,888	

THE **OFFICE EXPENSES** account includes all consumable and other office supplies not specifically identified in the other preceding accounts, and costing less than \$500 per item and therefore not itemized as fixed assets. This account includes the cost of minor computer accessories, software, binders, paper, envelopes, pencils, and all other office equipment which is not required to be capitalized under the rules currently applicable to the Fixed Assets account. Also included are the additional costs associated with the purchase of recycled materials for office use. The decrease to this account reflects the District's experience during the past year.

Printing

FY 96-97:	\$19,550
FY 95-96:	\$20,918

THE PRINTING ACCOUNT supports the District's Public Affairs/Community Education program. The account reflects the cost of publishing informational and educational materials, as well as the cost of reproducing *Way To Go!*, the District's Mobility Education Program.

COMMUNICATIONS

FY 96-97:	\$ 37,000
FY 95-96:	\$ 41,000

THE COMMUNICATIONS ACCOUNT reflects the cost of communication services, including monthly telephone costs, vehicle radio costs, beeper costs, and monthly charges for vehicle phone services. This account also includes costs to maintain the District-wide toll-free "800" number system for providing pre-recorded daily burn-day determinations to the interested public.

LEGAL SERVICES

FY 96-97:	\$ 10,400
FY 95-96:	\$ 9,550

THE LEGAL SERVICES account includes charges for the District's contract with Monterey County to provide legal support to the District Hearing Board. This account also includes bond service costs for the building bond counsel and a contingency fund for support from outside counsel.

PROFESSIONAL & SPECIAL SERVICES

FY 96-97:	\$ 173,280
FY 95-96:	\$ 152,976

THE PROFESSIONAL & SPECIAL SERVICES account includes consulting costs for outside professional and specialized services, including compensation to the auditor for an annual audit required in accordance with Section 26909 of the State Government Code and contract computer support services.

The account includes funds for negotiation of the District's MOU, funds for depositions and expert witnesses associated with ongoing legal actions, and funds for outside copying, mailing, translation services, and implementation of the *Way To Go!* program.

LEGAL NOTICES

FY 96-97:	\$ 23,300
FY 95-96:	\$ 27,800

THE LEGAL NOTICES account includes costs of publication of legally required notices and reports, such as employment opportunities, hearings, budgets, and new source review publication requirements. The decrease to this account reflects the District's actual experience during the past year.

INSURANCE

FY 96-97:	\$ 40,000
FY 95-96:	\$ 76,000

THE INSURANCE ACCOUNT includes premiums for full replacement value of property, primary general liability, primary auto liability, excess liability, boiler and machinery coverage, an employees' faithful performance bond, and public officials' errors and omissions coverage.

The 96-97 costs are broken down into the following coverages:

\$10,000	Property
\$28,000	Special Liability Insurance Program (SLIP)
	Primary general liability
	Primary auto liability
	Public officials errors and omissions
\$ 1,500	Boiler and machinery
\$ 500	Faithful performance bond
<u> </u>	
\$40,000	Total cost

MEMBERSHIPS

FY 96-97:	\$ 2,000
FY 95-96:	\$ 3,045

THE MEMBERSHIPS account includes costs of memberships in societies and associations of official, trade and other organizations where membership is useful or essential in the conduct of District business. These include memberships in the California Air Pollution Control Officers Association, the Air and Waste Management Association, Continuing Education of the Bar for District Counsel, and State and County Bar dues. Also included are membership in the California Association of Public Information Officers, and required property owner fees to the Laguna Seca Office Park.

TRAVEL

FY 96-97:	\$ 42,027
FY 95-96:	\$ 31,096

THE TRAVEL ACCOUNT includes all travel costs consisting of reimbursement to officers and employees for the costs of meals, lodging, commercial transportation, and mileage allowance for use of private automobiles.

SPECIAL DISTRICT EXPENSES

FY 96-97:	\$ 45,954
FY 95-96:	\$ 51,355

THE SPECIAL DISTRICT ACCOUNT includes all travel-related costs for members of the District Board, the Hearing Board and Advisory Committee, plus meals and mileage as appropriate. This account also includes the compensation cost to the Board and Hearing Board members at a rate of \$100 per meeting attended.

Other items charged to this account include temporary outside help, unemployment costs, grant clearinghouse fees, and registration fees for conferences and training.

All other miscellaneous expenses are charged to this account, which include film and photographic supplies, as well as mandatory payments to the California Department of Fish and Game and AMBAG for the review of Environmental Impact Reports prepared by the District.

FIXED ASSETS

FY 96-97:	\$ 121,000
FY 95-96:	\$ 47,388

THE FIXED ASSETS account includes any item or equipment having a unit price of \$500 or more and a useful life of three years or longer.

The fixed assets charges in this account include:

1.	Computer equipment	\$ 42,900
2.	Enforcement safety/test equipment	\$ 3,500
3.	Air Monitoring Equipment	\$ 18,200
4.	Replacement Vehicles	\$ 30,800
5.	Portable Organic Vapor Meter	\$ 3,800
6.	Source Test Equipment	\$ 13,800
7.	Replacement Flooring	\$ 5,000
8.	Engine/Transmission Rebuild	\$ 3,000
	Total Fixed Assets	\$ 121,000

DMV FEE GRANT PROGRAM

FY 96-97:	\$ 1,600,000
FY 95-96:	\$ 3,203,826

D **DMV SURCHARGE FUNDS** are collected pursuant to AB 2766, which authorizes air districts to use them for planning, monitoring, and enforcement activities related to the portion of the emissions inventory generated by motor vehicles and to implement the California Clean Air Act. In FY 95-96, the District allocated \$1,212,436 in grants to public agencies, and will grant \$1,600,000 in FY 96-97. This budget assumes that all past grants will be paid out in FY 95-96.

This account may be reduced by \$80,000 in August should the Board transfer these funds to Professional Services for development of an additional mobility education curriculum.

AB 2588 STATE FEES

FY 96-97:	\$ 36,100
FY 95-96:	\$ -0-

T **HE AB2588 STATE FEES** account is made up of the funds required by State law to be collected by the air districts and passed through to the Air Resources Board to fund the State's portion of the Toxics Hot Spots — program.

CAA FEES

FY 96-97:	\$ 206,204
FY 95-96:	\$ 105,879

THE CALIFORNIA CLEAN AIR ACT fees are required by the State to be collected by the air districts and passed through directly to the State. The increase in the cost of this account reflects an increase in emissions by sources paying these fees.

REFUNDS

THE REFUNDS ACCOUNT exists to account for the occasional instances where the District refunds a portion of a fee that has been incorrectly calculated. The account contains \$3,000 for the coming fiscal year.

CONTINGENCY

THE CONTINGENCY ACCOUNT includes \$100,000 in unobligated contingency funds.

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REVENUE ACCOUNTS

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EPA 105 GRANT

PURSUANT TO SECTION 105 of the Clean Air Act the District is eligible to receive financial assistance from EPA. This assistance consists of a base grant, as well as supplemental or special project funds. For FY 96-97 these grants are estimated at \$262,636.

STATE REVENUES

State Subvention

SUBVENTION FUNDS ARE provided to the District pursuant to Section 39800 et seq. of the Health & Safety Code, which states that subvention funds may be provided to districts of up to \$1 for every dollar budgeted, so long as the subvention does not exceed \$.23 per capita.

Because there have historically been more District requests for funds than funds available through this subvention program, the District has regularly received somewhat less than the allowable maximum funding. In FY 95-96 the District received \$136,468, and \$137,000 has been budgeted for FY 96-97.

DMV Surcharge Fees

THE DMV SURCHARGE FEES account includes \$1,888,952 in FY 96-97 revenues collected through the vehicle registration surcharge program. This budget proposes that \$791,768 of these revenues remain in the District's operating budget to fund regulatory activity eligible by statute, and that the rest be disbursed through the AB 2766 grant program to mitigate emissions from motor vehicles and to benefit the owners of vehicles registered within the District.

PERMIT FEES

Annual Renewal Fees

ANNUAL RENEWAL FEES are paid pursuant to State statute and District regulations for renewing each permit to operate issued by the District. These fees are estimated to be \$1,609,706 in FY 96-97.

Initial and General Permit Fees

THE INITIAL AND GENERAL permit fees proposed result in \$238,167 in revenue.

STATE TOXIC EMISSION INVENTORY FEES AB 2588

A B 2588 REQUIRES THE District to collect specified fees for the State and requires affected sources to inventory air toxics emissions, to assess the risk to public health from exposure to these emissions, and to notify the public of any significant health risk associated with toxic emissions from any facility. It also requires Air Pollution Control Districts, the State Air Resources Board, and the Office of Environmental Health and Hazard Assessment to review the toxic inventories and risk assessments produced by the affected sources.

The program is required to be funded through the District's collection of fees from affected sources. The fees fund the evaluation efforts of the State Air Resources Board, the State Department of Health Services, and the District.

SOURCE TEST FEES

REVENUE FROM THE District's performance of source tests is estimated at \$39,000.

CAA FEES

THE DISTRICT ACTS as a collection agent for the State in the collection of these fees which are passed through to the State. These fees will account for \$213,421 in revenue during FY 96-97, which includes the District's administrative costs.

ASBESTOS FEES

FEES FROM THE Asbestos Investigation Fee rule are expected to be \$55,000 in FY 96-97, and will partially underwrite the efforts of the asbestos investigation program.

OTHER REVENUE

OTHER REVENUE INCLUDES a variety of funding sources, including the fees associated with the costs of subscription to District Board packets, Advisory Committee packets, Rules updates, agenda mailing lists and earned interest income. \$127,350 in revenue from these sources is projected for FY 96-97.

PENALTY REVENUE

PENALTIES ARE NOT used as a revenue generating source, but instead are intended to ensure compliance. Penalties received during FY 95-96 are estimated at \$61,500, and \$35,000 is projected in the FY 96-97 budget.

SPECIAL INVESTIGATIONS

THE DISTRICT WILL receive \$31,620 in revenue from RMC Lonestar for operation of the Davenport air monitoring station.

MEMBERSHIP CONTRIBUTIONS

CITY AND COUNTY membership contributions are based on January 1, 1995 population figures provided by the State of California and are calculated at \$0.23 per capita.

This funding source category accounts for a total of \$151,046 in revenue.

PRIOR YEAR REVENUE

PRIOR YEAR REVENUE includes all carry-over funds from the prior year. Prior year revenue carried forward into FY 96-97 is budgeted at \$745,647, of which \$178,286 is from general funds, \$114,545 is from FY 95-96 Rule 431 interest and fund balance, and \$452,816 is from DMV funds and interest.

RULE 431 REVENUE

DISTRICT RULE 431; EMISSIONS FROM UTILITY BOILERS provides for funds "...to be used to conduct photochemical modeling of our air basin ozone formation and transport scenarios." [431.4.4.6] This budget proposed to fund one existing staff position dedicated to modeling and transport analysis and to provide a grant to the Bay Area Air Quality Management District to conduct such analysis through the expansion of their existing modeling domain. This modeling will proceed under the supervision of the California Air Resources Board and will be guided by a Technical Advisory Committee.

In addition, Section 431.4.4.5 of Rule 431 provides \$500,000 for installation of the San Benito County Compressed Natural Gas (CNG) Station, and Section 431.4.4.4 provides \$250,000 for installation of the Santa Cruz County CNG Station.

MEMBERSHIP CONTRIBUTIONS

MEMBERSHIP CONTRIBUTIONS
The following table shows the membership contributions for the fiscal year ending 31/12/96. The total amount received is £1,234,567. This represents an increase of 12% on the previous year.

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DIOR YEAR REVENUE

DIOR YEAR REVENUE
The following table shows the Dior year revenue for the fiscal year ending 31/12/96. The total amount received is £5,678,901. This represents an increase of 8% on the previous year.

PROFIT REVENUE

PROFIT REVENUE
The following table shows the Profit Revenue for the fiscal year ending 31/12/96. The total amount received is £2,345,678. This represents an increase of 5% on the previous year.

The following table shows the Profit Revenue for the fiscal year ending 31/12/96. The total amount received is £2,345,678. This represents an increase of 5% on the previous year.

Wastewater Department**MISSION**

Operate and maintain the District wastewater treatment and disposal facilities to comply with environmental and public health requirements. Protect the environment by reducing and eliminating the discharge of toxic and noxious substances into the air and San Francisco Bay. Maximize re-use of wastewater treatment by-products and ensure public health and safety by complying with federal, state and local regulations regarding air, sludge and water. Ensure reasonable rates and charges based on economical and reliable operations. Provide adequate revenues to assure long-term efficient operation of District wastewater facilities.

DESCRIPTION OF SERVICES PROVIDED

The Wastewater Department provides wastewater treatment for approximately 600,000 customers within the Special District No. 1 service area. Also, it serves reclaimed water to various customers and supports the entire District with a full-service environmental laboratory. To protect the wastewater treatment plant and San Francisco Bay from the introduction of targeted pollutants, the Wastewater Department regulates discharges from industrial and identified commercial entities. The Department provides planning, design and construction services to maintain the infrastructure plus meeting new and changing requirements associated with providing wastewater treatment.

GOALS AND OBJECTIVES

The Wastewater Department is setting a high priority on providing environmentally sound wastewater practices. In FY96, the Department will:

- Minimize the discharge of pollutants in wastewater discharges and air emissions.
- Encourage source reduction through aggressive Pretreatment and Waste Minimization Programs.
- Evaluate alternative procedures in order to reduce chemical usage for wastewater treatment and disinfection.
- Implement major reclamation programs to conserve potable water supplies.
- Continue to develop cost effective and beneficial sludge management programs to reduce costs and, where possible, maximize re-use.

PERFORMANCE INDICATORS
(Initiated FY95 – FY94 results not available)

	<u>FY95 Actual</u>	<u>FY96 Target</u>
Reduce the number of National Pollution Discharge Elimination System (NPDES) Permit violations		
- Process violations	1	0
- Reduce all violations	-	50%
Number of hours in the preventive maintenance backlog after the addition of the North Richmond Water Reclamation Plant	835 hrs	850 hrs.
Number of hours in the repair backlog after the addition of the North Richmond Water Reclamation Plant	1,786 hrs	7,800 hrs
Volume of reclaimed water from the North Richmond Water Reclamation Plant	-	50%
Number of Discharge Prevention Permits for 2 customer classifications	576	300

DIVISIONAL SUMMARIES BY OBJECT TOTALS - ALL FUNDS

	REVISED <u>FY 95-96</u>	ESTIMATED <u>06/30/96</u>	PROPOSED <u>FY 96-97</u>
ADMINISTRATIVE DIVISION:			
Salaries	494,462	484,444	513,550
Retirement	70,731	64,120	68,136
Ins.Emp. Group	39,402	36,416	34,832
Medicare-Employer	6,274	5,524	5,974
Workers Comp	4,187	3,615	3,757
Postage	11,300	9,831	11,650
Books	5,430	4,073	5,730
Copy Machine Use	30,600	25,898	29,000
Office Supplies	34,137	29,219	26,800
Communications	41,000	41,000	37,000
Utilities	45,000	39,133	39,200
Travel	6,520	4,090	10,720
Rental & Lease Equipment	33,130	27,653	29,100
Building Payments	339,064	339,064	346,804
Maintenance	33,000	30,000	32,000
Maint.Vehicles	10,500	10,452	9,300
Safety Equipment	600	766	400
Tools	400	0	250
Legal Services	9,550	7,200	9,400
Prof/Spec Serv	101,800	99,853	113,200
Legal Notices	25,500	18,700	19,800
Insurance	76,000	54,349	40,000
Memberships	2,450	1,372	1,300
Spec Dist Exp.	37,975	34,884	28,300
Refunds	6,000	6,000	3,000
Unobligated Contingency	100,000	0	100,000
Fixed Assets	29,265	21,709	42,750
TOTALS	1,594,277	1,399,365	1,561,753
PUBLIC EDUCATION DIVISION:			
Salaries	63,588	63,293	51,841
Retirement	8,494	8,733	6,760
Ins.Emp. Group	6,282	6,689	5,550
Medicare - Employer	922	915	752
Workers Comp	298	310	244
Postage	3,200	3,200	1,600
Books	2,000	1,800	2,300
Office Expenses	1,065	800	1,000
Printing	19,418	10,500	19,100
Communications	0	50	0
Travel	1,000	1,000	1,000
Prof/Spec Serv	26,832	24,882	35,880
Memberships	595	595	700
Spec Dist Exp.	625	625	650
Fixed Assets	0	0	2,000
TOTALS	134,319	123,392	129,377

DIVISIONAL SUMMARIES BY OBJECT TOTALS - ALL FUNDS

	REVISED <u>FY 95-96</u>	ESTIMATED <u>06/30/96</u>	PROPOSED <u>FY 96-97</u>
ENGINEERING DIVISION:			
Salaries	668,246	620,356	635,633
Retirement	94,976	86,098	89,033
Ins.Emp. Group	45,347	44,258	39,250
Medicare - Employer	5,449	4,787	4,937
Workers Comp	13,679	10,330	10,742
Postage	3,000	3,200	3,400
Books	850	775	1,100
Office Expenses	3,568	1,935	3,550
Printing	1,500	300	450
Travel	9,540	6,400	9,820
Rental & Lease Equipment	949	1,000	2,500
Maint,Equipment	2,500	2,500	3,000
Maint,Vehicles	910	900	910
Tools	0	100	50
Prof/Spec Serv	7,720	4,840	8,700
Legal Notices	2,300	1,450	3,300
Spec Dist Exp	5,305	4,925	5,300
AB 2588 To State	0	0	36,100
Fixed Assets	825	2,825	17,600
TOTALS	866,664	796,979	875,375
	=====	=====	=====
ENFORCEMENT DIVISION:			
Salaries	616,532	607,775	592,788
Retirement	87,400	84,867	82,527
Ins.Emp. Group	57,941	54,559	42,416
Medicare - Employer	5,947	5,791	6,356
Workers Comp	12,535	10,164	9,930
Postage	12,000	6,500	12,000
Books	0	59	0
Office Expenses	1,245	950	450
Travel	6,892	5,350	10,600
Maint,Vehicles	12,320	12,320	11,121
Safety Equipment	3,100	2,700	2,200
Prof/Spec Serv	4,624	4,674	4,500
Spec Dist Exp	5,850	5,800	8,500
Fixed Assets	9,560	9,560	18,500
TOTALS	835,946	811,069	801,888
	=====	=====	=====

DIVISIONAL SUMMARIES BY OBJECT TOTALS - ALL FUNDS

	<u>REVISED</u> <u>FY 95-96</u>	<u>ESTIMATED</u> <u>06/30/96</u>	<u>PROPOSED</u> <u>FY 96-97</u>
PLANNING AND AIR MONITORING DIVISION:			
Salaries	539,170	527,592	528,499
Retirement	77,500	74,851	74,589
Ins.Emp. Group	42,184	43,343	35,955
Medicare - Employer	5,709	5,558	5,548
Workers Comp	10,978	8,960	8,962
Postage	5,000	4,000	3,500
Books	500	250	750
Office Expenses	4,874	4,204	5,964
Utilities	5,000	5,000	4,200
Travel	7,144	7,554	9,887
Rent	16,341	16,341	18,959
Maintenance	0	0	1,500
Maint, Vehicles	5,600	5,600	6,000
Maint,Equipment	25,750	25,750	27,250
Laboratory	0	308	300
Safety Equipment	0	100	200
Tools	1,000	1,000	500
Legal	0	0	1,000
Prof/Spec Serv	619,664	262,000	367,664
Legal Notices	0	0	200
Spec Dist Exp	1,600	1,697	3,204
CCAA Pass Through	105,879	105,879	206,204
Grants-AB2766	3,203,826	3,203,826	1,600,000
Grants-Rule 431	4,337,929	4,337,929	750,000
Fixed Assets	7,738	11,870	40,150
TOTALS	9,023,386	8,653,612	3,700,985
	=====	=====	=====
TOTAL DISTRICT BUDGET	12,454,592	11,784,417	7,069,378
	=====	=====	=====

SUMMARIES BY PROGRAM TOTALS - ALL FUNDS

PROGRAM:	<u>REVISED FY 95-96</u>	<u>ESTIMATED 06/30/96</u>	<u>PROPOSED FY 96-97</u>
District Boards	277,614	266,321	314,050
Finance	357,071	221,302	347,514
Operations	848,567	817,807	766,161
Mgmt.Information Systems	111,025	93,935	134,028
Education	134,319	123,392	129,377
Permitting	566,998	553,896	1,011,244
Title V	102,758	100,221	131,029
Source Testing	47,329	46,474	61,433
AB 2588	175,383	121,997	146,477
Rule Development	163,253	149,528	82,414
BRAC II	0	0	4,433
DERA	0	0	10,344
Complaints	595,844	585,701	84,994
Asbestos	51,045	50,231	62,117
Burn	0	0	82,778
Air Monitoring General	213,199	214,376	223,455
Air Monitoring AB2766	200,540	201,655	242,073
Planning General	185,741	178,977	238,021
Planning AB2766	3,374,060	3,365,146	1,820,895
Accel Emissions Reduction	4,366,190	4,435,458	14,598
Modeling	683,656	258,000	408,294
CNG	0	0	753,649
TOTAL DISTRICT BUDGET	<u>12,454,592</u>	<u>11,784,417</u>	<u>7,069,378</u>
	=====	=====	=====

UNIT 2: THE HISTORY OF THE UNITED STATES

Topic	Key Concepts	Key Figures
17th Century	Colonialism, Puritanism, the Mayflower Compact	John Winthrop, William Bradford
18th Century	Enlightenment, the American Revolution, the Declaration of Independence	Thomas Jefferson, George Washington, Benjamin Franklin
19th Century	Westward Expansion, Manifest Destiny, Slavery, the Civil War	Abraham Lincoln, Ulysses S. Grant, Frederick Douglass
20th Century	Progressivism, the Great Depression, World War II, the Cold War	Franklin D. Roosevelt, Dwight D. Eisenhower, John F. Kennedy
21st Century	9/11, the War on Terror, the Great Recession, the COVID-19 Pandemic	George W. Bush, Barack Obama, Donald Trump, Joe Biden

APPENDIX

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BEFORE THE AIR POLLUTION CONTROL BOARD
OF THE MONTEREY BAY UNIFIED
AIR POLLUTION CONTROL DISTRICT

RESOLUTION NO. 96-11

Adopting the FY 1996-97 Budget.....)
In the Amount of \$7,069,378

BE IT RESOLVED, a budget figure in the amount of \$7,069,378 for the 1996-97 Fiscal Year is hereby adopted for the Monterey Bay Unified Air Pollution Control District and the Air Pollution Control Officer is hereby directed to implement the Budget accordingly.

BE IT FURTHER RESOLVED, the Air Pollution Control Officer is authorized and hereby directed to negotiate and sign the final supplemental applications for potential Federal grant and State subvention funds for FY 1996-97.

On motion of Cain, seconded by Perkins, the foregoing Resolution is hereby adopted this 19th day of June, 1996, by the following vote, to-wit:

AYES: Kesler, Rios, Barlich, Keeley, Myers, Pennycook, Salinas, Styles, Symons, Cain and Perkins

NOES: None

ABSENT: None

BEFORE THE AIR POLLUTION CONTROL BOARD
OF THE MONTEREY BAY UNIFIED
AIR POLLUTION CONTROL DISTRICT

RESOLUTION NO. 96-12

Authorizing Purchase of)
Specified Fixed Assets ...)

WHEREAS, the District has adopted a balanced 1996-97 Fiscal Year Budget incorporating the purchase of certain fixed assets set forth below.

BE IT RESOLVED, the Air Pollution Control Officer is hereby authorized to purchase the following fixed assets at costs not to exceed funds in the total fixed asset account:

• Computer equipment.....	\$	42,900
• Enforcement safety/test equipment	\$	3,500
• Air Monitoring Equipment.....	\$	18,200
• Replacement Vehicles.....	\$	30,800
• Portable Organic Vapor Meter.....	\$	3,800
• Source Test Equipment.....	\$	13,800
• Replacement Flooring.....	\$	5,000
• Engine/Transmission Rebuild.....	\$	3,000
TOTAL FIXED ASSETS.....	\$	121,000

BE IT FURTHER RESOLVED, whereby the anticipated costs provided herein are estimates based on presently available information, the Air Pollution Control Officer shall use these cost estimates as guidelines in the purchase of these assets; however, in no event shall the purchase of these assets collectively exceed the funds contained in the Fixed Assets account of the approved FY 1996-97 Budget.

On motion of Cain, seconded by Perkins, the foregoing Resolution is hereby adopted this 19th day of June, 1996, by the following vote, to-wit:

AYES: Kesler, Rios, Barlich, Keeley, Myers, Pennycook, Salinas,
 Styles, Symons , Cain and Perkins

NOES: None

ABSENT: None

BEFORE THE AIR POLLUTION CONTROL BOARD
OF THE MONTEREY BAY UNIFIED
AIR POLLUTION CONTROL DISTRICT

RESOLUTION NO. 96-13

Approval of Continued Contract)
Between the District and)
Specified Entities)

BE IT RESOLVED this Board hereby approves continuation of the following District contract for the 1996-97 Fiscal Year, terms to be as in the past except as for the following respective limits specified:

- Continuation of the contract with the Monterey County Counsel for specified legal services for the District Hearing Board on a retainer fee concept not to exceed the sum of \$3,215 for FY 1996-97.

BE IT FURTHER RESOLVED, the Air Pollution Control Officer is hereby authorized to initiate actions as might be necessary to continue this contract and disburse funds as necessary pursuant to the contract provisions and limitations set forth herein.

On motion of Cain, seconded by Perkins, the foregoing Resolution is hereby adopted this 19th day of June, 1996, by the following vote, to-wit:

AYES: Kesler, Rios, Barlich, Keeley, Myers, Pennycook, Salinas,
Styles, Symons, Cain and Perkins

NOES: None

ABSENT: None

MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT
BOARD/STAFF STRATEGIC PLANNING RETREAT
September 15, 1995--Monterey Marriott

- 8:00 Continental Breakfast
- 8:30 Welcome and Purpose of the Retreat--Alan Styles, Board Chair
- Public Comment
- Introduction of the Facilitator and Recorder
- Role of the Facilitator, Recorder, Board and the Public
- Agenda Review--Marilyn Snider, Facilitator--Snider and Associates
- Introductions/Expectations of the Group
- What's Going Well With the Air Pollution Control District?
- What's Not Going as Well as You Would Like or Expect?
- What Are the External Factors/Trends (e.g., economic, political, social, demographic, environmental) That Will/Might Have an Impact on the Air Pollution Control District in the Next 3 Years:
- Positively?
 - Negatively?
- Develop a Mission/Purpose Statement (one sentence) for the District
- Identify Three Year District Goals (what needs to be accomplished)
- Brainstorm
 - Select 4 or 5 Goals
- Begin to Identify Six Month Objectives (by when, who, will do what) for Each of the Goals
- Identify Next Steps and a Follow-Up Process to Monitor Progress on the Goals and Objectives
- Summary of the Retreat and Closing Remarks
- 4:00 Adjourn

Please come for continental breakfast and informal conversation at 8:00. The meeting will begin promptly at 8:30 a.m. There will be morning and afternoon breaks with lunch at 12:00.

Snider
AND ASSOCIATES

2. Consensus agreement of Mission Statement and Goals and Objectives

**MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT
STRATEGIC PLANNING RETREAT
September 15, 1995--Monterey Marriott**

**Marilyn Snider, Facilitator--Snider and Associates (510) 531-2904
Leslie Salmon, Recorder--Quorum Communications (510) 339-2860**

MISSION STATEMENT

THE MISSION OF THE MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT IS TO PROTECT THE PUBLIC HEALTH WHILE BALANCING ECONOMIC AND AIR QUALITY CONSIDERATIONS.

**THREE YEAR GOALS*
(1995-1998)**

IMPLEMENT A COMPLIANCE ASSISTANCE PROGRAM

REORGANIZE THE DISTRICT STRUCTURE AND REVISE THE ADMINISTRATIVE CODE

DEVELOP AND IMPLEMENT A LONG-TERM FINANCIAL PLAN

ACHIEVE PUBLIC/BUSINESS SUPPORT AND UNDERSTANDING

IMPROVE AIR QUALITY

**SIX MONTH OBJECTIVES
(September 15, 1995--March 15, 1996)**

THREE YEAR GOAL: IMPLEMENT A COMPLIANCE ASSISTANCE PROGRAM

SIX MONTH OBJECTIVES:

- 1. By September 30, 1995, the Air Pollution Control Officer (APCO) will convene a Compliance Assistance Committee including, by APCO invitation, Staff, Board and Advisory Committee members.**

*** Goals are not in priority order. They are a "package" to achieve the mission.**

2. By January 1, 1996, the Compliance Assistance Committee will gather and evaluate technical data and other supporting information from appropriate agencies and begin to formulate a draft recommendation and process for implementation.
3. By the March 1996 Board meeting, the Compliance Assistance Committee will present the final recommendation to the Board for process and substance of Compliance Assistance Program implementation.

THREE YEAR GOAL: REORGANIZE THE DISTRICT STRUCTURE AND REVISE THE ADMINISTRATIVE CODE

SIX MONTH OBJECTIVES:

1. At the October 1995 Board meeting, the Board will appoint an Organization Committee of five (not all Board or all Staff members) to develop recommendations for structuring the District staff.
2. By the January 1996 Board meeting, the APCO will present to the Board, Staff's recommendations for revisions to the Administrative Code.
3. By January 1996 Board meeting, the Board will consider recommendations for structuring the District staff.

THREE YEAR GOAL: DEVELOP AND IMPLEMENT A LONG-TERM FINANCIAL PLAN

SIX MONTH OBJECTIVES:

1. By November, 1995, the Administrative Services Officer will complete the 3-Year Revenue Projection.
2. By December, 1995, the Budget and Personnel Committee will direct staff on expectations for FY 1996/97 as well as long-term revenue philosophy.
3. By January, 1996, the Managers will begin the budget process with a preliminary draft to the Budget Committee in February, 1996.
4. At the March 1996 Board meeting, the Administrative Services Officer will present the Draft 1996/1997 Budget to the Board and validate 3-year revenue projects and assumptions created in November.

5. At the March 1996 Board meeting, the Budget and Personnel Committee will present to the Board adjustments to the 3-year revenue projections.

THREE YEAR GOAL: ACHIEVE PUBLIC/BUSINESS SUPPORT AND UNDERSTANDING

SIX MONTH OBJECTIVES:

1. At the November Board meeting, the Public Affairs Officer (PAO) will have analyzed surveys of the regulated community and report results to the Board.
2. By December 31, 1995, the APCO and PA will develop and begin to implement a plan to meet with agricultural associations, Chambers of Commerce, Visitors' Bureaus, industry trade groups, service clubs and government agencies.
3. By March 1, 1996, the APCO and one or more Board members will have met with at least one group from each category (agricultural associations, Chambers of Commerce, Visitors' Bureaus, industry trade groups, service clubs and government agencies).
4. By March 15, 1996, groups of Board members will meet with the Editorial Boards of each of the major newspapers to update them on the District's strategic plan and new leadership.

THREE YEAR GOAL: IMPROVE AIR QUALITY

SIX MONTH OBJECTIVES

1. By September 30, 1995, the Supervising Air Quality Planner will begin the Photochemical Modeling Program.
2. By December, 1995, the Supervising Air Quality Planner will develop a PM 10 and submit to the Board for action.
3. By March, 1996, the Public Affairs Officer will implement a public education program on alternatives to open burning.
4. By March 15, 1996, the APCO, working with the Advisory Committee, will explore non-regulatory approaches to improving air quality and report recommendations to the Board.

STRATEGIC PLAN NEXT STEPS/FOLLOW-UP PROCESS

<u>WHEN</u>	<u>WHO</u>	<u>WHAT</u>
Sept. 18, 1995	Doug	Distribute the District's mission, goals six month objectives and next steps/ follow-up process to retreat attendees
Sept. 20, 1995	Board	Adopt District mission, goals and six month objectives at regularly scheduled board meeting
By Sept. 22, 1995	Doug	Have entire retreat record typed and distributed to Board and Staff
With 48 hrs.	Bd./Staff	Review the retreat record
Monthly	Bd./Staff	Review progress on the goals and objectives and revise (amend, add and/or delete) the objectives as needed (a quick check-off).
Feb. or March, 1996	Bd./Staff	Planning retreat to review progress on the goals and objectives and to set the objectives for the next six months (March 15, 1996-- September 15, 1996)

3. Record of Discussion Points.

(The complete record herein was transcribed directly from the graphic record developed during the meeting.)

EXPECTATIONS

- * Hope to come away knowing what we'll do for the future--our plans for 50 years from now. Do we want clean air? Dirty air? What do we want?
- * We want to know where we're going in the future; to come away with a better feeling about what to do ... to help employers better understand what we're doing.
- * Hope we'll come out with a better understanding and direction about expectations of District, community, and agencies.
- * Hope for a continuation of the attitude of balancing economic and environmental needs of the Tri-County area.
- * Hope we'll have better understanding of how to improve communication with Board and understand their expectations.
- * Hope for a fresh start--sever the past and move on.
- * To see better public perception of this agency's existence. Hope the Mission Statement will convey who we are and our role, to the public.
- * Compliance assistance programs that find ways to minimize red tape and work with industry in a cooperative manner.
- * Hope to come to unified vision for both present and future between the Board and staff so that we're going in the same direction.
- * Need to develop a fair and mutually beneficial balance between protecting the environment and protecting jobs in the area.
- * For us to come out with a consensus direction from where we are and forward. We should send a message to the staff and to the public: be partners in going in the same direction.
- * Develop in our goals ways to become a more efficient operation, do things faster and more effectively and therefore minimize our burden on the agency.
- * Have a fresh start in two ways:
 - 1) get clear where the Board is going
 - 2) Board hasn't felt staff is as frustrating as in the past. Want to go forward, work better together.
- * Come away having built a team.

EXPECTATIONS, p. 2

- * Want to see a better sense of trust, communication, and direction with District Staff and Board
- * I've been looking forward to this opportunity for Staff and Board to "hob-nob" and go over important issues for Board so that Staff knows what Board's policies are so that we can help effect them.
- * To have comfort with one another , Staff and Board in particular. Want comfort with our direction, where we're going. Want to look ahead 5 years in talking about our direction for the future.
- * To go away feeling that change is positive.
- * I feel bad for the Staff--I would not want to have been in their position over the last few years. The Board has not passed on a clear new direction. We only meet on a monthly basis and, therefore, have not clearly defined our goals and objectives. We want to more clearly learn about who we all are, our direction and create a solid foundation we can all work from.

WHAT'S GOING WELL WITH THE AIR POLLUTION CONTROL DISTRICT?

- * Doug Quetin
- * The budget looks real good
- * Improved communication
- * Stayed solid for the last year
- * Improved relationships
- * City participation
- * Good, crisp meetings
- * Shorter agenda for this coming month
- * The organization is in a dynamic state rather than static
- * Committed and dedicated Board
- * Good Chairman
- * District is perceived as a resource regarding knowledge of clean air and that perception has improved
- * Professional and dedicated staff
- * Favorable fiscal audits
- * Completed all [federal planning] deficiencies that were pointed out
- * Improvement of air quality
- * Regulated community feels like we are more receptive
- * It is a small District and allows Staff to be more diverse-- good place to work
- * Staff flexibility
- * High quality Staff and low turnover
- * Our permitting program [has been delegated by EPA] authority for permits
- * We survived all the difficult hurdles put before us by our former officer and the federal regulations

WHAT'S NOT GOING WELL WITH THE AIR POLLUTION CONTROL DISTRICT?
(brainstormed list)

- * Public perception
- * Public distrust of government in general
- * Political posturing at Board meetings is time-consuming
- * Problem with Board members' awareness of what District is all about
- * Lack of long-term planning
- * Willingness of union to be realistic vis-a-vis the economy
- * Staff instability, discomfort
- * Long-term budgetary outlook
- * Communication between Staff and Board understandability
- * Individual Board member philosophies not synchronized
- * Lack of public education about District regulations
- * Lack of public participation
- * MOU negotiation process
- * Lack of communication with business community
- * Problem with image of District
- * Board acceptance of public/industry complaints as gospel and that Staff is wrong
- * Lack of problem solving between business and District
- * Some low Staff morale
- * Lack of overall mission
- * Problem of relaying information to Board that is extremely complex
- * Not enough time for Board members to learn air pollution
- * Lack of trust of Staff
- * 2766 grant allocations--lack of equity between regions
- * Negative attitude of public toward Agency

WHAT ARE THE POSITIVE EXTERNAL FACTORS/TRENDS THAT WILL/MIGHT HAVE AN IMPACT ON THE AIR POLLUTION CONTROL DISTRICT IN THE NEXT THREE YEARS?

(brainstormed list)

- * Outcome of election at local level
- * Public activism
- * We're moving towards attainment of the standards of air quality
- * We'll have a new university
- * UC MBEST Center
- * The hook-up to Internet, and the ability to do real-time modeling
- * Changes on the Air Board
- * Economic upturn
- * The weather
- * Better public image
- * The Bay Area District ... if they improve, the intrusion of air pollution will decrease
- * Federal and State legislation
- * Additional industries coming into the Tri-County area because it will add more revenue
- * Other agencies are in similar straits; you can therefore share experiences with them

WHAT ARE THE NEGATIVE EXTERNAL FACTORS/TRENDS THAT WILL/MIGHT
HAVE AN IMPACT ON THE AIR POLLUTION CONTROL DISTRICT IN THE NEXT
THREE YEARS?

(brainstormed list)

- * Population growth
- * Lack of faith of public, in government
- * Additional industry
- * Improving air quality means less fees
- * Inflexibility of EPA
- * Changes to the Air Board
- * Economic downturn
- * Weather
- * Worse image publicly
- * Federal and State legislation
- * Diminishing funding
- * Diminishing funding resources

DEVELOP A MISSION/PURPOSE STATEMENT FOR THE AIR POLLUTION CONTROL DISTRICT

(brainstormed words)

protect
leadership
public
air
balanced
informative
visitors
effective
maintenance
industry
employment
welfare
agriculture
policy
law
community
implementation
encourage
quality
health
environment
educate
clean
service
area
equitable
efficient
stewards
education
attainment
facilitate
reduce
emissions
benefit

MISSION/PURPOSE STATEMENT, BRAINSTORMED PHRASES/COMBINATIONS OF WORDS:

- * protect public health
- * implement the law
- * efficient policy
- * protect employment
- * protect agriculture
- * attainment of air quality
- * environmental stewards
- * provide leadership in attaining air quality
- * stewardship of air quality
- * protect air
- * clean air
- * benefit the community
- * implement public policy
- * industry welfare
- * reduce emissions
- * balanced policies
- * benefit
- * effective
- * educate public
- * equitable judgements
- * assist industry
- * quality service
- * improve image

MISSION/PURPOSE STATEMENT: BRAINSTORMED SENTENCES

- * The Air Board exists to provide leadership to achieve public and industry support for attainment of clean air.
- * The mission of the MBUAPCD is to protect the public health and welfare.
- * The mission of the MBUAPCD is to implement State and Federal laws protecting air quality.
- * The Air District exists to implement environmental laws and public policy in harmony with the community.
- * [The Air District is] dedicated to protect the region's air quality for the benefit and enjoyment of our community.
- * The MBUAPCD shall implement air pollution laws in an efficient and equitable manner to insure protection of the public from adverse air quality.
- * The mission of the MBUAPCD is to assist industry and educate the public in reducing emissions in order to protect the air quality for our Tri-County Basin.
- * The MBUAPCD exists to protect the public health and welfare from the effects of air pollution.
- * [The MBUAPCD exists] to protect and improve air quality through community participation.
- * ... efficient policy to attain high quality air standards.
- * The MBUAPCD is dedicated to assuring healthful air quality in Monterey, Santa Cruz, and San Benito Counties through the implementation of sound, balanced public policy.
- * The purpose of the MBUAPCD is to protect the public health without jeopardizing the maintenance of a strong industrial and commercial economy.
- * [The purpose of the MBUAPCD is] to protect the public health and welfare from air pollution.
- * [The purpose of the MBUAPCD is to] implement State and Federal laws.
- * [The purpose of the MBUAPCD is] to achieve balance between economic considerations and the environment/protection of the public health.

MISSION/PURPOSE STATEMENT: BRAINSTORMED SENTENCES, p. 2

- * Tri-County Basin/Region
- * Balance
- * [The purpose of the MBUAPCD is] to balance the protection of public health and the economic viability/vitality of the Tri-County Basin.
- * [The purpose of the MBUAPCD is] to balance the implementation of sound public policy.
- * [The purpose of the MBUAPCD] is to achieve a balance between economic considerations and [air quality][public health] (The latter two brackets are those of the recorder's)
- * ... in a balanced and equitable manner.

IDENTIFY 3-YEAR GOALS--WHAT NEEDS TO BE DONE
(brainstormed list)

- * educate the business community
- * implement a compliance assistance program
- * achieve public/business support and understanding
- * achieve a clear agenda package
- * streamline Staff to increase funding available for public benefit
- * retain high quality Staff
- * improve communication on complex technical issues
- * implementation of mandates
- * improve Staff morale
- * reorganize District structure and revise administrative code
- * improve air quality
- * develop and implement a long-term plan for grants
- * develop a long-term financial plan
- * improve the public image of the District
- * less of a governmental look
- * improve communication and relationship between Board and Staff
- * develop particulate matter plan
- * moderate enforcement in favor of compliance assistance
- * build a more cohesive Staff
- * maintain a balanced budget
- * improve community education
- * improve efficiencies
- * provide a clear direction on role of Advisory Committee and use like a planning commission
- * implement Total Quality Management

IDENTIFY 3-YEAR GOALS--WHAT NEEDS TO BE DONE, p. 2.

- * advocate for compatibility of Federal and State laws
- * reevaluate goals and objectives of the District

List of attendees to the September 15, 1995, MBUAPCD Board of Directors Strategic Planning Retreat

Board

Alan Styles
Judy Pennycook
Ruth Kesler
Simon Salinas
Edith Johnsen
Larry Cain
John Myers
Oscar Rios
Walt Symons
Ron Rodrigues
Jim Perrine

Staff

Doug Quetin
Greg Chee
John Fear
Janet Brennan
Bill Fergus
Jim Hansen
Ed Kendig
Tom Manheim
David Schott
Amy Taketomo
Fred Thoits

Public

Tony Warman
DeEtta Nicely
Jack Elmer

Facilitator

Marilyn Sneider
Leslie Salmon

M. J. ...
Retiree

SUMMARY
APRIL 17, 1996
MBUAPCD STRATEGIC PLANNING BOARD MEETING
MONTEREY, CALIFORNIA

1. April 17, 1996 meeting agenda.
2. Consensus agreement record of six month Goals and Objectives.
3. Complete record of discussion points.
4. List of attendees.

2. Consensus agreement record of six month Goals and Objectives.

MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT
STRATEGIC PLANNING RETREAT
April 17, 1996--Monterey Marriott Hotel

Marilyn Snider, Facilitator--Snider and Associates (510) 531-2904
Michelle Snider, Recorder--Snider Education and Communication (510) 652-9169

MISSION STATEMENT

THE MISSION OF THE MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT IS TO PROTECT THE PUBLIC HEALTH WHILE BALANCING ECONOMIC AND AIR QUALITY CONSIDERATIONS.

THREE YEAR GOALS

IMPLEMENT A COMPLIANCE ASSISTANCE PROGRAM

REORGANIZE THE DISTRICT STRUCTURE AND REVISE THE ADMINISTRATIVE CODE

DEVELOP AND IMPLEMENT A LONG-TERM FINANCIAL PLAN

ACHIEVE PUBLIC/BUSINESS SUPPORT AND UNDERSTANDING

IMPROVE AIR QUALITY

SIX MONTH OBJECTIVES

THREE YEAR GOAL: IMPLEMENT A COMPLIANCE ASSISTANCE PROGRAM

SIX MONTH OBJECTIVES:

1. At the April 17, 1996 Board meeting, Ed and Amy will present Compliance Assistance Program recommendations to the Board.
2. At the May Board meeting, the Board will provide direction on Compliance Assistance measures to be implemented.
3. By the August 1996 Board meeting, Doug will implement C.A. Program measures

that do not require new resources.

4. At the August Board meeting, Doug will provide an analysis of resources to implement resource intensive C.A. measures that require new resources.
5. At the September Board meeting, the Board will provide direction on priorities and restructure of resources to implement resource intensive C.A. measures.
6. By October 1996, Doug will invite public participation to provide continuing input on the C.A. program.

THREE YEAR GOAL: *REORGANIZE THE DISTRICT STRUCTURE AND REVISE THE ADMINISTRATIVE CODE*

SIX MONTH OBJECTIVES:

1. By May 1, 1996, Doug will appoint an Administrative Code Committee with a SEIU rep, Board member and a rep from each Division with a management/ non-management balance to revise the Administrative code.
2. By August 1, 1996, Doug will begin internal review of the draft Administrative code by the staff and the Board.
3. By the August 1996 Board meeting, the Organization Committee shall receive the draft Compliance Assistance plan.
4. At the October 1996 Budget and Personnel Committee meeting, the Organization Committee shall present recommendations for structuring the District staff.
5. At the October 1996 Board meeting, the Board will consider for approval the new administrative code.

THREE YEAR GOAL: *DEVELOP AND IMPLEMENT A LONG-TERM FINANCIAL PLAN*

SIX MONTH OBJECTIVES:

1. By September 1996, Bill, Division Managers and the Budget and Personnel Committee will complete review of fee structure and review criteria for fee increase(s).
2. By October 31, 1996, Bill and the Budget Committee will begin to develop a financial model for future budgets based on 1997/98 projections and district structure.

3. By October 31, 1996, Bill and the Budget Committee will begin to establish minimum reserve fund balances.

THREE YEAR GOAL: *ACHIEVE PUBLIC/BUSINESS SUPPORT AND UNDERSTANDING*

SIX MONTH OBJECTIVES:

1. Ongoing, Doug will request appropriate and interested staff to meet with Chambers of Commerce, business groups, trade associations, environmental groups and other interested groups to educate and inform them of District activity and how to get help and to update City Councils and Board of Supervisors.
2. Ongoing, Doug will appoint interested staff to give educational presentations, with local Board member if possible, to school groups.

THREE YEAR GOAL: *IMPROVE AIR QUALITY*

SIX MONTH OBJECTIVES:

At the October 1996 Advisory Committee meeting, Ed will propose to the Advisory Committee revisions to the open burning program which will include public education.

At the October 1996 Board meeting, Doug will present study results from air monitoring programs in Davenport and Moss Landing Harbor and propose recommendations to the Board.

NEXT STEPS AND FOLLOW-UP PROCESS

WHEN	WHO	WHAT
4/24/96	Doug	Have the remainder of the record typed and entire record distributed to the Board and staff
Within 48 hours of receipt	Everyone	Read the record
May 15 meeting	Board Chair	Appoint the Organization Committee

May 15 meeting	Board	Adopt updated strategic plan
Monthly	Board/Staff	Review the progress on the goals and objectives and revise (amend, add, delete) as needed
October 1996	Board/Staff	Planning retreat to review progress on goals and objectives and set objectives for the next six months

3. **Complete record of discussion points.**
(This record was transcribed directly from the graphic record developed during the meeting.)

WHAT'S GOING WELL WITH MBUAPCD (INCLUDING PROGRESS ON GOALS AND OBJECTIVES)?

(Brainstormed list)

- * The attitude of staff and direction this agency is heading is very positive.
- * Don't hear too many complaints.
- * People have said that the agency seems really different and isn't having as many problems.
- * Budget is in good shape.
- * Staff have realized what they are doing well and what they have by this self-examination process.
- * Good working relationship between the Board and Staff.
- * Public relations by the air district staff have increased.
- * Compliance assistance program has been thoroughly analyzed.
- * Staff has taken the initiative to make changes in terms of budgetary concerns down the road.
- * Moving forward on the photochemical modeling process.
- * Have heard positive comments about our Director being more open.
- * Implemented long-term financial planning.
- * Increased participation by the public at our workshops.
- * Staff seems freer to have input into the agency--negative as well as positive.
- * Positive feedback from industrial representatives (unsolicited feedback).
- * Direction of the agency is more explicit and positive due to Board direction and staff.
- * Meetings concise, to the point, don't drag.
- * Adopted the PM₁₀ Plan

- * **Greater respect for the leadership.**
- * **Internal projects where there has been good cooperation internally between staff between divisions and between staff and Board--eg. Compliance Assistance Program and employee evaluation committee.**
- * **Management more responsive to union concerns so there is a more cooperative attitude.**
- * **The Advisory Group is wanting to be a part of the process (not a rubber stamp).**

strategic

NOT GOING AS WELL AS YOU WOULD LIKE?

(unranked list)

Administrative Code not done.

Not enough visibility with public relations (ie newspaper).

Grant program is more aligned by local wants and politics than pollution reduction benefits.

Lack of total agreement with other agencies like the ARB and EPA.

Lack of coordination with other governmental agencies.

Anticipate legislative actions.

Some employee misunderstanding and uncertainty about the budget and their futures.

Education of regulated community is lacking.

Balance of economic interests and attraction of new business with APCD goals.

Lack of coordination with land use planning process.

Lack of facilitation of public input.

Frustration and anxiety still exist about the future organization of the agency.

Lack of definition of priorities.

Internal staff relations and coordination could be improved.

Still faced with economic problems in the area.

Don't have priorities in relation to diminishing resources.

Not moving fast enough biting the financial bullet.

Uncertainty in long-term fiscal condition of district.

Staff and Board don't recognize the ability of the public to pay.

Lack of meetings with interested groups and trade organizations.

- * **Not central issues which make staff cohesive.**
- * **Burn program hasn't been thoroughly reviewed and revamped.**
- * **Not equitable distribution of grant money among the different entities.**

4. List of attendees to the April 17, 1996, MBUAPCD Board of Directors Strategic Planning Retreat.

Board

Alan Styles
Judy Pennycook
Ruth Kesler
Simon Salinas
Tom Perkins
Larry Cain
John Myers
Oscar Rios
Walt Symons
Ron Rodrigues

Staff

Doug Quetin
Greg Chee
John Fear
Janet Brennan
Bill Fergus
Jim Hansen
Ed Kendig
Tom Manheim
David Schott
Amy Taketomo
Fred Thoits
Mark Miller

Public

Pat Bartram
Frank Pierce

Facilitator

Marilyn Snider
Michelle Snider

Grand Jury

Rec'd.



P.O. Box 1819
Salinas, CA 93902
(408) 755-5020

June 16, 1997

Monterey Bay Area Air Pollution Control District
24580 Silver Cloud Court
Monterey, CA 93940

ATTN: Mr. Douglas M. Quetin,
Air Pollution Control Officer

Dear Mr. Quetin:

The 1996 Monterey County Grand Jury included in its Final Report an item on the Monterey Bay Unified Air Pollution Control District. This item requested responses from a number of Monterey County government groups including the Air Pollution Control District itself. This response was due on or before April 29, 1997, according to the California Penal Code provisions governing responses to Grand Jury Reports.

We have not received this response. Whether this is an oversight on the part of someone on your staff, or whether the response went astray on your end or on ours, we don't know. But it is important to correct the situation now, as a matter of some urgency.

If you have not yet prepared the response, I suggest you consult the 1997 edition of the California Penal Code, Section 933.05. This includes some further definition of the content of satisfactory responses to the Grand Jury, which is new and will not be found in earlier editions of the Code. If you do not have a copy of the 1996 Grand Jury Final Report, one can be obtained free of charge from the Jury Commissioner, Room 320 in the Monterey County Courthouse in Salinas.

Yours truly,

A handwritten signature in cursive script, appearing to read "D. Roger Loper".

D. Roger Loper, Foreman

Attachment: Penal Code Section 933.05

DRAFT
6-3-97

Grand Jury Stationery

Monterey Bay Area Unified Air Pollution Control District
(NEED ADDRESS Att'n: Mr. Doug Quetin)

Dear Mr. Quetin:

The 1996 Monterey County Grand Jury included in its Final Report an item on the Monterey Bay Unified Air Pollution Control District. This item requested responses from a number of Monterey County government groups including the Air Pollution Control District itself. This response was due on or before April 29, 1997, according to the California Penal Code provisions governing responses to Grand Jury Reports.

We have not received this response. Whether this is an oversight on the part of someone on your staff, or whether the response went astray on your end or on ours, we don't know. But it is important to correct the situation now, as a matter of some urgency.

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Yours truly,

D. Roger Loper, Foreman

Attachment: Penal Code Section 933.05

drl/6-3-97
MBUAPCDResp



MONTEREY BAY
 Unified Air Pollution Control District
servicing Monterey, San Benito, and Santa Cruz counties

AKL 7/24
Copy to Guy Quetin

AIR POLLUTION CONTROL OFFICER
 Douglas Quetin

24580 Silver Cloud Court • Monterey, California 93940 • 408/647-9411 • FAX 408/647-8501

July 23, 1997

DISTRICT BOARD MEMBERS

CHAIR:
 Oscar Rios
 Watsonville

VICE CHAIR:
 Judy Pennycook
 Monterey County

Jack Barlich
 Del Rey Oaks

Ray Belgard
 Santa Cruz County

Iith Johnsen
 Monterey County

John Myers
 King City

Tom Perkins
 Monterey County

Ron Rodrigues
 San Benito County

Celia Scott
 Santa Cruz

Alan Styles
 Salinas

Walt Symons
 Santa Cruz County

John Longley, City Manager
 City of Marina
 211 Hillcrest Avenue
 Marina, CA 93933

SUBJECT: 1996 GRAND JURY REPORT - RECOMMENDATION

Dear Mr. Longley:

I received the request from Mayor Vocelka requesting the District to "... coordinate monthly Cities and MBUAPC joint meetings; and the MBUAPC to notify the Monterey County Grand Jury of the scheduled date, time and place of such meetings." My attempts via voice mail to discuss your letter with you have not been successful so I thought this traditional approach would work.

Our Board of Directors considered this Grand Jury recommendation and had concerns that meeting with each of our 18 cities and three counties would be an enormous drain on staff. The direction thus far is to be placed on the next League of Cities meeting agenda and address the cities as a group. It is my view that monthly cities meetings will not be necessary.

Feel free to give me a call regarding the Mayor's request or any other air pollution matters.

Sincerely,

Douglas Quetin
 Air Pollution Control Officer

cc: Monterey County Grand Jury

Grand Jury

P.O. Box 1819
Salinas, CA 93902
(408) 755-5020



June 16, 1997

Ms. Lynn Ann Rosen, Chair
Board of Commissioners
Housing Authority of the County of Monterey
123 Rico Street
Salinas, CA 93907

Dear Ms. Rosen:

Thank you for your March 1, 1997 letter with responses to the recommendations of the 1996 Monterey County Grand Jury Final Report. You were asked to respond to the recommendations made in the Grand Jury study of the Housing Authority of Monterey County, pages 48 through 57 of the Report. As you may know, the California Legislature made some changes in the Penal Code Sections dealing with the Grand Jury. In September of 1996 these changes were signed into law, and the 1997 edition of the California Penal Code contains the revised sections. Among them is Section 933.05 with a more detailed definition of the responses required by law to Grand Jury Final Reports.

In classifying your responses under this new system, the 1997 Grand Jury has sorted them as follows:

Recommendations 3 and 5:

"Penal Code Section 933(b)(1) The recommendation has been implemented, with a summary regarding the implementation actions."

Recommendation 6:

"The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe."

With reference to your response to Recommendation 6, the planned video and slide presentations sound like a fine response, but your letter does not include the required timeframe. Please supply us with this. This will complete the actions needed for the 1996 Grand Jury Final Report by the Housing Authority of the County of Monterey.

Yours truly,

D. Roger Loper, Foreman

Attachment: Penal Code Section 933.05

DRAFT

GRAND JURY STATIONERY
To: Bob LeFevre for Cities Committee
consideration

Ms. Lynn Ann Rosen, Chair
Board of Commissioners
Housing Authority of the County of Monterey
123 Rico Street
Salinas, CA. 93907

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Yours truly,

D. Roger Loper, Forman

Attachment: Penal Code Section 933.05

DRAFT

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consideration

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Board of Commissioners
Housing Authority of the County of Monterey
123 Rico Street
Salinas, CA. 93907

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Yours truly,

D. Roger Loper, Forman

March 1, 1997

The Honorable John M. Phillips
Presiding Judge, Superior Court
County of Monterey
240 Church Street
Salinas, California 93901

Rec'd
4/8/97
JL



CENTRAL OFFICE:
123 RICO ST.
SALINAS, CA 93907
408-424-2892
408-649-1541
FAX 408-424-9153
TDD 408-754-2951

Dear Judge Phillips:

1. Per the Monterey County Civil Grand Jury Final Report, 1996, the Board of Housing Commissioners for the Housing Authority of the County of Monterey (HACM) have provided the following responses to the Grand Jury Recommendations #3, 5, & 6:

- A. (3) The Board of Commissioners of the Housing Authority establish a formalized orientation program for new Commissioners and adopt a schedule for training and continuing education for all Commissioners.

RESPONSE: HACM has established the foundation for a formal internal and external Housing Commissioners Training Program. The internal training program consists of HACM's mission, its area of responsibilities, its financial programs and its operational requirements. The external program consists of outside training for commissioners nation-wide. The first step of implementation of HACM's training program was completed on 26 October, 1996, when Mr. Leo Meyer, instructor for Commissioner Training for the National Association of Housing and Redevelopment Officials (NAHRO) was brought in to teach the Housing Commissioners of their duties and responsibilities to include the Brown Act. HACM, in joint effort with Mr. Meyer, conducted Commissioner orientation training programs in financial programs and standardization and duties for commissioners and staff. The Board approved that this would be incorporated in our formal Commissioners Orientation and Training Program as a continuing educational requirement.

- B. (5) The Housing Authority of Monterey County develop a brochure which explains the responsibilities of a Commissioner, a brief mission statement, and a brief statement of Housing and Urban Development policy to give the applicants for Commissioner. Minimum qualifications for Commissioners be developed by the Board of Supervisors for the use in recruiting and screening applicants.

LYN ANN ROSEN
Chair

VANESSA W. VALLARTA
Vice Chair

YORK F. GIN
Commissioner

MICHAEL NICHOLS
Resident Commissioner

VIC REDULA
Commissioner

EMELIA STEEN
Resident Commissioner

JOSH STEWART
Commissioner

KATHRYN COE AGURAS, PHM
Executive Director

Mission Statement:

To provide, administer, and encourage quality affordable housing and related services to eligible residents of Monterey County.

RESPONSE: The Housing Authority of the County of Monterey developed a Housing Commissioners Handbook in 1994. The manual consists of 5 chapters: (1) Support your administrator; (2) Setting policy; (3) Guiding long-range planning and development; (4) Raising money and monitoring finances; (5) Working cooperatively with other board members. This manual is being upgraded and now includes the NAHRO Handbook for Board Commissioners and a new updated Brown Act handbook. It clearly defines the responsibilities of the Commissioners. A copy will be provided to the Monterey County Board of Supervisors.

The second part of the Grand Jury request was for HACM to provide recommendations for the selection and appointment process that should be used by the County Board of Supervisors to insure quality Housing Commissioners:

- a. The authority and procedure to appoint housing commissioners and their function falls under the California Health and Safety Code, Section 34270-72 and 34286-93. Since HACM is not familiar with the internal by-laws for the Monterey County Board of Supervisors on their individual selection and appointment process for a seat on HACM's Board of Commissioners, the recommendations provided are based strictly on the California Health and Safety Code and the Board of Housing Commissioners.
- b. Qualifications for a housing commissioner are not well spelled out in the California Health and Safety Code. As written, the Board of Supervisors may appoint almost anyone as long as their personal profession or job does not create a conflict of interest with the mission of the housing authority and with the exercise of the independent judgment required to carry out the purposes of the authority.
- c. IAW Section 34292, the function of the housing commission is "to review and make recommendations on all matters to come before the authority prior to authority action, except emergency matters and matters which the commission, by resolution, excludes from its review. The governing body may provide for procedures for review and recommendation, and for further functions of the commission, by ordinance or resolution, and may delegate any of its functions as commission of the housing authority to the housing commission created pursuant to Section 34291.

HACM RECOMMENDATION:

Qualification - The individual need not be required to have a working knowledge of low income housing or the housing subject area in general. The candidate for the seat on HACM's Board of Commissioners should be an individual who is self-assured,

independent, and confident in his or her ability to analyze and communicate their opinions, ideas, recommendations and solutions to the rest of the Commissioners and to the staff of HACM. The candidate should be an individual who has a deep concern and passion for the people, the communities, and the socioeconomic environment in Monterey County. **He or she must be an individual who will not only take the time, but have the time to take on the full responsibility of the job as housing commissioner.** Idealistically, the commissioner's seat should not be an appointment for political control or payback. The candidate should not have a vested self-interest in controlling the area direction of low-income housing development.

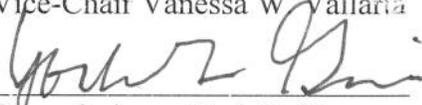
Commissioners Responsibilities:

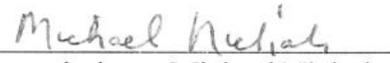
- a. As published in the updated Housing Authority Manual and the updated NAHRO Handbook.
 - b. Responsibility 1 - The relationship between the commissioner and the executive director or administrator is extremely important. "As you work together to achieve your organization's goals, however, you must remember that your job and the executive director's job are quite different. The commissioners make the plan—the executive director decides how the plan is implemented and the goals accomplished."
 - c. Responsibility 4 - Primary tenants of the commissioners responsibilities: "the commissioner is the "trustee" for HACM's money and as such must be responsible to see that the it is spent effectively in delivering programs and services today and in the future."
 - d. The commissioners not only the overseers of the housing authority, but also its political arm whose function is to work with the politicians and the communities to ensure the housing authority mission can be accomplished.
- C. (6) The Housing Authority create a public awareness program describing the services and programs available.

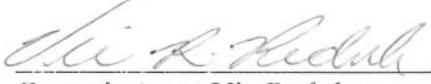
RESPONSE: HACM, with the Board of Commissioners approval, has contacted a professional production company to produce a film on the Housing Authority of the County of Monterey. The video and slides presentation will be used in a overall public awareness program. Key HACM staff members, with the Executive Director and the Chairman of the Board of Commissioners will avail themselves to be on the Monterey County Speakers Bureau. We will, pending funding availability, advertise what HACM can do for the community with its current lists of programs for low income housing.

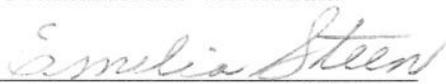

Chairman Lynn Ann Rosen

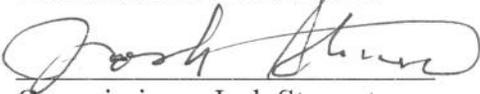

Vice-Chair Vanessa W. Vallaria


Commissioner York F. Gin


Commissioner Michael Nichols


Commissioner Vic Redula


Commissioner Emelia Steen


Commissioner Josh Stewart

DRAFT
5-18-97

GRAND JURY STATIONERY
To: Bob LeFevre for Cities
Committee Consideration

Mr. James J. Coangelo, Executive Officer
Local Agency Formation Commission
Monterey County Courthouse
Salinas, California

Dear Mr. Colangelo:

Thank you for your letter of April 28, 1997 in response to the 1996 Grand Jury Final Report. Perhaps you are not aware that in September of 1996 the California Legislature passed a bill making more precise definitions of the types of responses required to Grand Jury investigations.

For purposes of classification, the 1997 Grand Jury has decided that your response should be regarded as follows:

"Penal Code Section 933.05(b)(4) The recommendation will not be implemented because it is not warranted or is not reasonable with an explanation therefor."

However, the Grand Jury does not think your explanation is adequate and requests you to advise us of the reasons for your rejection of the recommendation no later than June 1, 1997. The Grand Jury is surprised to find LAFCO rejecting a proposal to gain improved coordination and planning for the provision of affordable housing in the County. To take a single example -- the definition of unmet needs (recommendation 1a) -- we heard from a County Supervisor who is noted for a special interest in housing that there was no agreed number as to unmet needs.

We will look forward to a more carefully considered answer by June 1, 1997.

Yours truly,

D. Roger Loper, Foreman

MONTEREY COUNTY

MEMORANDUM

LOCAL AGENCY FORMATION COMMISSION

DATE: April 28, 1997

TO: Eileen Wright, Grand Jury

FROM: James J. Colangelo, Executive Officer

SUBJECT: **Response to 1996 Monterey County Civil Grand Jury**

Attached is the Local Agency Formation Commission response to the 1996 Monterey County Civil Grand Jury report. Please call me at 755-5065 if you have any questions.

**LOCAL AGENCY FORMATION COMMISSION
RESPONSE TO THE 1996 MONTEREY
COUNTY CIVIL GRAND JURY**

HOUSING FOR LOW-INCOME RESIDENTS IN MONTEREY COUNTY

FINDING:

There is no coordinated effort by the 12 local cities, the County of Monterey, the Monterey County Housing Authority and other local agencies such as LAFCO, and AMBAG, to address the low-income housing problem.

Response: *Disagree with finding.*

RECOMMENDATIONS:

Page 45,46 - #1.a.-h.

Response: The Local Agency Formation Commission (LAFCO) continues to be supportive of working with the County of Monterey, each Monterey County city, the Monterey County Housing Authority, and AMBAG on a coordinated countywide effort to address the issue of housing for low-income residents.

LAFCO is often required to balance the need for more affordable housing in Monterey County, with the State mandated requirements to protect agricultural and open space lands (Government Code Section 56377). While LAFCO attempts to guide development away from the most productive agricultural lands, on several occasions, LAFCO has cited the need for additional affordable housing in approving the conversion of agricultural lands to urban uses. In addition, LAFCO staff is working with County staff and staff in Salinas Valley cities to develop implementation plans for the City Centered Growth Principles; such plans include the goal of increasing the available supply of affordable housing.

LAFCO will continue to consider this, and other issues, in acting on change of organization proposals which are brought before the Commission.

MONTEREY COUNTY CHIEF LAW ENFORCEMENT OFFICER'S ASSOCIATION

POST OFFICE BOX 2558 • CARMEL, CALIFORNIA 93921

February 21, 1997

MONTEREY COUNTY
District Attorney

MONTEREY COUNTY
Sheriff

CARMEL BY THE SEA
Police Chief

DEL REY OAKS
Police Chief

GONZALES
Police Chief

GREENFIELD
Police Chief

KING CITY
Police Chief

MARINA
Police Chief

MONTEREY
Police Chief

PACIFIC GROVE
Police Chief

SALINAS
Police Chief

SAND CITY
Police Chief

SEASIDE
Police Chief

SOLEDAD
Police Chief

MONTEREY CHP
Area Commander

KING CITY CHP
Area Commander

Mr. Charles Page, Foreman
1996 Monterey County Civil Grand Jury
P. O. Box 1819
Salinas, CA 93902

Dear Mr. Page:

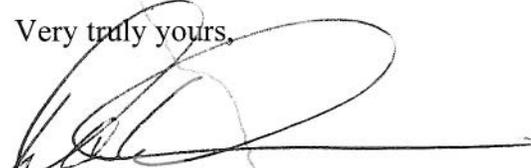
The Monterey County Chief Law Enforcement Officer's Association (M.C.C.L.E.O.A.) has carefully reviewed the findings published by the Monterey County Civil Grand Jury's 1996 Follow-up to Mid-Year Final Report on Domestic Violence.

Recommendation number three was directed toward our organization asking that we seek funding to train at least one officer of each department as an expert in domestic violence. After a full discussion by our group, it was the unanimous opinion that there is excellent training available through the California Commission on Peace Officer Standards and Training (P.O.S.T.) in this field and that all of the member agencies use that training as often as possible. Additionally, it was decided that our organization would explore a joint agency training workshop for field level personnel on this vital topic.

The Monterey County Chief Law Enforcement Officer's Association still strongly believes that the Domestic Violence Coordinating Council will serve as the best oversight committee for domestic violence issues rather than adding a separate "council" composed of officers from each local law enforcement agency. A second "council" would be redundant and would impose a staffing hardship on smaller agencies.

The Monterey County Chief Law Enforcement Officer's Association congratulates the Monterey County Civil Grand Jury for their tireless efforts in this vital area of our society.

Very truly yours,


Dan Nelson, President
M.C.C.L.E.O.A.

DN:gc

cc: Salinas City Manager Dave Mora
MCCLEOA Members

Grand Jury

P.O. Box 1819
Salinas, CA 93902
(408) 755-5020



June 16, 1997

Mr. Robert E. Sageman, Chair, Board of Trustees
Natividad Medical Center
25 Miramonte Road
Carmel Valley, CA 93924

Dear Mr. Sageman:

Thank you for your memorandum dated March 10, 1997, responding to the 1996 Monterey County Grand Jury Report. In reviewing and categorizing your response, we have been guided by Penal Code Section 933.05(b) which lists acceptable responses as required by California law. Here is how we have categorized your responses to the recommendations of the 1996 Grand Jury:

Grand Jury Project entitled "Health Care in Monterey County - Problems for Consumers and Taxpayers" pages 70 through 76, and particularly the responses to the recommendations on pages 75 and 76:

NMC Board response to all five recommendations is:

"Penal Code Section 933.05(b)(3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or director of the agency being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the Grand Jury Report.

It is clear that your responses do not indicate a time frame for the further analyses proposed. One principal purpose of this letter is to point out that the detailed analyses, with the final responses to the 1996 Grand Jury recommendations are to reach us no later than July 29, 1997.

Yours truly,

D. Roger Loper, Foreman

Attachment: Penal Code Section 933.05

DRAFT
5-17-97

GRAND JURY STATIONERY
To: Mel Spehn for Consideration
by the Health and Welfare Committee

Mr. Robert E. Sageman, Chair, Board of Trustees
Natividad Medical Center

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drl/5-17-97
NMCResponse

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D. Roger Loper, Foreman

Attachment: Penal Code Section 933.05

DRAFT
5-17-97

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Although the 1997 Grand Jury is not unanimous in its appraisal of your response, as to the explanations offered or as to the proposed parameters of the studies, we do not propose to quibble over these differences. But it is crystal clear that your responses do not indicate a time frame for the further analyses proposed. One principal purpose of this letter is to point out that the detailed analyses, with the final responses to the 1996 Grand Jury recommendations are to reach us no later than July 29, 1997.

The 1997 Grand Jury visited the Natividad Medical Center on March 6, 1997. Mr. Howard Classen briefed the Grand Jury in some detail, and we were left with the impression that the Center faces some enormous problems in connection with its Expansion Project and in its efforts to maintain local control over health care policy in Monterey County. Therefore we are surprised at the nonchalance of your responses to the 1996 Grand Jury's suggestion that you and the Salinas Valley Memorial Healthcare Systems get together for a more careful look at the future. For your information, the SVMHS Board rejected the Grand Jury recommendations under Penal Code Section 933.05(b)(3). The Grand Jury is perplexed that the major hospitals in the Salinas Valley are either disinterested in or actually opposed to suggestions that they confer together to develop a coordinated long range plan. The Monterey County Board of Supervisors took a very low-profile position on the Grand Jury recommendations, simply agreeing with your responses. We will be asking them for the results of their analyses separately, but we have to say at this point that either your nonchalance (and that of the Board of Supervisors) is misplaced or Mr. Classen's descriptions of your problems was greatly exaggerated.

drl/5-17-97
NMCResponse

Yours truly,
D. Roger Loper, Foreman

ANALYSES / EVALUATION NMC RESPONSES
TO 1996 CIS REPORT + 5/26/97

FINDING #1 - MODERNIZING NMC
ADEQUATE RESPONSE, HOWEVER DID NOT
ADDRESS CONSTRUCTION OVER SIGHT

FINDING #2 - MONTEREY COUNTY GENERAL FUNDS
LIABLE IF NMC OPERATING FUNDS INSUFFICIENT
THIS IS A CONJECTURAL FINDING, HOWEVER THERE
IS A PIE IN THE SKY RESPONSE WHICH IS NOT
SUPPORTED BY PAST OR FUTURE REVENUE PROJECTIONS

FINDING #3 RESULT OF SB 855 FUNDING
RESPONSE IS SATISFACTORY, SO AN INACCURATE
FINDING, EXCEPT FOR SOURCE OF ADDITIONAL FUNDS

FINDING #4 30% DECLINE IN SB 855 FUNDS
RESPONSE IS ACCEPTABLE

FINDING #5 MOST LARGE OP DECLINE IN FINDING #4
RESPONSE TOTALLY INADEQUATE - NEED FURTHER
HOW'S TO INCREASE MARKET SHARE, IMPROVE NET
REVENUE AND REDUCE EXPENSES WHILE IMPROVING QUALITY.
RESPONSE VAGUE AND ACTION LESS.

FINDING #6 COMPETITION FOR DISPROPORTIONATE
SHARE FUNDS WILL CONTINUE TO INCREASE

RESPONSE SATISFACTORY - IT IS EVIDENT THAT COMPETITION
WILL INCREASE. CIS NEEDS TO STUDY LEGISLATION.

FINDING #7 COMPETITION WHOSE CARE IS "COVERED"
IS ALREADY INTENSE AND BECOMING AGRESSIVE
RESPONSE ADEQUATE

FINDING #8 THE NUMBER OF "COVERED" WORKERS
HAS DROPPED BY PERCENTAGE
RESPONSE ADEQUATE

FINDING #9 PUBLIC FUNDING SUBJECT TO POLITICAL
DECISIONS AND ARE UNPREDICTABLE AND RELIABLE
RESPONSE ADEQUATE

FINDING #10 HAD'S EXERCISE WHERE PATIENTS
GO FOR CARE AND CARE DIRECT PATIENTS TO OUTSIDE
FACILITIES

RESPONSE ADEQUATE

FINDING #11 COMPETITION FOR "STEALING UP" DOCTORS
IS INTENSE

RESPONSE SATISFACTORY

FINDING #12 NHC PROVIDING MEDICAL CARE TO GROWING
NUMBER OF UNINSURED AND UNDERINSURED RESIDENTS
RESPONSE AGREEABLE

FINDING #13 NHC IS A CRITICAL PUBLIC RESOURCE OF
LAST RESORT TO HEALTH CARE

RESPONSE AGREEABLE

FINDING #14 RECENT POLITICAL DECISIONS IE NEW FEDERAL
WELFARE LEGISLATION BOSE FUNDING THREATS TO NHC

RESPONSE SATISFACTORY

FINDING #15 SUMH IS A PROFITABLE HOSPITAL WITH NO INDEBTEDNESS. ITS FINANCIAL CIRCUMSTANCE COULD BE THREATENED IF NMC INCURS FINANCIAL PROBLEMS AND THE BOS IS THREATENED WITH A SELLOUT RESPONSE UNSATISFACTORY CONSOLIDATION OF LOCAL FACILITIES AND COLLABORATION OF RESOURCES IS MORE PRACTICAL.

FINDING #16 THERE IS NO COLLABORATION RESPONSE UNSATISFACTORY

FINDING #17 ANTITRUST RESTRICTIONS RESPONSE UNSATISFACTORY

FINDING #18 WAIVERS OF ANTITRUST RESTRICTIONS RESPONSE UNSATISFACTORY

FINDING #19 FAILURE OF BOS AND SUMH TO IDENTIFY PROBLEMS OF DUPLICATION AGREE WITH RESPONSE

FINDING #20 TAXPAYERS WITHIN SUMH DISTRICT PAY TAXES TO SUPPORT SUMH AND NMC UNSATISFACTORY RESPONSE - NO RELATIONSHIP TO MEDICARE AND MEDICARE

FINDING #21 COUNTY POLICY TO PROVIDE TREATMENT TO ALL RESPONSE ADEQUATE - NEED FOLLOW UP ON REVIEW

FINDING #22 SUPPORT FOR INDEPENDENT REVIEW
AND ANALYSIS
RESPONSE DOES NOT SUPPORT THIS AS ALLUCED
ESPECIALLY FROM SVAH

CONCLUSION:

OF ALL THE FINDINGS AND RECOMMENDATIONS CONTAINED
IN THE 1996 GJ REPORT, THE ONE THAT EXCITED THE
ESTABLISHMENT WAS THE SUPPOSITION THAT SHOULD NMC
REVENUES FALL SHORT OF PAYING THE CONSTRUCTION COST
DEBT, THEN THE GENERAL FUND WOULD BE LIABLE. SINCE
WE HAVE NO CRYSTAL BALL AND RESPONSES FALL FAR
SHORT OF SOLUTIONS, IT IS APPARENT THAT THERE ARE
NO SHORT TERM BANDAIDS. FURTHERMORE, SVAH HAS
ABROGATED ITS SUPPORT FOR COLLABORATION. PERHAPS
WE SHOULD WEATHER THIS STORM AND LET IT SIMMER
FOR THE MOMENT.

THE RECOMMENDATIONS OF THE 1996 GJ TO THE
HEALTH CARE ISSUES AT BEST ARE UNATTAINABLE.
TO SUGGEST INDEPENDENT REVIEWS AND ANALYSIS, BLUE
RIBBON COMMITTEES AND POSTPONEMENT OF THE NMC
FACILITIES IS IRRESPONSIBLE AND PROMPTED THE
INADEQUATE AND CHALLENGING RESPONSES.

RECOMMEND THE 1997 GRAND JURY TAKE NO
FURTHER ACTION.

MEMORANDUM

Natividad Medical Center

Administration - 755-4185

TO: CLERK OF THE GRAND JURY

FROM: ROBERT E. SAGEMAN, CHAIR, BOARD OF TRUSTEES
NATIVIDAD MEDICAL CENTER



DATE: MARCH 10, 1997

SUBJECT: NMC RESPONSE TO 1996 GRAND JURY REPORT

Enclosed herewith is the NMC response to the 1996 Grand Jury Report.

Enclosure

RESPONSE TO 1996 GRAND JURY REPORT

FINDINGS:

1. *Monterey County is modernizing the NMC, the County-owned hospital and medical center.*

The respondent agrees with this finding.

The Modernization Program to replace Natividad began in the late 1980's and continues to completion in early 1998. It was determined that the most cost-effective option to maintain a local commitment to health care for all Monterey County residents was a replacement facility that modeled changes in health care delivery, i.e. reduced beds and larger outpatient services.

2. *If operating revenues are insufficient, then Monterey County general revenues are liable for the principal and interest payments on the approximately \$100,000,000 cost of modernization.*

The respondent disagrees partially with this finding.

	Project Funding <u>(\$000,000)</u>
The financing for NMC's Modernization Project is:	
Certificates of Participation (Like Long Term Bonds and Includes Repayment Reserves): \$84,000,000	\$66.4
Interest Earnings	9.1
NMC Enterprise Fund	16.9
Natividad Medical Foundation Contribution	<u>2.6</u>
	TOTAL: \$95.0

Bond amortization will amount to approximately \$6.1 million/year; \$2.8 million is reimbursable through federal and state funding; the remainder coming from the NMC Enterprise Fund earnings.

Payment of the remaining \$3.3 million annual debt will be paid from various sources within the NMC enterprise fund. Since fiscal year 1990, the county contribution to the NMC enterprise fund has been reduced from over \$9 million to \$2 million of required matching funds and less than \$300,000 of discretionary general funds.

Moreover, NMC reduced county costs by \$4 million in fiscal years 1993 and 1994.

3. *When the County approved the modernization program and financing plan, it was assumed that*

Federal Disproportionate Share funding (SB 855) would be sufficient to pay the principal and interest on the debt.

The respondent disagrees partially with this finding.

Federal Disproportionate Share Funding (SB855) was planned only as a partial source of funds. Additional funds will be available through other state and federal programs.

4. *There has been a 30% decline in these revenues. The amount of future revenues to NMC from this source is uncertain.*

The respondent agrees with the finding.

Health care funding overall is uncertain particularly from government sources and requires management actions to adjust expenses and increase utilization to offset downward trends in specific funding. Historically, decreases in funding for some programs have been offset with increases in funding in others.

5. *NMC must make up this decline in revenue by either increasing market share, raising prices when possible, or reducing expenses or a combination of the above.*

The respondent disagrees partially with this finding.

NMC's strategy is to increase market share, improve net revenue and reduce expenses while improving quality of services. This goal is common to all institutions facing managed care challenges, especially in California. Raising prices is becoming less of an option.

6. *Competition from community, nonprofit and other public hospitals for disproportionate share funds will continue to increase.*

The respondent disagrees partially with this finding.

Increases for disproportionate share funds will be limited by legislation (OBRA '93 limits) that place caps on the amount individual hospitals can claim from this funding source. Legislation will be proposed this year to address allocation issues and county participation in funding.

7. *Competition in the region for patients whose care is "covered" by either public or private funding is already intense and becoming more aggressive.*

The respondent agrees with the finding.

Competition in health care as in every other part of our economy is the accepted marketplace method of improving service value and benefits the community as a whole.

8. *The number of “covered”, full-time, permanent workers has dropped from 92% in 1989 to 82% at last count. (Wall Street Journal, November 11, 1996.)*

The respondent agrees with the finding.

9. *Public funding sources are subject to political decisions and are unpredictable and unreliable.*

The respondent agrees with the finding.

Instability of public funding for all purposes is a reality in America. Federal and state health care funding sources will continue to change as more risk is shifted to local levels and providers.

10. *HMOs exercise some control over where patients go for care and can direct patients to facilities outside the area.*

The respondent agrees with the finding.

This control is part of the strategy of HMO's: to direct patients to the most cost-effective institutions and appropriate levels of services. NMC is uniquely positioned as a lower-cost, primary care provider that only provides or purchases higher cost specialty services as needed.

11. *The competition for “signing up” doctors in plans with incentives for the use of a particular hospital is intense.*

The respondent agrees with the finding.

The formation of physician organizations, some of which are aligned to a specific hospital, is a current trend and is intensifying in Monterey County. External forces, such as the large hospital systems and doctor groups, are also change factors that could dramatically alter care and referrals within the county.

12. *NMC is providing medical care to a growing number of uninsured and underinsured residents. Many of these residents are undocumented aliens who are attracted here for jobs in the agricultural industry.*

The respondent agrees with the finding.

13. *NMC is a critical public resource and is the health care provider of last resort (the safety net) for many residents who have no other access to health care.*

The respondent agrees with the finding.

For 110 years this has been the fundamental activity of NMC for ALL residents of Monterey County.

14. *Recent political decisions such as the new Federal welfare legislation and the Governor's Executive Order cutting off State funding for prenatal care for undocumented aliens pose funding threats to NMC which cannot be quantified.*

The respondent agrees with the finding.

These political decisions currently are part of the continuing legislative process. Sound evidence shows that it is not cost effective to deny prenatal care to any person regardless of status when federal law makes the child an American citizen. Lack of adequate prenatal care creates major financial liabilities for society if the birth becomes high risk - a significant likelihood without such care.

15. *SVMH is a profitable hospital with no indebtedness. Its present financial circumstances could be threatened if NMC incurs severe financial problems and it becomes necessary for the Board of Supervisors to sell the Center to a conglomerate. A conglomerate with access to invested capital which does not require interest payments nor debt service would offer significant or possibly destructive competition for SVMH if it operated in this small market in a modern facility such as the new NMC. Conglomerates with their huge capital resources can reduce administrative costs and cut prices until they take over the market and eliminate the competition.*

The respondent agrees with the finding.

This is a principal reason to assure the viability of NMC in the local marketplace and promote reasonable local competition rather than outside control.

16. *There is no collaboration between the two local public hospitals to identify and address the issues which threaten both of them.*

The respondent disagrees partially with this finding.

NMC has been collaborating with SVMH and agrees it is necessary to collaborate and will continue to do so.

Over the past several years there have been periodic meetings between SVMH and NMC to seek opportunities to collaborate as well as with other hospital and physician providers. There have been collaborative funding arrangements to promote new programs, ongoing discussions pertaining to use of the hospital laboratories, development of a community health plan and related topics. We believe this process will continue and expand. A critical element, often overlooked, is the participation of our community doctors who are now becoming more involved with all the hospitals in growing numbers.

17. *Antitrust "restrictions" are offered as the reason for the failure of the two public hospitals to collaborate.*

The respondent disagrees partially with this finding.

Recent federal agency rulings allow more flexibility in planning high-cost services, and both hospitals have had discussions around these issues.

18. *Waivers of antitrust restrictions may be obtained where it can be demonstrated that a collaborative effort is in the public interest. There has been no effort by the parties to consider a plan which might best serve the interests of the residents and taxpayers of Monterey County and which might qualify for waiver of antitrust restrictions.*

The respondent disagrees partially with this finding.

Informal discussions have taken place and more are planned. At the appropriate time, further waiver requests would have to be agreed to and pursued.

19. *The failure of the County Board of Supervisors and the Board of Directors of SVMH to identify and address the problems of duplication of facilities and services of the two publicly-owned hospitals in the current economic and political environment is likely to result in serious disruption of medical services and significant economic problems for both hospitals to the detriment of the local consumers and taxpayers.*

The respondent disagrees partially with this finding.

The NMC Board of Trustees is addressing these issues and keeping the Board of Supervisors informed. Basic hospital services, such as medical/surgical and intensive care with required support services are at the very definition of the licensure of an acute general hospital. Specialized services have been rationalized in Monterey County much better than most areas. Currently, higher cost

services are disbursed in local hospitals: 1) Heart Program (SVMH); 2) Cancer Treatment (CHOMP); 3) Intensive care nursery (NMC). Surrounding communities have these services in great duplication.

The entire scope of the NMC Modernization Project was thoroughly discussed in public including a special presentation to the entire board of SVMH in January of 1994. NMC received continuous support from the other hospitals and representatives of the medical community through every step of the process - again a testimonial to the essential value of NMC to the community at large.

20. *Taxpayers within the SVMH District pay taxes to support both NMC and SVMH. Any threat to the economic viability of either or both facilities will have a disproportionate impact on the taxpayers within the SVMH District.*

The respondent disagrees with this finding.

All taxpayers will be affected if federal and state program reductions (Medicare and Medicaid) and commercial managed care insurers shift costs to the local level with insufficient funding.

21. *At present it is the policy of the County of Monterey to provide medical treatment to both temporary and permanent residents, regardless of the scope of the treatment needed, the cost of the treatment, or the ability to pay. There is underway an analysis of the economic problems facing the County if it continues this policy.*

The respondent agrees with the finding.

An analysis has been underway and will be presented by mid-May to review the effect of federal and state welfare reform on current policy and practices. Recommendations will come from the NMC Board of Trustees to the Board of Supervisors.

22. *Our inquiry determined that there would be strong support for an independent review and analysis of health care needs and facilities in Monterey County and for the independent development of a plan for collaboration which will avoid waste, duplication of facilities and services and possible loss of local control of key health care facilities. Support for such a review, analysis and plan was expressed by officials in Monterey County, at NMC and SVMH as well as health care experts in the private sector.*

The respondent disagrees partially with this finding.

Development of a workable plan to maximize the quality of health care in Monterey County and to minimize the costs to patients, employers and taxpayers is a laudable objective shared by NMC. To

accomplish this, we believe the key players, including local hospitals and physicians, must work together in an environment that recognizes the complexities of the process. As we have learned at the national level, this is not easy and is unlikely to work by being planned from the top down by outside "experts" no matter how competent they may be.

Representatives of NMC of the Board of Trustees have had discussions with their counterparts at SVMH and look forward to continuing and expanding the collaboration that has already begun.

RECOMMENDATIONS:

The 1996 Civil Grand Jury recommends that:

1. *The Board of Supervisors and the SVMH Board promptly commission an independent review and analysis of the health care issues and economic issues facing the County and the SVMH which are caused by the competition between NMC and SVMH in a market area with limited resources. The review and analysis should be by a reputable firm with recognized expertise in health care and hospital economics. The effort should be jointly financed by the County and SVMH and be designed to achieve the following:*
 - a. *Identify the present and estimated need for health care facilities, services, functions and staffing over a period which can be reasonably estimated;*
 - b. *Identify the present and planned public and private facilities, equipment, functions, services and staffing;*
 - c. *Assess any mismatch of assets and needs;*
 - d. *Identify measures which are best suited to remedy the mismatch;*
 - e. *Evaluate the most appropriate collaborative plan for the two public hospitals, taking into account local private hospitals and the possibility of their collaboration, to reduce or eliminate duplication of facilities, equipment, functions, services and staffing and maximize the services to consumers and minimize the cost of services and the impact on taxpayers; and*
 - f. *Develop a recommendation for collaboration which could be favorably considered for a waiver of anti-trust restrictions.*

The recommendation requires further analysis and should be modified as follows:

There are no major mismatches of basic assets and needs between the two hospitals since their missions are radically different and their specialty services currently are complimentary. NMC is the only facility that has as its mission under Welfare and Institutions Codes Section 17000 the obligation to treat all residents of Monterey County regardless of ability to pay. SVMH does not have that fundamental responsibility. SVMH is a public district hospital meaning it has access to a certain amount of home owners' property tax within a defined geographical district to fund capital improvements. NMC is a public hospital in the sense that the County of Monterey under state law

meets its obligation to care for those residents not otherwise provided for. It relies on funds gathered into the county's general fund from various sources to fulfill that obligation.

However, it makes sense to collaborate in activities that provide community benefit. Both institutions have attempted to do that over the years. Representatives of both boards (Board of Trustees of NMC and SVMH) and administrators within 90 days should develop a process of exploring ways to develop a greater degree of cost-effective health care for more residents of the county beginning with a community health plan to address the needs of the under-and un-insured.

Other providers should also be invited to participate including physicians and other health care providers.

2. *The County Board of Supervisors and the Board of Trustees of SVMH consider the appointment of a Blue Ribbon Committee to accomplish the following:*

- a. *Investigate firms, interview and screen firms and recommend a firm to design and perform the review and analysis;*
- b. *Oversee and supervise the design and performance of the review and analysis;*
- c. *Make recommendations to the County and the SVMH based on the outcome of the review and analysis; and*
- d. *Oversee the implementation of the recommendations.*

The recommendation requires further analysis and should be modified as follows:

The NMC and Board of Trustees recommend the following process:

1. Establish a task force made up of each institution's administrators, 2 board members and 2 medical staff members to establish guiding principles, priorities and timelines.
 2. Examine various models of management/governance including a joint powers arrangement which is common among public entities.
 3. Open the discussions to the public once 1 and 2 above are established for input and oversight of the process. Report to respective boards and seek approvals of the task force activities.
 4. If consultants are necessary to assist the task force, mutually agree on scope of engagement and funding.
 5. Commit to implementation of the recommendations after respective board approvals and establish an ongoing monitoring process.
3. *Such a committee will ensure the independence and objectivity of the review, analysis and*

recommendations.

The recommendation requires further analysis and should be modified as follows:

Invite general public input into the proceedings rather than a select committee.

4. *Other local hospitals be invited to participate in the review and analysis. Such participation will be of benefit to local consumers and is encouraged by the 1996 Grand Jury.*

The recommendation requires further analysis and should be modified as follows:

Not only other hospitals but other providers, especially the medical community, should participate in discussions relating to complex community health issues and local control/response.

5. *Completion of planned facilities and new equipment and staffing commitments by NMC and SVMH should be postponed, if possible and appropriate, until completion of the review and analysis, and receipt of recommendations, if the facilities, equipment and staffing commitments might result in unnecessary duplication and redundancy under a collaborative action plan.*

The County and the SVMH must acknowledge that the residents and taxpayers of Monterey County are at risk. Unless "something" is done we face a significant drain on County resources, and Hospital District resources, possible loss of control of one or more local hospitals and serious disruption of our local health care systems. It is essential that insular attitudes and egos be subordinated to serving effectively the health needs of the residents with cost effective systems. The current situation and risks must be objectively and independently analyzed and remedies developed and implemented before we are confronted with insurmountable problems and unacceptable systems imposed by outsiders with no concern about local health care consumers and taxpayers.

The governing bodies of NMC and SVMH must act to ensure that these two critically important health care centers not only survive but have long-term economic feasibility and the capability to continue delivering quality health care in a cost effective way under local control.

The Board of Supervisors and the Board of Trustees of SVMH, must undertake a good faith effort to collaborate in solving the economic and health care issues facing the two public hospitals, local residents, and taxpayers, and this effort should be coordinated with other local hospitals. This should reduce duplication of local facilities and services. Such coordination will lead to the most efficient and cost effective health care delivery systems for local residents and eliminate unnecessary costs.

The recommendation requires further analysis and should be modified as follows:

Natividad Medical Center
RESPONSE TO 1996 GRAND JURY REPORT

All providers should seek to serve the health care needs of the entire community at the lowest cost with the least impact on the taxpayer. NMC plays a unique and essential part in that goal. Its facilities clearly need replacement to continue its 110 year tradition as the local community's guarantor of care.

Current replacement facilities at NMC are nearly two-thirds completed. Modifying or stopping construction would result in severe financial consequences: including the negative effect on financing commitments, such as 1) lack of reimbursement for bond repayment if portions are not complete; 2) potential default on certificates of participation (long term financing); 3) greater costs than currently projected. The facilities will not be duplicative of SVMH which is expanding its heart center.

NMC agrees with the Grand Jury that ways must be found to work closer to provide more health care services to more people at the least cost. That effort should be the continuing goal of ALL providers in the community while maintaining local control over the destiny of health care services in Monterey County.

Grand Jury

P.O. Box 1819
Salinas, CA 93902
(408) 755-5020



June 16, 1997

Ms. Kahla Renwick Bumba
929 California Street
Salinas, CA 93901

Dear Ms. Bumba:

Thank you for your letter of April 27, 1997, which responds to the 1996 Grand Jury Final Report item on the Salinas High School. Your letter is a thoughtful one, and we appreciate your taking the time to express yourself so thoroughly on the important points raised in the Grand Jury Report. For your information we also felt the report submitted by the Salinas Union High School Board was very responsive, and most of the Grand Jury's recommendations have been implemented.

We hope your future relationships as a member of the Salinas Union High School Board will be rewarding and productive.

Yours truly,

D. Roger Loper, Foreman

DRAFT
5-24-97

Grand Jury Stationery
To: Mahlon Coleman for Education
Committee Consideration

Ms. Kahla Renwick Bumba
929 California Street
Salinas, CA. 93901

Dear Ms. Bumba:

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Yours truly,

D. Roger Loper, Foreman

Grand Jury

P.O. Box 1819
Salinas, CA 93902
(408) 755-5020



June 16, 1997

Dr. Fernando R. Elizondo, Superintendent
Salinas Union High School District
431 West Alisal Street
Salinas, CA 93901-1699

Dear Dr. Elizondo:

Thank you for your memo of April 18, 1997, responding to the 1996 Monterey County Grand Jury Final Report on the Salinas Union High School District. The Grand Jury feels this is an acceptable response.

I would like to call your attention to Section 933.05(b) of the 1997 edition of the California Penal Code. This section deals with responses to recommendations in Grand Jury Final Reports. For purposes of our own evaluation of the Grand Jury's effectiveness, we consider that your responses to all three recommendations are in accord with Penal Code Section 933.05(b)(1) which reads as follows:

"933.05(b)(1) The recommendation has been implemented, with a summary regarding the implemented action."

Yours truly,

D. Roger Loper, Foreman

Attachment: Penal Code Section 933.05

DRAFT
5-16-97

GRAND JURY STATIONERY

To Mahlon Coleman for Education Committee Consideration

Dr. Fernando R. Elizondo, Superintendent
Salinas Union High School District
431 West Alisal Street
Salinas, CA. 93901-1699

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✓
1997?
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"933.05(b)(1) The recommendation has been implemented, with a summary regarding the implemented action"

Yours truly,

D. Roger Loper, Foreman

Attachment: Penal Code Section 933.05

drl/5-16-97
SUHSD Resp

April 27, 1997

The Honorable Jonathan R. Price,
Presiding Judge
Monterey County Superior Court
Salinas Courthouse
240 Church Street
Salinas, CA. 93901

Dear Judge Price:

The purpose of this correspondence is to reply to the findings of the 1996 Grand Jury Report that was released the end of January, 1997.

At the time of the Grand Jury's inquiry, I was the newest trustee (District Six) of the Salinas Union High School District (SUHSD), and I was appreciative of the Grand Jury's efforts as they delved into the district's operations. When I was interviewed by the Grand Jury last September, I had been in office for nine months.

As required in the penal code 933.05, subdivision (c), I am responding to the report as it relates to the SUHSD. I am in agreement with the report and would like to merely give my point of view for the record.

FINDINGS:

1. The nine factors which played a role in the District Fiscal Policies as set forth on page 2 of "The Fiscal Review," and quoted above were verified.

Response: I agree with the nine factors and am pleased to direct you to the District's response as to how we are remedying these factor.

2. A majority of the Board, in place when the problems occurred, committed funds at the request of employee groups and District residents when funds were not available.

Response: I was not elected to the Board until November of 1995; the fiscal crisis became public during my campaign.

3. No school system the size of the Salinas Union High School District can maintain reliable financial controls without a position control system.

page two, April 27 Response to Grand Jury Report

4. Salinas Union High School District had no position control system.
5. The lack of adequate computer systems does not excuse the failure to have in place a position control system.

Response: I agree with Findings 3, 4, and 5, and am pleased to report that we have a position control system in place.

6. The lack of a position control system is an indication of inadequate knowledge, training and competence in the office of the Assistant Superintendent for Business Services.

Response: It was my understanding that the Department of Human Resources had the authority for all personnel matters.

7. Being elected to a school Board does not mean that the person elected has the knowledge, training or skills which are necessary to function effectively as a Board Member and carry out the significant responsibilities which the position requires.

Response: I agree.

8. The knowledge and skills necessary to be an effective school Board member can be learned through training programs which are offered locally by County Superintendent of Schools and State-wide by the California School Boards' Association and through other available programs.

Response: I agree. One of the reasons I ran for this office was because I felt I could be an effective member of the Board with my background in numerous positions of leadership including the League of Women Voters of Salinas, the League of Women Voters of California, the American Cancer Society, as well as numerous organizations, school committees, etc.

9. The educational and training programs offered by the California School Boards' Association cover the essential components required of a school board member. These include, among other subjects:

page three, April 27 Response to Grand Jury Report

- a. Orientation for new Trustees;
- b. Budget responsibilities
- c. A leadership institute; and
- d. A curriculum institute.

Response: I was elected November 7, 1995, sworn in on November 28, and seated December 5. I'd learned about outstanding training provided at CSBA's Annual Meeting that was scheduled the following weekend from friends of mine who are on other school boards. I was not informed by the District about this opportunity. About a month later I had been included on CSBA's direct mailing list and received information about training on February 9 and 10, 1996 in Millbrae. When I asked Superintendent Quevedo about the training she expressed concern about the expenses, given our fiscal situation. I proposed, and she agreed, that the District pay my registration fee and I would cover the expenses of travel, lodging, meals, etc.

I was very impressed with this first training and very excited about the "Master of Boardsmanship" (MBA) certificate which required 60 hours of instruction in certain required curricula. I arranged by vacation schedule so that I could complete this training by February of 1997.

This included:

April 19 and 20, Leadership Institute in Redwood City, California (training on The Brown Act was provided one day and Budget Process the next day)

July 19 and 29, The Curriculum Institute in Monterey

September 24, "Back-To-School" in Fresno

December 4, Technology Institute in San Jose

December 5-8, CSBA Annual Meeting in San Jose

January 31, 1997, Spokesperson Training
February 1, 1997 President's Training in Redwood City

I received my MBA on February 1, 1997.

page four, April 27 Response to Grand Jury Report

10. All Trustees who have not taken advantage of these programs can benefit from such training.

Response: I agree. As a certified trainer myself in the area of Leadership (for the County of Monterey) and as a recipient of CSBA's MBA, it is my belief that such training is well worth the effort it takes. Dr. Marley (Interim Superintendent from May to November) encouraged me to continue my efforts. He also escorted me to training by Western Accreditation of School Certification (WASC) on October 28, 1997 in Burlingame.

11. The failure of some Trustees to learn governing skills, the fundamentals of effective boardmanship and how to deal with and understand the budget and fiscal issues was a violation of their obligation to the voters, the parents and the students of the school district.

Response: I agree.

RECOMMENDATIONS:

I agree with Recommendations 1 through 3. Please refer to the Superintendent's Response dated March 28 which delineates how the District is implementing these recommendations.

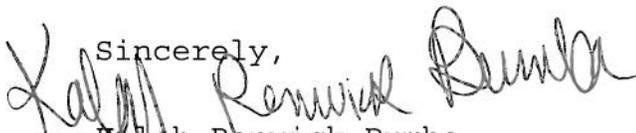
CONCLUSIONS:

Thank you for your commendations. I believe we have "turned the corner" in addressing the huge challenges facing us. Dr. Elizondo provides great sensitivity to our past difficulties and models outstanding leadership from which we can all flourish.

Should you have any further questions of me, please do not hesitate to contact me.

Thank you.

Sincerely,



Kalah Renwick Bumba
929 California Street
Salinas, CA. 93901
408/424-7976

grndjry.42797

DRAFT
5-16-97

GRAND JURY STATIONERY

To Mahlon Coleman for Education Committee Consideration

Dr. Fernando R. Elizondo, Superintendent
Salinas Union High School District
431 West Alisal Street
Salinas, CA. 93901-1699

Dear Dr. Elizondo:

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I would like to call your attention to Section 933.05(b) of the 1977 edition of the California Penal Code. This section deals with responses to recommendations in Grand Jury Final Reports. For purposes of our own evaluation of the Grand Jury's effectiveness, we consider that your responses to all three recommendations are in accord with Penal Code Section 933.05(b)(1) which reads as follows:

"933.05(b)(1) The recommendation has been implemented, with a summary regarding the implemented action"

Yours truly,

D. Roger Loper, Foreman

Salinas Union High School District

ADMINISTRATION OFFICES — 431 WEST ALISAL STREET, SALINAS, CA 93901-1699 • FAX: (408) 754-8798

FERNANDO R. ELIZONDO, Ed.D.
Superintendent
(408) 753-4110

ROGER C. ANTON, JR.
*Associate Superintendent
Instructional Services*
(408) 753-4127

JOHN H. CHRIST
*Assistant Superintendent
Business Services*
(408) 753-4115

LINDA C. HARRIS
*Interim Assistant Superintendent
Human Resources*
(408) 753-4137

April 18, 1997

Monterey County Civil Grand Jury
240 Church Street
Salinas, CA 93901

To Whom It May Concern:

Enclosed is the Salinas Union High School District's response to the 1996 Civil Grand Jury report. The responses encompass both the recommendations and the findings in the report. The enclosed are the district's and the school board's responses to the report. Additionally, individual responses from President Sonya Varea-Hammond are part of this report. Other board members may respond and will forward their responses directly to your office.

Please contact our office if we can be any further assistance.

Sincerely,



Dr. Fernando R. Elizondo,
Superintendent

cc: Board of Trustees

Salinas Union High School District

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TO: The Hon. Jonathan R. Price, Presiding Judge,
Monterey County Superior Court

FROM: Fernando R. Elizondo, Ed.D.
Superintendent

DATE: March 28, 1997

SUBJECT: Response to the 1996 Final Report of the Monterey County Civil Grand Jury

In accordance with Penal Code Section 933(c), you will find enclosed our response to the Recommendations portion of the 1996 Final Report which is directed towards the Salinas Union High School District.

In regards to the Grand Jury Recommendations as follows:

Recommendation 1: The new Superintendent review the performance of the present management team, identify problems, and take remedial measures to insure that the district has adequate systems and controls in place and competent personnel to manage the systems to avoid the recurrence of the recent fiscal problems.

RESPONSE: The recommendation has been implemented.

Three critical district positions will be filled with new personnel for the 1997-98 school year. The Assistant Superintendent, Business Services has resigned effective June 30, 1997. Additionally, the present Assistant Superintendent of Business will stay on the job through August 1997 in formulating a smooth transition with the new Assistant Superintendent of Business.

The Manager of Planning and Facilities retired effective June 30, 1997. Additionally, this person will stay on in a modified consultant contract basis through December 31, 1997 in assisting the new Manager.

Lastly, the district is filling the Manager of Information Services and Educational Technology and should have a person in place by May 1, 1997. All three positions are district-level positions and play an important role in various delivery systems which address fiscal, information systems, and facilities issues in our district.

With these personnel changes, the district will continue to review and modify those systems as well as others in central office to avoid the recurrence of fiscal problems.

Recommendation 2: Each Board Member review their knowledge and understanding of the role and responsibility of a school board member and consider whether he or she would benefit from training programs on how to be an effective board member, programs which will provide a working knowledge and understanding of budgets and the Board's responsibility for monitoring the compilation of budgets, monitoring budget compliance and enforcement and programs on how to supervise and oversee the performance of a superintendent.

RESPONSE: The recommendation has been implemented with ongoing strategies for boardsmanship training.

The Board has participated in three Saturday Boardsmanship workshops as conducted by representatives from the California School Boards Association. These workshops commenced in September 1996 and concluded in January 1997. As a result of these workshops, the Board of Trustees formulated five district-wide goals which were adopted in February. Please see attached goals and support materials in the implementation of these goals.

The focus of these workshops was three-fold: first, to understand the roles of school board members as well as reviewing factors that would lead towards effective board relationships and communications; second to address the Board's interest in formulating district-wide goals; third, to discuss the process utilized in evaluation of the new superintendent.

Concurrently, individual Board Members have continued their Boardsmanship training through active participation at seminars and workshops as offered through the California School Boards Association. Mrs. Kalah Bumba, Mr. Tom Traylor, and Ms. Leticia Galindo have enrolled in the Masters of Boardsmanship program through the California School Boards Association. The Masters of Boardsmanship program provides Board Members with an opportunity to complete a comprehensive curriculum of sixty hours of instruction and participation and receive certification upon completion. Mrs. Bumba has completed her course studies and will be presented her certificate of completion at the annual CSBA conference in December of 1998.

The following Board Trustees have continued to participate in various workshops and conferences as offered through the California School Boards Association:

1. California School Boards Association Annual Conference: Trustees in attendance: Trustees Bumba, Traylor, Galindo
This conference provided budgetary as well as curricular workshops, and also fulfilled requirements for the certificate of boardsmanship program. The institute for new and first term Board Members is a two-day seminar which focuses on budget, personnel, and curriculum.
2. CSBA Spokesperson Training and Board President Workshop, February 1, 1997: In attendance: Trustees Bumba, Traylor, and Board President Varea-Hammond
3. CSBA: Presenting and Resolving Board Conflict - Effective Comments Leadership: The Board's Role, March 21 and 22, 1997: In attendance: Trustees Bumba and Traylor.
4. CSBA sponsored Legislative Action Day, May 1 and 2, 1997: Registered: Trustee Bumba

All such activities are directed to strengthening our Board Members in their roles as a governance team. Additionally, it will continue to strengthen the communication strategies and leadership on our Board of Trustees.

The process, instrument, and timeline for the evaluation of the Superintendent has been reviewed and implemented. Please see attached evaluation instrument and timeline.

Recommendation 3: In cooperation with the new Superintendent the Board should establish a series of Board workshops devoted to:

- a. Working together as a team, identifying issues and establishing priorities;
- b. Effective decision making;
- c. Developing reliable reporting systems to ensure that the Board is fully informed of and understands the financial circumstances of the District.
- d. Understanding the source of the problems incurred by the District and developing a process which will avoid the recurrence of such problems; and
- e. Reaching a working knowledge and understanding of the three reports referred to earlier: "Fiscal Review," "Team Report," and the "Subcommittee Recommendations" and how to implement the recommendations set forth herein.

RESPONSE: The recommendation has been implemented with ongoing strategies. Please see response for Recommendation 2.

SUMMARY

The Board and the new Superintendent have implemented the recommendations as identified in the 1996 Grand Jury Report. Please see attached listing of Board Adopted Goals and Implementation Status Report.

FINDINGS

In accordance with Penal Code Section 933(c) you will find enclosed our responses to the Finding portion of the 1996 Final Report which is directed toward the Salinas Union High School District.

In regards to the **Grand Jury Findings**:

Finding 1: The nine factors that played a role in the District Fiscal Policies as set forth on page 2 of "The Fiscal Review," and quoted above were verified.

There are eleven factors in the Fiscal Review.

- | | |
|---------------------------------------------------------------|---------------------|
| 1. Ineffective communication | Agree with finding. |
| 2. Lack of accountability | Agree with finding. |
| 3. Lack of teamwork | Agree with finding. |
| 4. Inadequate information sharing | Agree with finding. |
| 5. Inadequate position control procedures | Agree with finding. |
| 6. Duplicated efforts that produced inconsistent data | Agree with finding. |
| 7. Inadequate staff training | Agree with finding. |
| 8. Lack of agreed upon procedures and processes | Agree with finding. |
| 9. Salary settlements in excess of cost of living adjustments | Agree with finding. |
| 10. Lack of monthly monitoring | Agree with finding. |
| 11. Incomplete recognition of all expenses | Agree with finding. |

Corrective steps for all these factors can be found in the attached copy of the January 28, 1997 Progress Report to the Monterey County Office of Education on the Multi-Year Financial Recovery Plan.

Finding 2: A majority of the Board, in place when the problems occurred, committed funds at the request of employee groups and district residents when funds were not available.

RESPONSE: In the process of collective bargaining with employee groups (Salinas Valley Federation of Teachers and California State Employees Association Chapter 547), the Board of Trustees was heavily lobbied to settle contract issues, primarily compensation. The Board of Trustees was provided with current and multi-year financial budget projections by the Administration, which would have indicated the

impact of various compensation packages. In spite of such information, the Board of Trustees directed the Administration to reach tentative settlement agreements with the Unions. In order to fund such agreements, it was necessary for the Administration to propose and the Board to approve the budget reductions in the other areas and programs in order to maintain a balanced budget.

In 1993-94, the District approved 4.62% in total compensation increases but had to make \$1.4 million in budget cuts in order to afford those raises. In 1994-95, total compensation increases exceeded 2%, while \$1.5 million in budget cuts were accomplished. Because of employee compensation increases, an additional \$3.3 million in reductions were put in effect for the 1995-96 school year. Over the years, reductions occurred in program needs and the allocation of funds directly to school sites.

The District agrees with the Grand Jury findings that funds were committed for employee compensation although present and future multi-year budget projections indicated that adequate funding was not available over a period of time.

Finding 3: No school system the size of the Salinas Union High School District can maintain reliable financial controls without a position control system.

RESPONSE: Agree with finding.

Finding 4: Salinas Union High School District had no position control system.

RESPONSE: Disagree partially with finding.

The Human Resources Department had a manual position control system that was accurate to within 5 out of 354 teachers, 1.4% variance. The manual position control system deteriorated over the prior two or three years due to a number of the factors identified in the Fiscal Review, such as: ineffective communication, lack of teamwork, inadequate information sharing, inadequate position control procedures, duplicated efforts producing inconsistent data, and lack of agreed upon procedures and processes. An error factor of one teacher is not acceptable, but in light of the contributing factors identified, it is amazing the manual system was as close as it was.

Finding 5: The lack of adequate computer systems does not excuse the failure to have in place a position control system.

RESPONSE: Disagree partially with finding.

Agree that the lack of an adequate computer system does not excuse the failure to have in place a position control system, but a manual system did exist. Please refer to the response to finding number 4.

Finding 6: The lack of a position control system is an indication of inadequate knowledge, training, and competence in the office of the Assistant Superintendent of Business Services.

RESPONSE: Partially agreed with finding.

The district Fiscal Crisis and Management Assistance Team was appointed and subsequently identified many deficiencies in administrative, personnel, and fiscal services. These deficiencies arose due to lack of leadership in all three areas. Not any school district, much less the Salinas Union High School District, should identify any one person to the demise it faced resulting being identified as an Assembly Bill 1200 district.

Finding 7: Being elected to a school board does not mean that the person elected has the knowledge, training, or skills which are necessary to function effectively as a board member and carry out the significant responsibilities which the position requires.

RESPONSE: The Salinas Union High School District agrees with the finding.

As any person who enters public service, there is an understanding that regardless of educational or occupational background, that service, whether it be elected or appointed requires some training unique to the organization being served. Being a district trustee in a comprehensive school district also requires training together with an understanding of the responsibility that person has to fellow trustees and that of governance. Our Board of Trustees has requested and undergone three comprehensive workshop sessions with representatives from the California Association of School Boards. Please see our response to Recommendation 2 for the comprehensiveness of the training that has been undertaken by the Board of Trustees.

As a continuing strategy to monitor the fiscal as well as programmatic aspects of our district, the Board has asked Dr. Tony Russo, the district's fiscal advisor as appointed by the Monterey County Office of Education, to continue his monitoring through the spring of the 1996-97 school year. Dr. Russo has also made two formal reports to the Board on the status of the implementation of the Fiscal Recovery Plan.

In reference to programmatic aspects of the district, the Board has requested and has had two study sessions on various programmatic aspects of our district.

Finding 8: The knowledge and skills necessary to be an effective school board member can be learned through training programs which are offered locally by the County Superintendent of Schools and statewide by the California School Boards Association and through other available programs.

RESPONSE: The Salinas Union High School District agrees with the findings for the same stipulations as referenced in Finding 7 and Response and Recommendation 2 and Response.

Finding 9: The educational and training programs offered by the California School Boards Association cover the essential components required of a board member. These include among other subjects:

- a. Orientation for new trustees
- b. Budget responsibilities
- c. A leadership institute
- d. A curriculum institute

RESPONSE: Please see response to Recommendation 2.

Finding 10: All trustees who have not taken advantage of these programs can benefit from such training.

RESPONSE: The Salinas Union High School District agrees with the finding. In the last year, a majority of Trustees have participated in statewide sponsored workshops. Those Trustees that have not taken advantage of statewide programs will be strongly encouraged to enroll in the Master of Boardmanship program and/or individual budget and curriculum institutes as offered by the California School Boards Association.

Finding 11: The failure to learn governing skills, the fundamentals of effective boardmanship, and how to deal with and understand budget and fiscal issues was a violation of their obligation to the voters, the parents, and the students of the school district.

RESPONSE: The Salinas Union High School District finds this statement to be generic to any person that accepts a responsibility to represent a constituency. Upon acceptance of an elected position and/or appointed in any governing or advisory body that person has a responsibility to its constituency and/or the voters that have placed that person in office.

Salinas Union High School District

Board of Trustees' Goals

The overriding charge of the Salinas Union High School Board of Trustees is to establish a climate of excellence which all staff and students strive to reach their full potential. The Board of Trustees will adopt a code of ethics and pledge to a continuing and ongoing program in Board Development. The Board is committed to communicating the District's successes through improved media relations and enhanced communications to non-parents.

Therefore, the Board of Trustees have established the following major goals:

1. **Endorsement and commitment of a long-range strategic planning process.**
The Board will provide the Superintendent and Staff the direction to begin a comprehensive strategic planning process that involves cross-sectional representation. This will result in strategic goals which will be utilized for guiding the District and individual school staffs towards the twenty-first century.

STATUS IMPLEMENTATION REPORT:

On Saturday, February 22, 1997, the Superintendent invited a select group of district staff as well as community representatives to begin the discussion on the district's strategic planning process. The goal of the meeting was to identify which process could best be utilized in addressing the district's Strategic Plan.

On Monday, March 24, 1997, a follow-up meeting with a select group of district employees and community met to finalize the various elements for the district's Strategic Plan as to be presented to the board for review. Attached is the Board Report which was reviewed for the board at the April 8, 1997 board meeting.

2. **Commitment to assuring the District's fiscal solvency.**
The Board will continue to closely monitor its fiscal solvency and endorse accountability measures necessary to maintain solvency.

STATUS IMPLEMENTATION REPORT:

The board has continued the employment of Dr. Tony Russo as to assure the district's Fiscal Solvency Implementation Plan. Dr. Russo has made one presentation to the board together with Mr. John Christ, Assistant Superintendent of Business. All factors related to

the Fiscal Recovery Plan are being implemented on schedule. One of the few items not completed, but has to date been presented to the board is the board policy on district facility use fees which was presented to the board and adopted on April 8, 1997.

In January 1997, the Monterey County Office of Education notified the board that its first interim report was positive with a 3.22% reserve, a reserve above the state requirement.

A second interim report was presented to the Board of Trustees by Mr. John Christ, Assistant Superintendent of Business on March 8, 1997 with the board anticipating another positive certification.

The board, on February 25, 1997, established budgeting parameters for the 1997-98 school year which included a 4% reserve thus continuing to closely monitor the establishment of a 1997-98 district reserve above the state's 3% requirement.

3. Endorsement and Passage of the Bond Measure.

The Board will exercise its leadership responsibilities in the community for endorsing the passage for the District-wide school facilities General Obligation Bond measure.

STATUS IMPLEMENTATION REPORT:

At the board meeting of January 28, 1997 the board officially placed a June 3, 1997 general obligation bond for \$26.5 million on the ballot. In doing so, each board member publicly endorsed this general obligation bond. Board President Varea-Hammond, Trustee González, and Trustee Bumba have been active members on the Bricks and Mortarboard. The board has also established an oversight bond committee which will review the progress of the general bond operations, whereas three members from the Salinas Valley Chamber of Commerce and the Hispanic Chamber of Commerce will be represented as well as the president of the board and the superintendent of schools. Please see attached Resolution for the Establishment of the Bond Oversight Committee.

Board President Varea-Hammond has scheduled individual presentations to all school faculties as well as the Salinas Adult Education and the Regional Occupational Program faculty.

4. Development of a comprehensive monitoring plan for evaluation of the Superintendent. Collaboratively the Board and Superintendent will develop appropriate evaluative criteria which is earmarked by the development of a District-wide strategic plan and District solvency.

STATUS IMPLEMENTATION REPORT:

At the March 11, 1997 board meeting, the board directed the Superintendent to develop evaluation criteria, instrument, and process which the board could review as a form of

evaluating the Superintendent. All such materials were presented to the board with the board agreeing on the process and evaluation instrument to be utilized.

At the March 25, 1997 board meeting, the board received from President Varea-Hammond and the Superintendent a specific timeline and evaluation instrument for evaluation of the Superintendent for the period covering November 25, 1996 through May 13, 1997. Attached is the timeline which will be followed by the board of trustees and superintendent.

5. Endorsement of Board level study sessions.

The Board will continue to schedule comprehensive Board level study sessions to review in-depth District Policy issues and District-wide programs in such areas as community service requirements and support programs, inclusive of but not limited to the process and procedures of student expulsions and student safety.

STATUS IMPLEMENTATION REPORT:

The board has scheduled one special study session for April 1, 1997 in studying the services provided for limited English proficient student services and programs. The board has also scheduled an update and tour of the Salinas High School renovation and new construction project. The board has received special reports on the status of the district's Fiscal Solvency Plan, the Governor's Education Budget and its implications for our school district, the status of the district's computer program.

REPORT TO BOARD OF TRUSTEESBOARD
MEETING
DATE.

1-28-97..

AGENDA
ITEM NO.

Approved by:

Superintendent

DATE: JANUARY 28, 1997

FROM: JOHN H. CHRIST, ASST. SUPERINTENDENT-BUSINESS SERVICES

SUBJECT: PROGRESS REPORT TO MONTEREY COUNTY OFFICE OF
EDUCATION: MULTI-YEAR FINANCIAL RECOVERY PLAN**RECOMMENDATION**

The Administration will present a Progress Report on the Multi-Year Financial Recovery Plan.

ANALYSIS

On June 25, 1996 the Board of Trustees approved the 1996-97 Adopted Budget as-well-as the Financial Recovery Plan. William D. Barr, County Superintendent of Schools, approved the 1996-97 Adopted Budget in his attached August 14, 1996 letter. Mr. Barr stated that as part of MCOE's monitoring of the District's finances, that the District would need to provide a progress report no later than October 31, 1996. The District submitted the progress report to the Board of Trustees and Monterey County Office of Education on October 22, 1996. The continued monitoring of the Financial Recovery Plan is important. Attached is an updated progress report through January 1997.

Phase 2, Item 1., Use of Facilities Fees, is the one Item that needed to have its timeline extended from January to March 1997.

The following is a recap of the status of the recovery items identified:

PHASES:	1	2	TOTAL
Completed/On-going	12	19	31
On Schedule	0	6	6
Not on Schedule	0	1	1
TOTAL	12	26	38

FUNDING SOURCE:

Not applicable.

JHC:dl

Attachments

**FINANCIAL RECOVERY PLAN
PROGRESS REPORT
OCTOBER 22, 1996**

PART III: PHASE 1 Immediate Action Taken to Improve the Financial Condition of the District

ITEM 1. SUBSTITUTES

STATUS: COMPLETED/ON-GOING

- *Classified Substitutes: No classified substitutes provided.*
- *Certificated Substitutes: Use on-staff teacher substitutes.*
- *Campus Supervisors: Substitutes are not provided in accordance with May 14 memo.*

Classified substitutes are provided only after a three-day absence with the exception of campus supervisors; if a school is missing four or more hours of campus supervision, a substitute is provided on the day of absence. Certificated substitutes are provided using on-staff teachers as well as regular substitutes.

ITEM 2. OVERTIME/COMPENSATORY TIME/EXTRA HOURS

STATUS: COMPLETED/ON-GOING

- *Requests in accordance with May 24 memo.*

This was one of the very first items of control implemented by the District, as demonstrated by the attached copy of the January 10, 1996 Directive. On the attached May 24, 1996 memo, Dr. Russo expanded, clarified, and reinforced the procedures for control of overtime/compensatory time. The current procedures are outlined in the attached memo from John Christ dated September 5, 1996.

ITEM 3. COMPENSATORY TIME STUDY

STATUS: COMPLETED/ON-GOING

- *Report due for June 30.*

The school site and department managers reported all outstanding compensatory time accumulated through June 30, 1996. The data analysis and procedures resulting from this data is outlined in the attached memo from John Christ dated September 5, 1996. (Attached to Item 2 above).

ITEM 4. EXTRA HOURS

STATUS: COMPLETED/ON-GOING

- *Approval required in accordance with May 24 memo.*

Prior District approval is required as outlined in the memos and directives attached to Item 2.

ITEM 5. BUDGET FREEZE

STATUS: COMPLETED/ON-GOING

- *Nonessential expenditures as defined in March 4 memo are not permitted.*
- *Expenditure for food at meetings is not permitted.*
- *Travel/Conference expenditures are not permitted.*

Each expenditure is being reviewed critically to determine the value that can be derived.

ITEM 6. FREEZE COMMITTEE

STATUS: COMPLETED/ON-GOING

- *Requires specific procedures to be followed in processing classified and certificated personnel requisitions.*
- *All Freeze Committee action must have the approval of the Fiscal Adviser.*

The Freeze Committee continues to meet every week to review all personnel requisitions. Although we no longer have the Fiscal Advisor who attends the meetings, the processes which were established continue to be implemented. The Assistant Superintendent of Human Resources faxes the weekly Freeze Committee Agenda to the Fiscal Advisor for guidance and comments. The Fiscal Advisor also receives copies of the Committee's recommendations for his approval/disapproval. A copy is also sent to the Monterey County Office of Education.

ITEM 7. ACCOUNTING PRACTICE CHANGES

STATUS: COMPLETED/ON-GOING

- *ROP/C: Eliminated double posting entries.*
- *Accrual for Compensated Absences.*

Both the ROP/C Double Posting correction and the reversal of the Compensated Absences Accrual have been completed in the June 30, 1996 year-end closing of the District's Financial Records.

ITEM 8. POSITION CONTROL PROCEDURES STATUS: COMPLETED/ON-GOING

- *A manual system of position control was designed and implemented in July 1996.*

The Manual System is being used until it is replaced by a computerized system. Training on the new software started in January 1997. The transition should begin as early as February 1997 and is anticipated to be completed in April 1997.

ITEM 9. LAYOFFS STATUS: COMPLETED/ON-GOING

- *Classified: The Board approved the necessary resolution.*
- *Certificated Administration: The Board authorized the elimination of certificated administrative employees.*

The Board approved classified and administrative layoffs continue to be in place.

ITEM 10. STAFFING TO CONTRACT STATUS: COMPLETED/ON-GOING

- *Staffing to contract has been achieved for year 1996-97.*

The District has provided staffing to school sites based on strict interpretation of the Contract provisions dealing with class-size goals and calculated according to District formula. In addition, the SVFT included an increase of one student per class at the high school as part of its tentative agreement with the District for the 1996-97 school year. The further reduction in staffing to meet that new allocation has been put into effect.

ITEM 11. EMPLOYEE GROUP PARTICIPATION IN REDUCTION OF EXPENDITURES STATUS: COMPLETED/ON-GOING

- *Employee groups have agreed to reduce costs.*

District employee groups have participated by agreeing to 6.25% in reduced cost for year 1996-97. Formal agreements have been achieved through the collective bargaining process with CSEA and SVFT; similar reductions in confidential, supervisory, and management groups were successfully concluded, in June 1996. The reductions and impacts to employees were rescinded due to savings achieved in 1995-96.

ITEM 12. REVENUE ENHANCEMENT

STATUS: COMPLETED/ON-GOING

- *Staff will retain records needed to file the District's mandated costs claim.*

On June 25, 1996 the Board of Trustees authorized hiring Mandated Cost Systems to accumulate necessary documents and submit the Mandated Cost Reimbursement Claims for the 1994-95 and 1995-96 school years to the State of California on behalf of the District. Mandated Costs Systems has filed amended claims for prior years, and has implemented strict accounting and reporting procedures for the present and future. The entire Management Team has been provided training on the type of claims that could be submitted, as well as the method of documentation and record keeping they must maintain. Further periodic training of staff occurs as needed.

FINANCIAL RECOVERY PLAN

PART III: PHASE 2 Planned Action for Financial Recovery of the District.

ITEM 1. USE OF FACILITIES FEES

STATUS: NOT ON SCHEDULE

- *A complete analysis of fees charged for the use of school facilities will be completed.*

The Facilities Division has completed its review of the existing process and has prepared a new "Draft" of Administrative Regulations and a new "Draft" of an Application to Use School Facilities. A meeting has been scheduled with school site representatives for January 30, 1997 to review past procedures and recommend changes in fee structure. Board review is anticipated in March 1997.

ITEM 2. STUDENT ATTENDANCE

STATUS: COMPLETED/ON-GOING

- *A renewed approach will take place in 1996-97.*

The focus on attendance for 1996-97 is multifaceted. It includes not only ensuring strict adherence to established District policies and procedures in attendance accounting, but also efforts in retaining student enrollment. In the area of attendance, the district is participating with Heloise Wright, a mediator with the District Attorney's Office, in a prevention effort with families of habitual truants. Heloise and Deal Flippo, the District Attorney, are attempting to meet with families in small groups to ensure that families clearly understand legal requirements and implications, as well as attempting to identify services from other agencies which might be of assistance to the families. They will work with identified habitual truants from the 1995-96 school year in this prevention effort. Secondly, the District is implementing a coordinated effort with student attendance and the issuance/possession of work permits. Derrell Kunnas, the new Work Experience Coordinator, is promoting the student attendance requirement for student work with employers. This should have a potential impact on mostly upper class students. At this time, there are approximately 400 students in the District with work permits. Employment regulations require a student to be in attendance at school on the day of work. Derrell will be working with Career Centers at the Attendance Offices to notify employers of the requirement and of student absences in an attempt to obtain support and endorsement from employers. To date, he has already had a dramatic, successful intervention on a student not attending school. The Administration is finalizing a process by which those students who have received work permits will be annotated in their attendance file for quick cross reference for Attendance Offices. Thirdly, the District will continue to enforce non-enrollment in Driver Education for students with invalid absences. Schools are also expanding activity privileges contingent on no invalids (e.g., the prom, senior privileges, Disneyland). Attendance offices and school sites will also promote the connection between privileges and attendance in a preventative fashion.

Apart from actual attendance, the District will also work with registrars for earlier identification of students who are leaving the District in an attempt to ensure that families are indeed changing residence and have actually moved. Recovery and outreach efforts will continue in an attempt to identify additional students who may be staying home or working without proper work permits. Accurate coding of students leaving the District may also assist in reducing the attrition of students from the fall to spring semesters.

ITEM 3. EMPLOYEE GRIEVANCES

STATUS: COMPLETED/ON-GOING

- *Pursue reasonable approaches to resolve employee grievances at the lowest level.*

Grievances are being resolved at the lowest level possible.

ITEM 4. SUBSTITUTE/LEAVE TIME

STATUS: COMPLETED/ON-GOING

- *Temporary guidelines to curtail the use of substitutes have been implemented.*

The guidelines implemented last spring continue to be in place.

ITEM 5. BOARD OF TRUSTEES/SUPERINTENDENT

STATUS: COMPLETED/ON-GOING

- *The Board and Superintendent will prepare and implement a plan to identify respective rolls and responsibilities.*

Since June 1996 the Interim Superintendent has reviewed in writing selected segments from District Policies and Administrative Regulations which pertains to the Board and Superintendent rolls and responsibilities. In addition, the Board of Trustees, Interim Superintendent Marley, and the permanent Superintendent, Dr. Elizondo, participated in an all day work/study sessions: Board Self-Evaluation utilizing facilitators from California School Boards Association, Holly Coven and Louise Perez as facilitators on two Saturdays, September 14, and January 12, 1997.

ITEM 6. ADMINISTRATIVE EFFICIENCY

STATUS: COMPLETED/ON-GOING

- *Selected procedures and processes have been identified for analysis.*

The Superintendent and Superintendent's Cabinet meet each Monday morning and each Wednesday morning to consider District-wide issues, including preparation of Board Meeting Agendas and collaboration on all aspects of the District's functioning. New

procedures and systems have been implemented in order to eliminate duplication and increase efficiency.

ITEM 7. TEAM/INDIVIDUAL ACCOUNTABILITY STATUS: COMPLETED/ON-GOING

- *A system of individual and team accountability will be implemented.*

Accountability is a key portion of the program for supervision and evaluation of all employees in the District including members of the Superintendent's Cabinet and site administrators.

The Interim Superintendent and Dr. Elizondo have met with each Principal and each Assistant/Associate Superintendent to set goals and objectives for the performance of each individual for 1996-97.

ITEM 8. BOARD CABINET RELATIONSHIPS STATUS: COMPLETED/ON-GOING

- *Establish improved working relationships.*

Board/Cabinet relationships have been approached indirectly through processes detailed in Items 5, 6, and 7 above.

ITEM 9. COMMUNICATION BETWEEN BOARD AND ADMINISTRATION STATUS: COMPLETED/ON-GOING

- *The Board and Superintendent will plan for improved communication.*

This area has been addressed as detailed under 5, 6, 7, and 8 above.

ITEM 10. OPEN COMMUNICATION STATUS: COMPLETED/ON-GOING

- *Practices have been established that encourage open communication.*

The communication practices established by the Superintendent, Cabinet, and Fiscal Advisor continue to be encouraged.

ITEM 11. IMMEDIATE TECHNOLOGY NEEDS STATUS: ON SCHEDULE

- *The District will employ a consultant to design a technology plan.*
- *Hardware and software will be purchased at the earliest possible date.*

On August 27, 1996 the Board of Trustees approved the hiring of Network Management Consultants (NMC) for the design and implementation of the technology upgrade for the immediate needs of Business Services and Human Resources divisions. The Technology purchases have been made. The installation is under way and is almost completed.

ITEM 12. TRAINING IN USE OF TECHNOLOGY

STATUS: ON SCHEDULE

- *The District will place a high priority on computer training for employees.*

The September 23, 1996 communication from NMC referred to in Item 11, above, speaks to initial training needed for Business Services and Human Resources only. The District is pursuing training offered by Pacific Grove Unified School District through MCOE, the Salinas Adult School, and the County of Monterey. On October 9, 10, 16, and 17, 1996 many of the Business Services and Human Resources Staff took courses in Windows '95 and Excel. Hands on training began January 13 1997 for the Business Services and Human Resources Departments. A plan for on-going training and upgrading of skills on the new hardware and software is currently being prepared by NMC.

ITEM 13. TECHNOLOGY PROCEDURES

STATUS: ON SCHEDULE

- *The District will convert to computer software to track and monitor positions.*

The District has purchased Analytical Management System's Human Resource System, which is a stand-alone micro-computer software to track and monitor positions. The software has been loaded and the procedures will be revised to facilitate its use accurately and efficiently. Training by AMS on this new system started on January 8, 1997.

ITEM 14. TECHNOLOGY MASTER PLAN

STATUS: ON SCHEDULE

- *A process will be established to appoint a District Technology Advisory Committee.*

An initial meeting of members of our school community interested in the utilization and implementation of technology in District instructional programs was held on December 12, 1996. The purpose of this meeting was to discuss various options for the establishment of a process to appoint members to a District Technology Advisory Committee.

The Administration will be making a report to the Board of Trustees on the creation of a District-wide Technology Committee. The recommendation will include the Committee's purpose, makeup of members from the school community, timelines for progress stages, and the development of a Technology Master Plan.

ITEM 15. DATA PROCESSING ADMINISTRATION

STATUS: COMPLETED/ON-GOING

- *The District will review management needs in Data Processing.*

The Interim Superintendent has worked closely with the Superintendent's Cabinet and the Fiscal Advisor (June through August 15) to consider restructuring of District-level administrative responsibilities. Within this broader context has been the consideration for assignment of administrative responsibility for Data Processing. The permanent Superintendent will make the appropriate recommendation to the board when his plan is formulated.

ITEM 16. POSITION CONTROL

STATUS: COMPLETED/ON-GOING

- *Position Control Procedures have been revised and disseminated.*

The manual position control procedures which were established during the summer continue to be in place: all personnel requisitions must have 1) Assistant Superintendent, Human Resources, approval based on staffing allocations; 2) budgeting approval based on whether the request is currently in the budget; and 3) Freeze Committee approval before the position is filled. Because of the frequent communications between Human Resources, Budgeting and Payroll, we have established good position control.

ITEM 17. STAFFING AND HIRING

STATUS: COMPLETED/ON-GOING

- *Staffing and hiring will be assigned to the Assistant Superintendent for Human Resources.*

Responsibility for hiring, including all certificated and classified employees is now assigned to the Human Resources division. Included with that responsibility is responsibility for recruitment to fill all vacancies.

Tentatively, responsibility for staffing by pre-determined formulas is being transferred from the Associate Superintendent for Instructional Services to the Assistant Superintendent for Human Resources, effective with staffing pre-planning for 1997-98. The permanent Superintendent will make appropriate changes, if any, when he has had an opportunity to review this issue.

ITEM 18. OVERTIME. COMPENSATORY TIME. SUBSTITUTES

STATUS: COMPLETED/ON-TIME

- *Procedures have been revised and implemented.*

ITEM 19. ACCOUNTABILITY: STAFFING AND BUDGET

STATUS: COMPLETED/ON-GOING

- *Administrative evaluations will include staffing allocations and budgets.*

Each member of the Superintendent's Cabinet and each Principal will have at least one behavioral objective incorporated into the formal evaluation process which deals with budget and budget administration, including budget as it pertains to any and all staffing. The interim Superintendent conducted behavioral objective reviews with the administrators in November, 1996.

ITEM 20. ORGANIZATIONAL EFFICIENCY

STATUS: COMPLETED/ON-GOING

- *A study will be conducted to eliminate duplication of effort.*

The Interim Superintendent has retained the services of Tom Brewer, Certified Public Accountant, with the firm of Vavrinek, Trine, Day & Co., Pleasanton, California, to conduct a review of the District's accounting division. In addition, consultants have been retained to assist with development of specifications for computer hardware and software to be utilized throughout the Business Services Department, Human Resources Department and Instructional Services Department. It is the intent that through upgrading the capability in the area of technology, and by providing intensive and extensive training for all employees in the three Departments named above that the District can insure position control; and, hence, budget control, at the same time we eliminate duplication of effort and enhance the over-all effectiveness of District level services.

ITEM 21. CLASSIFIED TRAINING

STATUS: ON SCHEDULE

- *A staff development plan will be designed to provide training for classified staff.*

A Comprehensive Staff Development Plan has yet to be designed. Most of the training will center around the software purchased. Please refer to the response to Part III, Phase 2, Item 12.

ITEM 22. TRAINING BUDGETS

STATUS: COMPLETED/ON-GOING

- *Development of District budgets will include consideration for varied classified training.*

The District's 1996-97 Budget includes funding for classified training, for the Human Resources and Business Departments.

ITEM 23. OPTIMIZING ENDING BALANCE

STATUS: COMPLETED/ON-GOING

- *Procedures and processes to achieve the optimum ending balance will be monitored.*

The District has made significant budget reductions to achieve the optimum ending balance for both 1995-96 and 1996-97. Monthly Budget Records have been submitted to the Board of Trustees as a tool to monitor the estimated ending balance on a regular basis. Careful monitoring of expenditures and adherence to new procedures and systems will contribute to the optimization of the ending balance.

ITEM 24. BUDGET REPORTS

STATUS: COMPLETED/ON-GOING

- *Budget reports will include the restricted portion of the budget and actuals year-to-date.*

The aforementioned Monthly Budget Report includes the Restricted Portion of the Budget and actual year-to-date figures.

ITEM 25. BUDGET DEVELOPMENT COMMITMENT

STATUS: ON SCHEDULE

- *Participants in budget development must adhere to the budget calendar.*

The Budget Calendar for the 1997-98 school year was approved by the Board in September 24, 1996. The Administration will remind and work with participants in the Budget Development Process to honor their responsibilities to the process. Please refer to Item 19 above.

ITEM 26. BUDGET MONITORING

STATUS: COMPLETED/ON-GOING

- *The Business staff will perform monthly comparisons of actual revenue and expenditures.*

As mentioned in Item 23, above, the Business Department began submitting Monthly Budget Reports to the Board of Trustees on September 24, 1996. This tool will facilitate monthly comparisons of actual revenues and expenditures by the Business Department and the Board of Trustees.

**SALINAS UNION HIGH SCHOOL DISTRICT
FINANCIAL RECOVERY PLAN**

COMPLETED IN 95-96

PROGRESS

TIMELINE

PART III: PHASE 1 Immediate Action Taken to Improve the Financial Condition of the District

Task	Person Responsible	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May	June
1. Substitutes	Linda												
• Classified Substitutes: No classified substitutes provided	Linda												
• Certificated Substitutes: Use on-staff teacher substitutes.	Linda												
• Campus Supervisors: Substitutes are not provided in accordance with May 14 memo.	Roger/John												
• Overtime/Compensatory Time/Extra Hours: Requests in accordance with May 14 memo.	John												
3. Compensatory Time Study: Report due by June 30.	Roger/John												
4. Extra Hours: Approval required in accordance with May 14 memo.													
5. Budget Freeze													
• Nonessential expenditures as defined in March 4 memo are not permitted.	Cabinet												
• Expenditures for food at meetings is not permitted.	Cabinet												
• Travel/conference expenditures are not permitted.	Cabinet												
6. Freeze Committee													
• Requires specific procedures be followed in processing classified and certificated personnel requisitions.	Linda												
• All Freeze Committee actions must have the approval of the Fiscal Advisor.	Linda												
7. Accounting Practice Changes													
• ROPIC: Eliminated double posting entries.	John												
• Accrual for compensated absences.	John												
8. Position Control Procedures: A manual system of position control has been designed and implemented.	John/Linda												
9. Layoffs													
• Classified: The Board approved the necessary resolution.	Board												
• Certificated Administration: The Board authorized the elimination of certificated administrative employees.	Board												
10. Staffing to Contract: Staffing to contract has been achieved for FY 1996-97.	Roger/Linda/John												
11. Employee Group Participation in Reduction of Expenditures: Employee groups have agreed to reduce costs.	Linda												
12. Revenue Enhancement: Staff will retain records needed to file the District's mandated Costs claim.	John C./Adm. Staff												

**SALINAS UNION HIGH SCHOOL DISTRICT
FINANCIAL RECOVERY PLAN**

COMPLETED IN 95-96 PROGRESS TIMELINE

PART III: PHASE 2 Planned Action for Financial Recovery of the District		July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May	June
Task													
1. Use of Facilities Fees: A complete analysis of fees charged for the use of school facilities will be completed.	John/Hardy												
2. Student Attendance: A renewed approach will take place in 1996-97.	Roger/Jim												
3. Employee Grievances: Pursue reasonable approaches to resolve employee grievances at the lowest level.	Linda/Principals/Dir's												
4. Substitute/Leave Time: Temporary guidelines to curtail the use of substitutes have been implemented.	Linda												
5. Board of Trustees/Superintendent: The Board and Supt. will implement a plan to identify roles/responsibilities.	Supt. Board												
6. Administrative Efficiency: Selected procedures and processes have been identified for analysis.	Supt./Cabinet												
7. Team/Individual Accountability: A system of individual and team accountability will be implemented.	Supt.												
8. Board/Cabinet Relationships: Establish improved working relationships.	Supt. Board												
9. Communication Between Board and Administration: The Board & Supt. will plan for improved communication.	Supt./Board/Cabinet												
10. Open Communication: Practices have been established that encourage open communication.	Supt./Admin. Staff/Bd												
11. Immediate Technology Needs: The District will employ a consultant to design a technology plan. • Hardware and software will be purchased at the earliest possible date.	John/Joe/Linda												
12. Training in Use of Technology: The District will place a high priority on computer training for employees.	John/Joe/Linda												
13. Technology Procedures: The District will place a high priority on computer training for employees.	John/Joe/Linda												
14. Technology Master Plan: A process will be established to appoint a District technology advisory committee.	Linda												
15. Data Processing Administration: The District will review management needs in data processing.	Joe/John/Linda												
16. Position Control: Position control procedures have been revised and disseminated.	Cabinet												
17. Staffing and Hiring: Staffing and hiring will be assigned to the Assistant Superintendent for Human Resources.	Linda												
18. Overtime, Compensatory Time, Substitutes: Procedures have been revised and implemented.	Supt.												
19. Accountability: Staffing and Budgets: Admin. evaluations will include staffing allocations and budgets.	Roger/John												
20. Organizational Efficiency: A study will be conducted to eliminate duplication of effort.	Supt.												
21. Classified Training: A staff development plan will be designed to provide training for classified staff.	Supt./Cabinet												
22. Training Budgets: Development of District budgets will include consideration for varied classified training.	Linda/John												
23. Optimizing Ending Balance: Procedures and processes to achieve the optimum ending balance will be monitored.	John/Linda												
24. Budget Reports: Budget reports will include the restricted portion of the budget and actuals year-to-date.	Cabinet												
25. Budget Development Commitment: Participants in budget development must adhere to the budget calendar.	John												
26. Budget Monitoring: The Business staff will perform monthly comparisons of actual revenue and expenditures.	Adm. Staff												
	John												

ATTACHMENTS



Monterey County Office of Education

FILE COPY

William D. Barr
Monterey County
Superintendent of Schools

901 Blanco Street

Post Office Box 30351

Salinas, California 93912-0851

Salinas (408) 755-0300

Monterey (408) 373-2955

Facsimile (408) 753-7888

August 14, 1996

RECEIVED

AUG 15 1996

Ms. Sonya Varea-Hammond, President
Board of Trustees
Salinas Union High School District
431 West Alisal Street
Salinas, California 93901

Salinas Union High School District
Business Services

SUBJECT: Review of the Salinas Union High School District
1996-97 Adopted Budget

The California Education Code prescribes the process for development and approval of a school district budget. Education Code Section 42127 provides that the County Superintendent of Schools shall approve or disapprove the Adopted Budget based on the Criteria and Standards for fiscal stability established pursuant to Education Code Section 33127. After thorough review by my staff, I am pleased to inform you that the adopted budget for the Salinas Union High School District is approved.

I would like to recognize the efforts of the trustees, staff members, and community volunteers who worked so diligently in developing a comprehensive fiscal plan which has culminated in this budget document. The approval of your budget represents a significant milestone in the district's journey to financial recovery.

Based on your approved budget status, I am hereby relinquishing stay and rescind control of your budget and will be retracting the assignment of your fiscal advisor, Dr. Tony Russo, effective August 15, 1996. My staff will continue to closely monitor the district's financial condition until we are able to verify and assign a positive Interim Report certification. As part of this monitoring, the district will be required to:

Ms. Sonya Varea-Hammond, President
Board of Trustees
Salinas Union High School District

Page 2

1. Provide an update on the districts multi-year financial recovery plan including the implementation status of those identified policies, regulations, and procedures designed to insure the on-going fiscal stability of the district. This progress report is due no later than October 31, 1996.
2. Provide the Monterey County Office of Education with any proposed collective bargaining agreement at least six (6) working days before Board approval so the County Office of Education can review and make appropriate comments regarding the impact of the proposed settlement on the District's recovery plan.
3. Request approval from the Monterey County Office of Education prior to the issuance of any non-voter authorized debt instruments as required by Education Code 42133(a).
4. Submit a multi-year projection with the First Interim Report for 1996-97.
5. Encumber all contracts and obligations during 1996-97.

I know that this fiscal crisis has been disruptive and costly for the district in terms of time, energy and financial resources. I commend the Board for their efforts to return financial integrity to the district. My staff and I remain available to assist in any manner that our services can be helpful.

Sincerely,



William D. Barr
County Superintendent of Schools

cc: Michael W. Ottmar, Associate Superintendent, MCCE
Dr. Albert Marley, Interim Superintendent, SUESD
John E. Christ, Assistant Superintendent, SUESD

PLEASE POST

SALINAS UNION HIGH SCHOOL DISTRICT
DISTRICT-WIDE CONTROL OF EXPENDITURES

EFFECTIVE IMMEDIATELY

It is necessary for all District personnel to participate in the effort to reduce expenditures. The following guidelines will apply beginning immediately.

- * No substitutes for employees on vacation.
- * Certificated substitutes: Schools are expected to make full utilization (5 periods) of teacher substitutes; please remind all staff that substitute requests must be submitted by 2:00 pm on the day preceding the need, except for illness.
- * No substitutes will be provided for less than 4 days of absence except for:
 - Child Care and Infant Care Providers for School Age Parenting Program.
 - Special Ed Instructional Aides (must call Personnel Office for approval of request on a daily basis).
 - ~~Salinas Adult School/Mt. Toro, Salinas City/High School Districts, Maintenance Custodians (only one custodian at each of these sites) (Maintenance) Custodians (There is only one custodian assigned to each of the following sites: Salinas Adult School/Mt. Toro, Salinas City/High School District Office.~~
 - Bus drivers
- * No overtime/extra hours will be approved (except for Saturday School and community service reimbursements).
- * ~~No payment for Comp time will be made (time must be taken within contract restrictions.~~
- NEW * No substitutes will be provided for Campus Supervisors unless the school is missing "four" (4) or more hours or as deemed necessary by the principal.

AURORA M. QUEVEDO, SUPERINTENDENT

January 10, 1996

Revised: January 30, 1996

SALINAS UNION HIGH SCHOOL DISTRICT

=====

BUSINESS SERVICES

DATE: MAY 24, 1996

TO: PRINCIPALS, DIRECTORS, AND MANAGERS

FROM: ANTHONY P. RUSSO, Ed.D., FISCAL ADVISOR

RE: OVERTIME/COMPENSATORY TIME

The matter of Overtime/Compensatory Time has come to my attention because of fiscal implications. It is clear that a comprehensive study of Overtime/Compensatory Time is an essential factor in establishing sound Fiscal and Personnel practices. This is an issue with enormous financial and morale implications.

Time is now at a premium; however, the District should complete a thorough study of Overtime/Compensatory Time within a reasonable timeline extending several months. In the meantime, we must begin gathering data for a study; and the practices of administering Overtime/Compensatory Time must be brought under control.

In accordance with a prior directive, there is a freeze on grant Overtime/Compensatory Time except under extenuating circumstances. Effective immediately, the attached procedures are required in requesting approval of Overtime/Compensatory Time under "freeze" conditions for any classified employee.

1. Managers must submit a written request for Overtime/Compensatory Time to John Christ or Roger Anton, whichever is the appropriate administrator in the chain of command. The request is to include the name of the employee, the approximate hours needed, hours, and the justification. The memorandum format to be used in requesting Overtime/Compensatory Time is attached.
2. Roger and John will review the request and the budget category to be charged with the Financial Advisor. Approval or denial will be communicated to the manager within 24 hours of receipt of the request.

Please complete the information as specified on the attached form and submit the form to John Christ by June 30, 1996.

cc: Supervisors
William Barr, Superintendent, Monterey County Office of Education
Mike Ottmar, Associate Superintendent, Monterey County Office of Education

SALINAS UNION HIGH SCHOOL DISTRICT

BUSINESS SERVICES

DATE: SEPTEMBER 5, 1996
TO: PRINCIPALS, DIRECTORS, AND MANAGERS
FROM: JOHN H. CHRIST, ASST. SUPERINTENDENT - BUSINESS SERVICES
RE: COMPENSATORY TIME LIABILITY

Attached is a recap of the District's Compensatory Time Liability as of June 30, 1996. This recap shows by school and departments the amount of hours owed and the number of employees that have earned this time.

The Cabinet has discussed various options by which this liability can be controlled. The following procedures should encourage control at the school/department level.

1. Continue the use of the authorization form. Schools/departments work within their budgeted allocations.
2. Encumber the 1996-97 school/department's budget for the June 30, 1996 liability.
3. Schools/departments submit recaps, from which the encumbrance will be increased or decreased.
4. Work with CSEA to allow the District to pay off all compensation time owed as of June 30, 1997, and then each year-end thereafter. The year-end payoff will be charged against the school/department's budget from which these hours were earned.
5. Starting in the 1996-97 school year, subject to agreement with CSEA, compensation hours will not be allowed to be carried over to another site. It will be made clear to employees up front, that by accepting a new job at a different location in the District their accumulated compensation time will be paid off. This expense will be charged against the school/department where earned.

I plan to bring this item to the September 12, 1996 Management Council Meeting for discussion, clarification and fine tuning. Please prepare for the implementation of these procedures this year.

JHC:dl

cc: Albert D. Marley, Ed.D., Interim Superintendent
Roger C. Anton, Jr., Associate Superintendent
Linda C. Harris, Interim Assistant Superintendent - Human Resources

SALINAS UNION HIGH SCHOOL DISTRICT

COMP-T
JHC
9/11/96

ACCUMULATED COMPENSATION TIME

FOR YEAR ENDING JUNE 30, 1996

SCHOOL/DEPT.	CATEGORY	BALANCE	1995-96	TOTAL	ESTIMATED
		PRIOR TO			LIABILITY
		1995-96	BALANCE		\$12.00
					PER HOUR
					PLUS
					STATUTORY
					BENEFITS
					25.97%
ESMS	Hours		225.75	225.75	\$3,413
	Employees		20	20	
HMS	Hours		0.00	0.00	0
	Employees		0	0	
WMS	Hours	291.00	249.00	540.00	8,163
	Employees	8	16	22	
AHS	Hours	61.00	81.75	142.75	2,158
	Employees	9	5	13	
EAHS	Hours		374.25	374.25	5,657
	Employees		12	12	
NSHS	Hours	499.50	454.75	954.25	14,425
	Employees	10	15	20	
SHS	Hours	45.50	588.75	634.25	9,588
	Employees	7	21	23	
MTHS	Hours	57.50	39.25	96.75	1,463
	Employees	2	5	5	
ROC/P	Hours	4.00	76.25	80.25	1,213
	Employees	1	12	12	
ADULT	Hours		195.25	195.25	2,951
	Employees		25	25	
SPEC. PROJECTS	Hours		0.00	0.00	0
	Employees		0	0	
MIGRANT ED.	Hours		19.25	19.25	291
	Employees		3	3	
SUMMER SCHOOL	Hours		15.00	15.00	227
	Employees		1	1	
PPS/DP	Hours	24.25	186.50	210.75	3,186
	Employees	1	5	5	
BUSINESS	Hours	3.00	76.75	79.75	1,206
	Employees	1	10	10	
MAINTENANCE	Hours		0.00	0.00	0
	Employees		0	0	
TRANSPORTATION	Hours		0.00	0.00	0
	Employees		0	0	
PURCHASING	Hours		0.00	0.00	0
	Employees		0	0	
FACILITIES	Hours		0.00	0.00	0
	Employees		0	0	
TOTAL	Hours	981.50	2,396.00	3,357.50	\$50,753
	Employees	38	145	166	

**SALINAS UNION HIGH SCHOOL DISTRICT
AUTHORIZATION FOR OVERTIME/COMPENSATORY TIME
AND EXTRA HOURS FOR REGULAR EMPLOYEES**

EMPLOYEE: _____ SITE: _____

AUTHORIZATION REQUESTED FOR:

(CHECK ONE) _____ OVERTIME: EXTRA HOURS:

DATES & HOURS REQUESTED:

DATE(S)	HOURS
TOTAL HOURS	

JUSTIFICATION: _____

EMPLOYEE IS REQUESTING COMPENSATION IN THE FOLLOWING MANNER :

(CHECK ONE) _____ COMP. HOURS: PAY:

TIME PERIOD IN WHICH COMP HOURS TO BE TAKEN: _____

PAYROLL ACCOUNT TO CHARGED TO:	_____	%
	_____	%
	_____	%

CODE VERIFIED ON MCOE PRINTOUT DATED: _____ ACCOUNT BALANCE: \$ _____

EMPLOYEE: _____ DATE: _____
SIGNATURE

SITE ADMINISTRATOR: _____ DATE: _____
SIGNATURE

SPECIAL PROJECTS ADM.: _____ DATE: _____
SIGNATURE

SITE TO RETAIN GOLDENROD AND FORWARD FORM TO ASST. SUPERINTENDENT OF BUSINESS SERVICES

DISTRICT ACTION: APPROVED: DENIED:

DISTRICT ADMINISTRATOR: _____ DATE: _____
SIGNATURE

AFTER DISTRICT ACTION-PINK FORWARDED TO PAYROLL AND CANARY AND WHITE RETURNED TO SITE

DISTRIBUTION:
GOLDENROD - Retain Upon Initial Request
PINK - Retained by Business Services After Action Indicated By District Administrator
CANARY - Retain By SRA After Completion Of All Sections
WHITE - Submit With Miscellaneous Timesheet or Absence Report

POSITION CONTROL CHRONOLOGICAL RECAP:

<u>Date</u>	<u>Document</u>	<u>From</u>	<u>To</u>
-------------	-----------------	-------------	-----------

Ongoing	Job Descriptions of Assistant Superintendent - Business Services and Assistant Superintendent - Personnel Services (Human Resources)		
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The job descriptions attached outline the performance responsibilities of the Assistant Superintendents of Business Services and Personnel Services. Item 10 for the Assistant Superintendent of Personnel Services says that he/she, "maintains records and numerical accounting of District personnel,..." This demonstrates that the Assistant Superintendent of Personnel Services has direct responsibility for maintaining a position control system.

January 2, 1992	Memo	Joe Zeligs Manager of Data Processing	Barbara Cornett Asst. Supt. - Personnel and John Christ Asst. Supt. - Business
-----------------	------	---------------------------------------------	--------------------------------------------------------------------------------------------

This memo demonstrates that as early as January 2, 1992 the Assistant Superintendent of Personnel Services and the Assistant Superintendent of Business Services were working proactively to set up a computer system to utilize a shared personnel data base.

February 20, 1992	Memo	John Christ Asst. Supt. - Business	Barbara Cornett Asst. Supt. - Personnel
-------------------	------	---------------------------------------	--------------------------------------------

This memo shows that the Assistant Superintendent of Business Services was taking a proactive role in establishing procedures for the implementation of the Personnel/Payroll Computer System. As will be seen later, Personnel is responsible for providing all authorized data that Payroll and Business should work off of.

September 4, 1993	Memo	Penny Taylor Asst. Supt. - Personnel	Aurora Quevedo Superintendent
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This memo raised the issue, and not for the first time, of the need for an effective functioning Personnel Office software system. Both Ms. Taylor and I emphasized the need for an integrated personnel system at a number of Superintendent Cabinet Meetings.

<u>Date</u>	<u>Document</u>	<u>From</u>	<u>To</u>
March 8, 1994	Average Class Size Analysis	John Christ Asst. Supt. - Business	Shared with Superintendent's Cabinet

This analysis points out that it appeared the District was over-staffed in 1993-94 in comparison to the bargaining unit contractual requirements. This could be considered an indicator of not enough controls on staffing allocations to actual number of employees hired.

July 1, 1994	Memo	John Christ Asst. Supt. - Business	Aurora Quevedo Superintendent
--------------	------	---------------------------------------	----------------------------------

The Assistant Superintendent of Business Services pointed out the lack of a good position control mechanism in the District, and suggested an automated system that was on the market. He was directed to discuss further with a number of district administrators.

July 1994	Position Control A Vital Management Tool	School Services of California	John Christ Asst. Supt. - Business
-----------	------------------------------------------------	----------------------------------	---------------------------------------

The attached handout on position control was developed and distributed by School Services of California at their July 1994 Management Conference. The Assistant Superintendent of Business Services attended this conference, and brought back this material to a subsequent Superintendent Cabinet Meeting to emphasize the need to implement such a system.

July 20, 1994	Memo	John Christ Asst. Supt. - Business	Aurora Quevedo Superintendent
---------------	------	---------------------------------------	----------------------------------

This memo recapped the meeting the Assistant Superintendent of Business Services had with district administrators. It was suggested that a small stand-alone system might be a good interim step for budget control purposes.

August 16, 1994	Memo	Penny Taylor Asst. Supt. - Personnel	Aurora Quevedo Superintendent and Asst. Supt. Business and Director - Information Systems
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The Assistant Superintendent of Personnel Services suggested a position control system that she had investigated.

<u>Date</u>	<u>Document</u>	<u>From</u>	<u>To</u>
-------------	-----------------	-------------	-----------

November 15, 1994	Memo	Cindy Fellows Budget Analyst	Ardie Webb Asst. Supt. - Personnel
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This memo points to a problem in coding and follow through on an employees payroll assignment. This occurs due to lack of good procedure.

November 15, 1994	Memo	Cindy Fellows Budget Analyst	Ardie Webb Asst. Supt. - Personnel
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This memo points to a problem in coding and follow through on another employees payroll assignment. This occurs due to lack of good procedure. Since position control was the responsibility of Human Resources, the Budget Analyst was unable to make changes without the Assistant Superintendent of Human Resources' authorization.

March 16, 1995	Memo	John Christ Asst. Supt. - Business	Ardith Webb Asst. Supt. - Personnel
----------------	------	---------------------------------------	----------------------------------------

The Assistant Superintendent of Business Services suggested that the District use the Monterey County Office of Education's Personnel System in the absence of , or until the District purchases its own system.

March 21, 1994	Average Class Size Analysis	John Christ Asst. Supt. - Business	Shared with Superintendent's Cabinet
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This analysis points out that it appeared the District was over-staffed in 1994-95 in comparison to the bargaining unit contractual requirements. This could be considered an indicator of not enough controls on actual staffing.

April 1, 1995	Memo	John Christ Asst. Supt. - Business	Ardith Webb Asst. Supt. - Human Resources (H.R.)
---------------	------	---------------------------------------	--------------------------------------------------------

This memo points out that the Assistant Superintendent of Business Services took it upon himself to draft Position Control Procedures that he shared with the Assistant Superintendent of Human Resources twice before, but had still not received any feedback. The Assistant Superintendent of Business Services was fully aware of the seriousness of the situation and was hopeful that his help would expedite the quick implementation of procedures.

<u>Date</u>	<u>Document</u>	<u>From</u>	<u>To</u>
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September 6, 1995	Review	Board Budget Committee	Board of Trustees
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Now, after significant deficit expenditures occurred in the prior school year, the Board Budget Committee recommends, "Salaries and substitutes will be controlled by the Human Resources Department through an automated position control svstem ... providing accountability..."

October 27, 1995	Memo	Cindy Fellows Budget Analyst	Ardie Webb Asst. Supt. - H.R.
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This memo points to a problem in coding and follow through on another employees payroll assignment. This occurs due to lack of good procedure. This is a similar problem to those Cindy Fellows brought up in her November 15, 1994 memos.

December 5, 1995	Position Control Procedures	Superintendent Cabinet	Board of Trustees
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Position control procedures were taken to the Board for approval.

January 4, 1996	Memo	John Christ Asst. Supt. - Business	Ardie Webb Asst. Supt. - H.R.
-----------------	------	---------------------------------------	----------------------------------

This was a written follow-up to an earlier verbal request for staffing lists for reconciliation purposes. This was to remind her that she needed to get out a memo on controlling extra hours, over-time and substitutes.

January 4, 1996	Memo	John Christ Asst. Supt. - Business	Ardie Webb Asst. Supt. - H.R.
-----------------	------	---------------------------------------	----------------------------------

This was a reminder memo of the deadline for submitting next year's (1996-97) staffing projections for budget building purposes.

January 5, 1996	Memo	John Christ Asst. Supt. - Business	Ardie Webb Asst. Supt. - H.R.
-----------------	------	---------------------------------------	----------------------------------

This was a written follow-up to an earlier verbal request for the corrected Class Size Report that is used to compare staffing to student ratios.

<u>Date</u>	<u>Document</u>	<u>From</u>	<u>To</u>
January 16, 1996	Letter	Betsey Coleman Analytic Management Systems	Cindy Fellows Budget Analyst

The Assistant Superintendent of Business Services asked Ms. Fellows to request information from Analytic Management Systems (AMS) about their Human Resources Management System that includes a position control system. Ms. Fellows was requested to seek this information, because of her working relationship with AMS in using their budget system.

January 30, 1996	Letter	Thomas Brewer CPA	John Christ Asst. Supt. - Business
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Tom Brewer, with the audit firm of Vavrinek, Trine, Day & Co., was hired by the MCOE to find out what had caused the District's financial problem. This letter reinforces the need for the reconciliation of the Human Resources Department's staffing lists and the class size report. This was immediately shared with the Assistant Superintendent of Human Resources who needed to produce these documents.

February 22, 1996	Letter	William Barr Monterey County Superintendent of Schools	Aurora Quevedo Superintendent
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This letter reported on Thomas Brewers initial report, and reminded the Superintendent of the importance of the needed reconciliation of staffing between the Human Resources and the Business Services Departments.

February 28, 1996	Budget Plan Time-Line	Shared with the Superintendent's Cabinet	John Christ Asst. Supt. - Business
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In an effort to keep on task and to get the data he needed, the Assistant Superintendent of Business Services proposed this "revised" draft Budget Plan Time-Line. This was not the first one he proposed. This time-line included deadlines for the staffing analysis. The Superintendent did not implement it.

<u>Date</u>	<u>Document</u>	<u>From</u>	<u>To</u>
March 1, 1996	Memo	John Christ Asst. Supt. - Business	Superintendent Cabinet Members

This memo outlined tasks that needed to get done, which included reconciliation of staffing by the Assistant Superintendent of Human Resources, and the class size analysis by the Assistant Superintendent of Business. The reconciliation of staffing was first requested in writing on January 5, 1996, as well as verbally before and after January 5, 1996. The auditor hired by MCOE, Thomas Brewer, had also requested this data in his January 30, 1996 letter. The Assistant Superintendent of Business Services could not finish the class size analysis without the information he previously requested in writing on January 4, 1996, as well as verbally several times since his January 4, 1996 memo.

March 22, 1996	Position Control Procedures	A Committee of Human Resources and Business Services Staff	Human Resources and Business Services Staff
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The Human Resources and Business Services staff members developed agreed upon procedures for manual position control.

April 1, 1996	Average Class Size Analysis	John Christ Asst. Supt. - Business	Shared with Superintendent Cabinet
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This analysis points out that it appeared the District was over-staffed in 1995-96 in comparison to the bargaining unit contractual requirements. This could be considered an indicator of not enough controls on actual staffing.

April 1, 1996	Memo	John Christ Asst. Supt. - Business	Ardith Webb Asst. Supt. - H.R.
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This memo was a request for agreement to actually implement the March 22, 1996 proposed of manual position control procedures

April 22, 1996	Board Budget Committee #2's Recommendations	Board Budget Committee #2	Board of Trustees
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The Board of Trustees establishes three community based committees. Committees #2's assignment was to make recommendations for solving the fiscal crisis. Recommendations number 10 and 15 reflected significant respect in the abilities of the Assistant Superintendent of Business Services. They recommended having the Information Services Department report to him, as well as making him directly responsible to the Board of Trustees. A major reason give by the Committee for these recommendations was that the Assistant Superintendent of Business Services get those jobs done that he is responsible for.

<u>Date</u>	<u>Document</u>	<u>From</u>	<u>To</u>
May 17, 1996	Memo	John Christ Asst. Supt. - Business	Human Resources, Payroll Staff and Budget Analyst

Following the resignation of the Assistant Superintendent of Human Resources, the Assistant Superintendent of Business Services implemented the manual position control procedures developed on March 22, 1996.

June 11, 1996	Fiscal Review	Fiscal Crisis & Management Assistance Team	Board of Trustees
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The Fiscal Crisis & Management Assistance Team (FCMAT) report reinforced what the Assistant Superintendent of Business Services had been requesting for years, the purchase and implementation of an automated position control system as soon as possible. In fact, they also suggested looking specifically at the Analytical Management System.

June 25, 1996	Financial Recovery Plan	The Interim Superintendent and Cabinet	Board of Trustees
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Reported that the manual position control has been implemented.

October 22, 1996	Progress Report on the Financial Recovery Plan	John Christ Asst. Supt. - Business	Board of Trustees
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Reported the position control procedures have been revised and disseminated to District Administrators.

November 7, 1996	Memo	John Christ Asst. Supt. - Business	Albert Marley Interim Superintendent
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The Assistant Superintendent of Business Services responded to concerns raised at the October 22, 1996 Board Meeting about the proposed purchase of Analytic Management Systems' *Human Resources Management System* software. This memo recaps the history that lead the District to this recommendation. [This report's attachments can be made available upon request.]

November 12, 1996	Board Report	John Christ Asst. Supt. - Business	Board of Trustees
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The Board of Trustees approved the purchase of Analytic Management Systems' *Human Resources Management System* that includes an automated position control system.

Salinas Union High School District

ADMINISTRATION OFFICES — 431 WEST ALISAL STREET, SALINAS, CA 93901-1699 • FAX: (408) 754-8798

FERNANDO R. ELIZONDO, Ed.D.
Superintendent
(408) 753-4110

ROGER C. ANTON, JR.
Associate Superintendent
Instructional Services
(408) 753-4127

JOHN H. CHRIST
Assistant Superintendent
Business Services
(408) 753-4115

LINDA C. HARRIS
Interim Assistant Superintendent
Human Resources
(408) 753-4137

To: Sonya Varea-Hammond

From: Dr. Elizondo

Date: March 17, 1997

Re: Proposed Timeline: Superintendent's Evaluation Period Through May 13, 1997.

At the Board meeting of March 11th, the Board discussed a tentative timeline for the completion of my evaluation. I have sketched out a timeline for your consideration and presentation to the Board that is within the discussed timeline.

- **March 25, 1997 Regular Board Meeting:**
- Closed Session - The Board will review and approve the timeline for completing the evaluation as well as finalize the evaluation instrument.
- **March 25 through April 8, 1997**
- Trustees Complete Evaluation
- **April 8, 1997 Regular Board Meeting:**
- Closed Session
- Board meets to further discuss any questions related to evaluation process.
- **April 11, 1997**
- All evaluations are to be completed and sent to President Varea-Hammond.
- **April 14 - 18, 1997**
- President Varea-Hammond consolidates all evaluations.
- **April 22, 1997 Regular Board Meeting:**
- Closed Session
- Board meets to review finalized results of Trustees' evaluation. The Board makes any final adjustments to the evaluation.

- **By May 2nd**
- President Varea-Hammond forwards final evaluation to Superintendent for review and comment.

- **May 13, 1997 Regular Board Meeting:**
- **Closed Session**
Board Reviews with the Superintendent final evaluation and receives Superintendent's written response to evaluation.

Sonya, I hope this helps put structure to the evaluation process.

Salinas Union High School District

MEMORANDUM

TO: BOARD OF TRUSTEES

FROM: FERNANDO ELIZONDO, Ed. D.
SUPERINTENDENT

DATE: APRIL 1, 1997

RE: SUPERINTENDENT'S EVALUATION RECOMMENDATION

BOARD GOAL: **DEVELOPMENT OF A COMPREHENSIVE MONITORING PLAN FOR EVALUATION OF THE SUPERINTENDENT**
Collaboratively the Board and Superintendent will develop appropriate evaluative criteria which is earmarked by the development of a District-wide strategic plan and District solvency.

INTRODUCTION

An effective working relationship between the school board and the superintendent is essential to the successful operation of a school district. The development and maintenance of such a relationship may be greatly assisted by a periodic review of the superintendent's diverse responsibilities accompanied by a frank discussion of his performance. Once having employed a superintendent the board shares in the responsibility for his success, with an obligation to offer guidance and support in carrying out his duties.

Through the evaluation of the superintendent, the board will strive accomplish the following:

1. Clarify for the Superintendent his role in the district as seen by the Board.
2. Clarify for all Board members the role of the Superintendent in light of the job description and the priorities among the responsibilities as agreed upon by the Board and the Superintendent.
3. Develop harmonious working relationships between the Board and the Superintendent.

4. Provide administrative leadership for the district.

The Board will develop periodically, with the Superintendent, a set of performance objectives based on the needs of the district. The performance of the Superintendent will be reviewed in accordance with these specified goals. Additional objectives will be established at intervals agreed upon with the Superintendent.

Annually, the Board will devote a closed session of the Board to the evaluation of the Superintendent performance, with the Superintendent present.

The standards to be used in the evaluation will be agreed to by both the Superintendent and the Board.

The primary purpose of the evaluation will be to effect improvements in the overall management and leadership of the Salinas Union High School District.

GUIDELINES

The following guidelines could be used in the evaluation process:

1. The Superintendent will know the standards upon which we will be evaluated and will be involved in the development of those standards.
2. Evaluation should be at a scheduled time and place, with no other items on the agenda.
3. The evaluation will be a composite of the evaluations by individual Board members, and the Board, as a whole, will meet the Superintendent to discuss the composite evaluation.
4. The evaluation should include a discussion of strengths as well as weaknesses.
5. Each judgment will be supported by a rationale and objective evidence.
6. One Board member's opinion will not be the sole basis for judgment on an appraisal item.

PROCEDURES

The procedure to be followed may vary according to circumstances and desires of the Board.

- Step 1 Board and superintendent reach consensus regarding instrument used to evaluate superintendent.

- Step 2 Evaluation instrument **Part I** is completed by each individual board member and submitted to the Board president.
- Step 3 Board president consolidates each evaluation **Parts II and III** into one final report and reviews with the board and forwards to the Superintendent. The board reaches consensus on final evaluation report.
- Step 4 Within two weeks of delivery of written evaluation, Superintendent meets in closed session with the Board to discuss evaluation with any changes that may result from the joint discussion (enter the date and signature of the entire board).
- Step 5 Superintendent has option for written comments or response to evaluation which would become a permanent attachment to his personnel file.

Superintendent's Performance Performance Appraisal Part I

Evaluator: _____

Superintendent: _____

Appraisal Period: From _____ To _____

The evaluator is to rate each performance appraisal factor by checking the appropriate column using the rating scale below.

Please return to Board President by: _____

SCALE:

1. Needs Improvement
2. Below Standards of Expectation
3. Satisfactorily Meets Expectation
4. Exceeds Expectations

YOUR CHOICE				BOARD'S DECISION				
1	2	3	4	<u>RELATIONSHIP WITH THE BOARD</u>				
1	2	3	4	1	2	3	4	
_____	_____	_____	_____	1. Keeps the board informed in issues, needs, and operation of the district.	_____	_____	_____	_____
_____	_____	_____	_____	2. Offers professional advice to the board on items requiring board action, with appropriate recommendations based on thorough study and analysis.	_____	_____	_____	_____
_____	_____	_____	_____	3. Interprets and executes the intent of board policy.	_____	_____	_____	_____
_____	_____	_____	_____	4. Seeks and accepts constructive criticism of his work.	_____	_____	_____	_____
_____	_____	_____	_____	5. Supports board policy and actions to the public and staff.	_____	_____	_____	_____
_____	_____	_____	_____	6. Has a harmonious working relationship with the board.	_____	_____	_____	_____
_____	_____	_____	_____	7. Understands his role in administration of board policy, makes recommendations for employment or promotion of personnel in writing and with supporting data, and accepts responsibility for his recommendations.	_____	_____	_____	_____
_____	_____	_____	_____	8. Receives recommendations for personnel from board members with an open mind but applies the same criteria for his selection for recommendation as he applies applications from other sources.	_____	_____	_____	_____

YOUR CHOICE

BOARD'S DECISION

1 2 3 4

1 2 3 4

2. Solicits and gives attention to problems and opinions of all groups and individuals.
3. Develops friendly and cooperative relationships with the news media.
4. Participates actively in the community.
5. Achieves status as a community leader in public education.
6. Works effectively with public and private agencies.

STAFF AND PERSONNEL RELATIONSHIPS

1. Develops and executes sound personnel procedures and practices.
2. Develops good staff morale and loyalty.
3. Treats all personnel fairly, without favoritism or discrimination, while insisting on performance of duties.
4. Delegates authority to staff members appropriate to the position each holds.
5. Recruits and assigns the best available personnel in terms of the competencies.
6. Encourages participation of appropriate staff members and groups in planning, procedures, and policy interpretation.
7. Evaluates performance of staff members giving commendation for good work as well as constructive suggestions for improvement.
8. Takes an active role in development of salary schedules for all personnel, and recommends to the board the levels which, within budgetary limitations, will best serve the interests of the district.
9. At the direction of the board, establishes, meets and confers with the negotiating council, representing to the best of his ability and understanding the interest and will of the board.

YOUR
CHOICE

BOARD'S
DECISION

1 2 3 4

1 2 3 4

EDUCATIONAL LEADERSHIP

1. Understands and keeps informed regarding all aspects of the instructional program.
2. Implements the district's mission statement.
3. Participates with staff, board, and community in studying and developing curriculum improvement.
4. Oversees the organization of a planned program of curriculum evaluation and improvement.
5. Provides democratic procedures in curriculum work, utilizing the abilities and talents of the entire professional staff and lay people of the community.
6. Exemplifies and inspires others to the highest professional standards.

BUSINESS AND FINANCE

1. Keeps informed on needs of the school program: plant, facilities, equipment, and supplies.
2. Supervises operations, insisting on competent and efficient performance.
3. Determines that:
 - a. Funds are spent wisely.
 - b. Adequate control and accounting are maintained.
4. Evaluates financial needs and makes recommendations for adequate financing.

PERSONAL QUALITIES

1. Defends principle and conviction in the face of pressure and partisan influence.
2. Maintains high standards of ethics, honesty, and integrity in all personal and professional colleagues.
3. Earns respect and standing among professional colleagues.
4. Devotes time and energy effectively to job.

YOUR
CHOICE

BOARD'S
DECISION

1 2 3 4

1 2 3 4

5. Demonstrates ability to work well with individuals and groups.

6. Exercises good judgment and the democratic processes in arriving at decisions.

7. Possesses and maintains the health and energy necessary to meet the responsibilities of the position.

8. Maintains poise and emotional stability in the full range of professional activities.

9. Is customarily suitably attired and well-groomed.

10. Uses English effectively in dealing with staff members, the board, and the public.

11. Writes clearly and concisely.

12. Speaks well in front of large and small groups, expressing ideas in a logical and forthright manner.

13. Thinks well when faced with an unexpected or disturbing turn of events in a large group meeting.

14. Maintains professional development by reading, course work, conference attendance, work on professional committees, visiting other districts and meeting with other superintendents.

Superintendent's Performance Appraisal Matrix Part II

Board Members	Bumba	Galindo	Gonzalez	Varea-Hammond	Villarreal-Ocampo	Traylor	Area 1	Average Score
---------------	-------	---------	----------	---------------	-------------------	---------	--------	---------------

Relationship with the Board								
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								

Total								
-------	--	--	--	--	--	--	--	--

Administration of the District								
1								
2								
3								
4								
5								
6								
7								

Total								
-------	--	--	--	--	--	--	--	--

Superintendent's Performance Appraisal Matrix Part II

Board Members	Bumba	Galindo	Gonzalez	Varea-Hammond	Villarreal-Ocampo	Traylor	Area 1	Average Score
---------------	-------	---------	----------	---------------	-------------------	---------	--------	---------------

Community Relationships								
1								
2								
3								
4								
5								
6								

Total								
-------	--	--	--	--	--	--	--	--

Staff and Personnel Relationships								
1								
2								
3								
4								
5								
6								
7								
8								
9								

Total								
-------	--	--	--	--	--	--	--	--

Educational Leadership								
1								
2								
3								
4								
5								
6								

Total								
-------	--	--	--	--	--	--	--	--

Superintendent's Performance Appraisal Matrix Part II

Board Members	Bumba	Galindo	Gonzalez	Varea-Hammond	Villarreal-Ocampo	Traylor	Area 1	Average Score
---------------	-------	---------	----------	---------------	-------------------	---------	--------	---------------

Business and Finance								
1								
2								
3								
4								

Total								
-------	--	--	--	--	--	--	--	--

Personal Qualities								
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								

Total								
-------	--	--	--	--	--	--	--	--

Subjective Evaluation

Part III

This section provides the board with an opportunity to broaden the scope of evaluation. The comments under each section will reflect the Board's final appraisal of the Superintendent.

1. Relations with Board

General Statement:

2. Management of Public Relations

General Statement:

3. Management of Curriculum and Instruction

General Statement:

4. Business and Fiscal Management

General Statement:

5. Long and Short-range Planning

General Statement

6. Staff and Personnel Relationship

General Statement:

7. Educational Leadership

General Statement:

8. Management of Physical Facilities

General Statement:

9. Personal and Professional Qualities

General Statement:

10. Community Relationship

General Statement:

Date: _____

Sonya Varea-Hammond
Board of Trustees President

Leticia Galindo
Vice President

Tom Traylor
Clerk of the Board

Ernesto Gonzalez
Board Member

Kalah Bumba
Board Member

Sandra Villarreal-Ocampo
Board Member

Fernando R. Elizondo, Ed.D.
District Superintendent

In the preface to the Grand Jury Final Report, Foreman Charles H. Page's letter to the Honorable John M. Phillips, Foreman Page identifies a common theme which emerged from the Grand Jury's investigations of all the entities they looked into, and that was the need for training, team work, and problem solving skills for members of governing boards. There is no pleasure taken in the fact that other entities share similar deficiencies. The only solace is that hard work and the faith that right would prevail kept some board members true to their word to the electorate, to work for the good of the district as a whole.

Hindsight is wonderful, and the Grand Jury has largely utilized it in coming after the fact and make findings and recommendations with the clarity of hindsight and with the luxury of distance and disassociation and declare what should have been done. In fact, some board members had been trying to remedy the situation and bring to light the problems for three years. The financial crisis was a blessing in disguise, because it was finally the catalyst to bring about the much needed change. It was unfortunate that it took such a drastic problem to shake things loose. Secondly, a change in the composition of the Board the previous December made it possible to initiate changes that were needed. In March of 1996, the District was in turmoil, at the deepest low I had seen in my eleven years thus far on the Board. Three months later the highly qualified interim Superintendent which the Board had hired, immediately began to implement the necessary changes. And now, one year later, the District has a competent Superintendent, is functioning well, has restored the required balance and is well on it's way to having an extra one percent, has businesslike, well-run Board meetings, is well informed, on its way to passing a bond election with strong community support.

The Grand Jury report has not identified anything the Board was not aware of. In fact, the Board was well on their way to fixing the problems, with a new Interim Superintendent, before the Grand Jury began their investigations. The Grand Jury Report is after the fact, and was not a key factor in inducing remediation, since the Board had already begun the preceding winter.

Response to:

Grand Jury Findings:

1. It was at the Board's request that FCMAT came to conduct its review. The Board felt it was not getting the full information, and asked for FCMAT to review our financial situation and systems and report to us. It was then that we finally were able to clearly identify the problem areas, have concrete solutions, and develop a remediation plan.
2. Agree, however when an administration is ineffective in maintaining good relationships with bargaining units, and bargaining units use their power negatively in retribution, settlements are likely to be more costly.

3. It's not true that there was no position control. It is true that the systems which were in place were time consuming, less than 100% accurate, duplicative of effort, etc. as identified by FCMAT.
4. See #3.
5. Agree.
6. All blame for lack of effective position control does not rest with the Assistant Superintendent for Business Services. It is the top administrator's responsibility to supervise the management staff and make sure they are functioning as they should. Monitoring and evaluation are a responsibility of the Superintendent.
7. Absolutely true. When trainings are repeatedly offered and Board members do not avail themselves of that training, they act counter to the benefit of the district. When team building sessions are planned and certain Trustees do not show up, it's difficult to create a team. When the electorate has had an opportunity to observe Board member performance yet reelect Board members not willing or capable of serving the best interest of the district, voters have a responsibility to bear as well.
8. See # 7. I have been a Board member for twelve years, and in the course of that time have attended many CSBA trainings, workshops related to school law (Brown Act, etc.) as well as leadership training from other sources, including negotiation training. The bulk of my training was in the earlier years, but I have attached a summary of the types of management training I've taken in the past three years. Most recently I attended both 1996 and 1997 Board President and Board Spokesperson training. (See attachment).
9. See #7 & #8.
10. Agree.
11. Agree. The Grand Jury identifies this as a common theme to their investigations of other agencies/entities they reviewed. Only the public can recall an ineffective Board member or vote them out. The public did not do so.

Response to:

Grand Jury Recommendations

1. The district began the healing process once the serious budget shortfall was brought to its attention. The Board reviewed the effectiveness of the management team through a professional team experienced in conducting management audits. The Board requested FCMAT to come and identify the systemic financial problems as well as the actual monetary problems of the district and the Board initiated changes in

management. Remedial measures began immediately, and most significantly with the interim Superintendent, and continuing under the new Superintendent.

2. The Board has undergone a self audit and two intense Board team building and ethics sessions. All Board members attended at least part of each session. Growth areas were identified. Certain Board members are taking training, and the newest members are diligently attending a variety of classes, primarily offered by CSBA. Board members most closely implicated in this report should not seek re-election.
3. Done.

Response to:

Conclusion of Grand Jury

Agree.

COMMUNITY SERVICE

- 1985 - pres. Board of Trustees, Salinas Union High School District (elective office)
1987 - pres. California Women for Agriculture member, Quilt Chairperson (94, 95, 96)
1990 - pres. Department Heads Council
1994 Secretary/Treasurer
1995 Vice President
1996 Chairperson
- 1992 - pres. Rotary (Foreign Exchange Student Committee 1994 to present; originator and coordinator of Career Shadowing Day 1996)
- 1993 United Way Campaign Coordinator, Received Outstanding Coordinator (Given Award for Outstanding Achievement for amount of money raised)
- 1993 - 1995 Monterey County Water Awareness Committee member and Chairperson (1994)
- 1993, 94, 95 Salinas and Monterey Third Grader Farm Day - Bilingual group guide
- 1993 - 1996 Violent Injury Prevention Program Steering Committee, Jobs and Housing Subcommittee
- 1993 - pres. Monterey Bay Region Futures Network Board of Directors, Treasurer and By-Laws sub-committee chairperson (1995)
- 1993 - pres. Central Coast Ag Task Force
- 9/26-27/94 Interview panel - CSUMB President
- 1994 Host family for 2 Japanese agricultural students
- 1994 Donation of agricultural equipment and artifacts to Monterey County Agricultural and Rural Life Museum
- 1994, 95, 96 Panelist for Leadership Salinas Valley
- 12/95 - pres. SUHSD Board President
- 1995 Santa Cruz County Africanized Honey Bee Task Force
- 3/31/95 Panelist - Tri County Economic Summit ("Ventures in Networking")
- 1996 Local Planning Committee for Biodiversity Council Monterey meeting
- 4/3/96 California Envirothon (sponsored by California Resource Conservation Districts)
Judge
- 1996 Santa Cruz County Agricultural Easement Program - Farmland Review Team

"Featured" speaker:

- 1/21/94 Rotary, Castroville
10/13/95 Rotary, Castroville
1/10/96 Lions Club, Salinas
10/8/96 Lions Club, Watsonville
94, 95, 96 Focus Ag, Watsonville

12/15/93 **Managing Negativity in the Workplace, Monterey**
2/23/94 **Family Leave Workshop, Santa Cruz**
7/20/94 **Reinventing Government workshop - Total Quality Management, Monterey**
10/12/94 **Zenger-Miller Management Training - "Team Building", Salinas**
1/95 **Ad Hoc Peer Review Chairperson training, Oakland**
6 & 8/95 **DANR Leadership Program, Anaheim, Marshall, CA.**
6/6/95 **Tim Wallace Facilitator Training, Asilomar**
7/13/95 **Zenger-Miller Management Training - Resolving Team Conflict, Salinas**
2/3/96 **Interest-Based Bargaining Training, Salinas**
4/26/96 **Organization and Records Management, Monterey**
6/12/96 **"Troubled Employees" Workshop for Managers and Supervisors, Salinas**
8/12/96 **Program Review Preparation Orientation (also '94, '95), SCR**
9/12/96 **Conducting Performance Evaluations, Salinas**

RECEIVED

APR 28 1997

Salinas Union High School District
Superintendent's Office

April 27, 1997

copy for
district

The Honorable Jonathan R. Price,
Presiding Judge
Monterey County Superior Court
Salinas Courthouse
240 Church Street
Salinas, CA. 93901

Dear Judge Price:

The purpose of this correspondence is to reply to the findings of the 1996 Grand Jury Report that was released the end of January, 1997.

At the time of the Grand Jury's inquiry, I was the newest trustee (District Six) of the Salinas Union High School District (SUHSD), and I was appreciative of the Grand Jury's efforts as they delved into the district's operations. When I was interviewed by the Grand Jury last September, I had been in office for nine months.

As required in the penal code 933.05, subdivision (c), I am responding to the report as it relates to the SUHSD. I am in agreement with the report and would like to merely give my point of view for the record.

FINDINGS:

1. The nine factors which played a role in the District Fiscal Policies as set forth on page 2 of "The Fiscal Review," and quoted above were verified.

Response: I agree with the nine factors and am pleased to direct you to the District's response as to how we are remedying these factor.

2. A majority of the Board, in place when the problems occurred, committed funds at the request of employee groups and District residents when funds were not available.

Response: I was not elected to the Board until November of 1995; the fiscal crisis became public during my campaign.

3. No school system the size of the Salinas Union High School District can maintain reliable financial controls without a position control system.

page two, April 27 Response to Grand Jury Report

4. Salinas Union High School District had no position control system.
5. The lack of adequate computer systems does not excuse the failure to have in place a position control system.

Response: I agree with Findings 3, 4, and 5, and am pleased to report that we have a position control system in place.

6. The lack of a position control system is an indication of inadequate knowledge, training and competence in the office of the Assistant Superintendent for Business Services.

Response: It was my understanding that the Department of Human Resources had the authority for all personnel matters.

7. Being elected to a school Board does not mean that the person elected has the knowledge, training or skills which are necessary to function effectively as a Board Member and carry out the significant responsibilities which the position requires.

Response: I agree.

8. The knowledge and skills necessary to be an effective school Board member can be learned through training programs which are offered locally by County Superintendent of Schools and State-wide by the California School Boards' Association and through other available programs.

Response: I agree. One of the reasons I ran for this office was because I felt I could be an effective member of the Board with my background in numerous positions of leadership including the League of Women Voters of Salinas, the League of Women Voters of California, the American Cancer Society, as well as numerous organizations, school committees, etc.

9. The educational and training programs offered by the California School Boards' Association cover the essential components required of a school board member. These include, among other subjects:

page three, April 27 Response to Grand Jury Report

- a. Orientation for new Trustees;
- b. Budget responsibilities
- c. A leadership institute; and
- d. A curriculum institute.

Response: I was elected November 7, 1995, sworn in on November 28, and seated December 5. I'd learned about outstanding training provided at CSBA's Annual Meeting that was scheduled the following weekend from friends of mine who are on other school boards. I was not informed by the District about this opportunity. About a month later I had been included on CSBA's direct mailing list and received information about training on February 9 and 10, 1996 in Millbrae. When I asked Superintendent Quevedo about the training she expressed concern about the expenses, given our fiscal situation. I proposed, and she agreed, that the District pay my registration fee and I would cover the expenses of travel, lodging, meals, etc.

I was very impressed with this first training and very excited about the "Master of Boardsmanship" (MBA) certificate which required 60 hours of instruction in certain required curricula. I arranged by vacation schedule so that I could complete this training by February of 1997.

This included:

April 19 and 20, Leadership Institute in Redwood City, California (training on The Brown Act was provided one day and Budget Process the next day)

July 19 and 29, The Curriculum Institute in Monterey

September 24, "Back-To-School" in Fresno

December 4, Technology Institute in San Jose

December 5-8, CSBA Annual Meeting in San Jose

January 31, 1997, Spokesperson Training
February 1, 1997 President's Training in Redwood City

I received my MBA on February 1, 1997.

page four, April 27 Response to Grand Jury Report

10. All Trustees who have not taken advantage of these programs can benefit from such training.

Response: I agree. As a certified trainer myself in the area of Leadership (for the County of Monterey) and as a recipient of CSBA's MBA, it is my belief that such training is well worth the effort it takes. Dr. Marley (Interim Superintendent from May to November) encouraged me to continue my efforts. He also escorted me to training by Western Accreditation of School Certification (WASC) on October 28, 1997 in Burlingame.

11. The failure of some Trustees to learn governing skills, the fundamentals of effective boardmanship and how to deal with and understand the budget and fiscal issues was a violation of their obligation to the voters, the parents and the students of the school district.

Response: I agree.

RECOMMENDATIONS:

I agree with Recommendations 1 through 3. Please refer to the Superintendent's Response dated March 28 which delineates how the District is implementing these recommendations.

CONCLUSIONS:

Thank you for your commendations. I believe we have "turned the corner" in addressing the huge challenges facing us. Dr. Elizondo provides great sensitivity to our past difficulties and models outstanding leadership from which we can all flourish.

Should you have any further questions of me, please do not hesitate to contact me.

Thank you.

Sincerely,

Kalah Renwick Bumba
929 California Street
Salinas, CA. 93901
408/424-7976

grndjry.42797

Grand Jury



P.O. Box 1819
Salinas, CA 93902
(408) 755-5020

June 16, 1997

Ms. Deborah Nelson, President
Board of Directors
Salinas Valley Memorial Healthcare System
450 East Romie Lane
Salinas, CA 93901

Dear Ms. Nelson:

Thank you for your letter of April 28, 1997, in response to the 1996 Grand Jury Final Report. The information you provided about the Salinas Valley Memorial Healthcare System is certainly very positive and encouraging. I must confess to some surprise that you see no reason for concern about outside healthcare systems gaining a foothold in Monterey County. Most of the health care people we have talked to have considerable apprehension about this issue.

The 1997 Monterey County Grand Jury will visit the Salinas Valley Memorial Hospital as a group on July 3, 1997. I am looking forward to that visit.

Provisions of the California Penal Code defining the responses required from public bodies to Grand Jury recommendations were revised by the Legislature in 1996, and were signed into law on September 30, 1996. These new provisions have been printed in the 1997 edition of the California Penal Code. Section 933.05(b) has been revised to require responses in four categories. Although your response does not conform to the required pattern, we have read between the lines to classify your responses to all five recommendations on pages 75 and 76 of the Final Report as follows:

"California Penal Code Section 933.05(b)(4). The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor."

If you feel this is not the message of your response, please let me know. For your information, the Natividad Medical Center (NMN) said they felt all five recommendations require more analysis, and the Monterey County Board of Supervisors simply endorsed the NMC response. A more specific reply from NMC is due by the end of July.

Yours truly,

D. Roger Loper, Foreman

Attachment: Penal Code Section 933.05

DRAFT
5-17-97

To: GRAND JURY STATIONERY
Mel Spehn for Health and Welfare
Committee Consideration

OK


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We in the 1997 Grand Jury find it strange that the senior health care managers see little benefit in coming together for cooperative long range planning of health care policy.

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Attachment: Penal Code Section 933.05



April 28, 1997

Monterey County Grand Jury
240 Church Street, Room 320
Salinas, California

Attention: Foreman of the Grand Jury

Re: Response to 1996 Grand Jury Report

Dear Ladies and Gentlemen:

Attached is the Salinas Valley Memorial Healthcare System's Board of Directors unanimous response to the 1996 Monterey County Grand Jury Report.

If you need any additional clarification or information, please feel free to contact my office at (408) 755-0741.

Thank you.

Sincerely,

Sam W. Downing, MBA, MPH
Chief Executive Officer

SWD/gl

Enclosure.

Salinas Valley
**MEMORIAL
HOSPITAL**

"Neighbors Who Care"

SALINAS
VALLEY
MEMORIAL
HEALTH
CARE
DISTRICT



Salinas Valley
MEMORIAL
HOSPITAL

"Neighbors Who Care"

April 28, 1997

Monterey Grand Jury
240 Church Street
PO. Box 414
Salinas CA 93902

Ladies & Gentlemen:

The Board of Directors of Salinas Valley Memorial Healthcare System has reviewed your 1996 Grand Jury Report. The Board held two study sessions specifically directed to the subject matter of your report. The issues addressed in the report have been issues to which the Board has devoted significant consideration over the years.

As background information, on March 20, 1997, the Board of Directors Salinas Valley Memorial Healthcare District changed the name of the District to "Salinas Valley Memorial Healthcare System." This new name reflects the comprehensive networks that the System has established to meet local market health care needs.

Salinas Valley Memorial Healthcare System wishes to assure the Grand Jury that it collaborates with Natividad Medical Center in a number of respects,

SALINAS
VALLEY
MEMORIAL
HEALTH
CARE
DISTRICT

most recently a proposed joint venture regional laboratory that would provide cost effective laboratory testing facilities within Monterey County. In the past, Salinas Valley has offered to collaborate with Natividad in regard to management information technology. Representatives of the two facilities meet periodically on a variety of matters. Salinas Valley Memorial Healthcare System expects to continue this collaboration on projects designed to produce cost savings, enhance quality and benefit consumers.

Natividad Medical Center recently incurred nearly \$100,000,000.00 in debt to construct new facilities. Salinas Valley Memorial Healthcare System had no control over Natividad Medical Center's decision to incur this long term debt. In the present health care environment, we agree that it was a risky decision for the County Hospital to incur such a large debt. However, the Board of Supervisors, acting in good faith, must have viewed the situation differently.

Salinas Valley Memorial Healthcare System has refrained from unnecessary capital expenditures. Salinas Valley's prudence in this respect is one of the reasons why the Salinas Valley Memorial Healthcare System is free of long-term debt.

We wish to assure the Grand Jury that Salinas Valley Memorial Healthcare System is in a very strong position to compete with a conglomerate such as Columbia/HCA, if, at

some point, Natividad Medical Center were sold to Columbia. Regarding the possibility of such a sale, Senate Bill 473 was recently introduced into the California legislature. This bill, if passed, will permit voters in the County to approve or disapprove any proposed sale of Natividad to Columbia. This will give the electorate the opportunity to decide on whether the County Hospital should be sold to a for-profit entity like Columbia/HCA. In San Diego, California, the Attorney General recently blocked a merger of a large medical facility with Columbia/HCA. The Attorney General is closely scrutinizing the circumstances surrounding the transfer of charitable or public assets to for-profit ventures. These developments are in response to the merger "mania" that has hit California in the last few years.

Mergers are difficult, expensive and not always beneficial for a community. The proposed merger between Stanford Medical Center and University of California, San Francisco, is having problems because of an inability to blend two different institutional philosophies, and it is unclear when or whether this merger will produce increased efficiency in the delivery of health care at the local and regional levels.

Columbia/HCA has not lowered the cost of health care according to recent publications. Columbia's costs on the medical side of the ledger do not appear to be materially lower than that of its competitors. Contrary to popular sentiment, Columbia/HCA's need and desire to make

a profit and a large return for shareholders makes its cost of capital very high.

Consequently, the threat of Columbia/HCA buying Natividad may not be imminent or substantial.

Salinas Valley Memorial has the advantage of learning from the experiences in Northern and Southern California to strengthen its delivery of health care at the local level. Salinas Valley Memorial Healthcare System is financially stable and known for providing high quality patient care. It is focused on a defined strategic plan, and able to assure residents that it will not incur major debt without a reasoned decision of its publicly elected Board of Directors. Consequently, Salinas Valley Memorial Healthcare System is fully capable of "holding its own" against a for-profit conglomerate.

Last year, the Grand Jury recommended that Salinas Valley Memorial Healthcare System consider going private. In evaluating this recommendation, it appeared to us that residents in the district did not feel this was a good idea. This year, the Grand Jury is suggesting that the System should merge with the County Hospital because of fear that the County Hospital will become victim to a large conglomerate and, in turn, that Salinas Valley Memorial Healthcare System will fail. We feel that this scenario will not occur. Certainly, Salinas Valley Memorial Healthcare System will not fail.

The County Hospital situation affects the entire county. Consequently, it might make sense, at some point, for the major hospitals in the county, i.e., Salinas Valley Memorial Healthcare System and Community Hospital of Monterey Peninsula, to consider managing Natividad Medical Center. However, this option should be considered only if and only when Natividad and the County feel that was in their best interests. However, at this juncture, it is too early to determine if the County Hospital can exist on its own merit or that it must be unduly subsidized by taxpayers to keep it operational.

Salinas Valley Memorial Healthcare System's focus has primarily been to build a network or continuum of providers and strategic alliances, with an emphasis on outpatient and ambulatory care services. This System is collaborating with a physician group of over 300 physicians in Monterey County to enter into and manage contracts with HMOs. We believe these managed care contracts ultimately benefit employers who are seeking to contain the cost of health insurance for the benefit of their employees.

The System is also involved on a regional basis with a network of Urgent Care Centers; in home health services as a joint owner of Visiting Nurses Association; with ambulatory surgery through Salinas Surgery Center; and in outpatient diagnostic services as a limited partner in Salinas Valley Mammography Center. We have also

joint ventured with Community Hospital of the Monterey Peninsula, Healthcare Pathways Management, Inc., and Central Coast I.V. Services, to provide cost effective infusion therapy home health services from a facility in Ryan Ranch. This continuum of care has been structured to meet the health care market place needs at the local and regional level. The approach is to deliver comprehensive, cost effective, health care in a compassionate and caring manner.

Salinas Valley Memorial Hospital has an expense budget of over \$130 million and has been operating at maximum capacity. We have continued to develop value added services such as our expanded Regional Heart Program meeting local and regional needs. This program, in particular, is operating at full capacity. The high volume of services provided by Salinas Valley Memorial Healthcare System permits it to achieve many efficiencies that could not otherwise be achieved.

Salinas Valley Memorial Healthcare System has converted some of its inpatient capability to more modern uses that better respond to the needs of patients and payers, such as the transitional care unit opened in 1996. Salinas Valley Memorial Healthcare System also invests substantial resources in information technology, believing that management information systems and information technology will provide it with a competitive advantage, while linking health care providers in our community in an effort to provide optimum and efficient patient care.

Although Salinas Valley Memorial Healthcare System is sensitive to antitrust issues, it does not view the antitrust laws as an obstacle to collaboration with Natividad Medical Center, where the collaboration truly reduces costs, increases efficiencies, and benefits consumers. Salinas Valley Memorial Health Care System is advised that the antitrust laws are flexible enough to permit such collaboration. One example of such collaboration is the Bates/Eldredge Child Sexual Assault Clinic at Natividad Medical Center wherein Natividad Medical Center, Community Hospital of Monterey Peninsula, and Salinas Valley Memorial Healthcare System, provide appropriate equipment and training dollars to help support a County-wide program for treating sexual assault victims.

The area hospitals have cooperated to meet the medical needs of AIDS patients and have centralized the efforts of treatment and education. This cooperation has resulted in the County receiving grant money from various local, State, and Federal agencies. Another example is the efforts from our Children's Miracle Network Telecast wherein the proceeds were allocated to construct a dental facility and to provide a mobile dental van to provide treatment, prevention, and education to low income families. We have had a tradition of providing equipment to Natividad Medical Center and we have shared equipment based on demand for specialized equipment at each facility or when a piece of equipment was out for repair. In the past, we have also adjusted some patient bills when patients were transferred from Natividad Medical Center to Salinas Valley

Memorial and in some cases we have written off the balance owing on the account.

There have been instances of Salinas Valley Memorial Healthcare System writing off the cost of pharmacy and supplies and not charging the Natividad patient for these items.

Another example of collaboration relates to energy savings programs. Natividad Medical Center has elected to retain Honeywell International which has selected Salinas Valley Memorial Healthcare System for the installation of a prototype energy system. Natividad Medical Center and Salinas Valley Memorial Healthcare System will share resources to reduce costs and energy consumption.

We do not think it is accurate to view Salinas Valley Memorial Healthcare System and Natividad Medical Center as being on a "collision course." It may be too soon to determine if Natividad Medical Center will experience major problems keeping their facility operational. The County has always provided financial support for this facility. The County of Monterey, under Section 17000 of the Welfare and Institutions Code, must ensure that the medical needs of Monterey County residents are met in a comprehensive manner. Natividad Medical Center is an important resource which permits the County to meet this need. For example, if Natividad Medical Center is successful in obtaining a Section 1115 Medicaid Waiver, and can establish the

appropriate infrastructure to manage this new product for Medi-Cal patients, then this could have a very positive financial impact on the economic stability of Natividad Medical Center.

Hospital mergers are not a panacea for consumers or the public. There are many people in health care who believe that competition is positive in that it allows patients, employers, local, regional, State and Federal Government to provide lower priced insurance options to their employees based on perceived quality and cost constraints. The jury is still out on a national basis regarding the merits of merger "mania."

The Board of Directors of a healthcare district has a fiduciary responsibility to the residents of the district. The five elected directors of Salinas Valley Memorial Healthcare System undertake this responsibility very seriously.

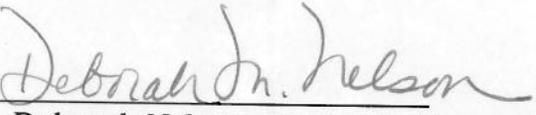
There are mixed opinions nationally, as to the wisdom of attempting to merge institutions in the absence of clearly increased efficiencies and clearly documented opportunities to decrease costs. In a rapidly changing health care climate, Salinas Valley Memorial Healthcare System believes that it would not be in the interest of district residents for the District to assume a large financial burden, based on premature speculation that some large conglomerate is going to come in to the service area and take over the County Hospital. If Salinas Valley Memorial Health Care System

assumes Natividad Medical Center's financial debt, this could weaken Salinas Valley Memorial Healthcare System to the point where it could become vulnerable itself to a takeover. Other district hospitals such as Sequoia Hospital in Redwood City spiraled into severe financial trouble and were forced into a merger because of high debt and declining revenues.

Salinas Valley Memorial Healthcare System intends to continue to focus on maintaining its financial strength and on providing high quality health care in a compassionate, caring, and cost efficient manner. Further, Salinas Valley Memorial Healthcare System will continue its collaboration and cooperation with Natividad Medical Center. In this respect, Salinas Valley Memorial Healthcare System is open to discussing new opportunities for collaboration where collaboration can produce cost savings for consumers and the community.

The Board of Directors of Salinas Valley Memorial Healthcare System cannot endorse the concept of a merger with Natividad Medical Center. Nor, can the Board of Directors consider assuming a large indebtedness which might adversely affect the viability of Salinas Valley Memorial Healthcare System.

Sincerely,

By: 
*Deborah Nelson, President, Board of Directors
Salinas Valley Memorial Healthcare System*