

Grand Jury

County of Monterey

P.O. Box 414
Salinas, CA 93902
(831) 755-5020



December 31, 2002

The Honorable Robert O'Farrell, Presiding Judge
Superior Court of California, County of Monterey
240 Church Street
Salinas, California 93901

Dear Judge O'Farrell:

The 2002 Monterey County Civil Grand Jury concludes its year of service with the publication of this Final Report. In accordance with your instructions at the time of our selection and swearing in on January 2, 2002, we have selectively investigated the operations of County and other local government agencies and have inspected the prisons within the County. We have reviewed all of the citizen complaints received, and in many of our reports we acknowledge their origination in those complaints.

Our nineteen reports are the product of the participation of all nineteen Grand Jurors in our investigations and deliberations, and it has been my privilege to preside as Foreman over the efforts of this dedicated group. We were able to disagree without being disagreeable, and the resulting free flow of ideas and information in our meetings is reflected in the content of the reports. I thank every member for making an invaluable contribution to our work.

We thank you as Presiding Judge as well as Assistant Presiding Judge Terrance R. Duncan, District Attorney Dean Flippo, former County Counsel Adrienne Grover and her interim successor Ren Nosky, and Court Executive Officer Sherri L. Pedersen for guidance and assistance generously provided throughout the year. Our greatest support has been provided by Eileen Wright, the Court Administrative Aide to the Grand Jury. Her good cheer and thorough understanding of local government functions and Grand Jury precedents have been essential to our undertaking our tasks without prior experience.

The Honorable Robert O'Farrell
December 31, 2002
Page Two

Finally, we thank all those who serve in County and other local government, as elected and appointed officials, employees and volunteers, for their efforts to meet the needs of our communities, and the vigilant and concerned citizens who care enough about community problems to work toward preserving what's good and improving or changing what isn't so good, as they see it. Democracy is a participatory sport, and a bit messy at times, but we are fortunate to have so many active citizens who breathe life into our institutions. Those of us who served on the Civil Grand Jury this past year are grateful for the opportunity we have had to participate.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan I. Reith". The signature is fluid and cursive, with a long horizontal stroke at the end.

Daniel I. Reith, Foreman
2002 Monterey County Civil Grand Jury

2002 MONTEREY COUNTY CIVIL GRAND JURY FINAL REPORT

Table of Contents

	<u>Page Number</u>
Foreman's Letter	
Table of Contents	
List of 2002 Civil Grand Jury Members	i
Photograph of 2002 Civil Grand Jury	ii
Civil Grand Jury Mission and Response Requirements	iii
 <u>Reports</u> 	
<u>Administration</u>	
Civil Grand Jury Diversity	
<i>Improving the Demographic Profile</i>	1
Lack of Affordable Housing and its Impact on the Monterey County Workforce	
<i>Programs that can Help</i>	6
Operations of the County Elections Department	
<i>OK for now?</i>	15
 <u>Audit & Finance</u>	
Improving the County Budget Process	
<i>Providing Better Tools for Management</i>	21
 <u>Cities, Special Districts and Joint Powers Agencies</u>	
Moss Landing Harbor District	
<i>Mayday!</i>	27
Current Governance Issues in Monterey County	
<i>A synopsis/analysis of the concerns of Mayors and County Supervisors</i>	35
Availability of Water on the Monterey Peninsula	
<i>The Role of the Monterey Peninsula Water Management District</i>	41
Supplement to the Report – Availability of Water on the Monterey Peninsula	49
 <u>Education</u>	
Monterey Peninsula Unified School District	
<i>Conflict of Interest Renders Contract Void</i>	51
Salinas City Elementary School District	
<i>The Need for Improved School Board Oversight</i>	56
Training School Board Members in Governance	
<i>The Need for Continuing Training</i>	62

Health and Social Services

Office of Emergency Services

Can it be Even More Effective?

66

Fluoridation of Water in Monterey County

Getting it Done!

70

Monterey County Department of Child Support Services

Improving Effectiveness

76

Law Enforcement

Salinas Valley State Prison

79

Correctional Training Facility – Soledad

83

Monterey County Jail & Holding Cells

85

Monterey County Probation Department & Juvenile Hall

Deferred Maintenance

87

Investing in the County's Youth

Can We do a Better Job with Workforce Investment Act funds?

93

Response and Edit

Responses & Follow-up to the 2001 Monterey County Civil Grand Jury Report

Continuity of Grand Jury Efforts

106

2002 MONTEREY COUNTY CIVIL GRAND JURY

OFFICERS

**Daniel I. Reith, Foreman
Edward A. Kramer, Foreman Pro Tempore
Karen C. Kightly, Secretary**

MEMBERS

James E. Baker	Salinas
Coralie Collins	Pacific Grove
Temple Elliott 372-1501	Pebble Beach
Frances M. Flaherty	Salinas
Elske L. Gowers	Salinas
Howard H. Hamilton	Carmel
Bruce H. Hunt	Carmel Valley
Willie D. Kight	Marina
Karen C. Kightly	Aromas
Edward A. Kramer	Carmel Valley
John P. Lindley	Bradley
Patricia C. Marsh	Salinas
Lelsie D. Nelman	Monterey
Judy M. Pavina	Salinas
Louis H. Perez	Pacific Grove
LaVonne M. Poucetta	Salinas
Daniel I. Reith	Pacific Grove
Eleanor M. Russell	Carmel
Peter H. Trivers	Carmel

2002 MONTEREY COUNTY CIVIL GRAND JURY



FRONT ROW: (left to right)

**Eileen L. Wright, Grand Jury Staff
Lisa Galdos, Assistant Court Executive Officer
Daniel I. Reith, Foreman
The Honorable Robert O'Farrell, Presiding Judge
Edward A. Kramer, Foreman Pro Tempore
Sherri L. Pedersen, Court Administrator
Patricia B. Ryan, Deputy Court Administrator**

MIDDLE ROW:

**Patricia C. Marsh, Elske L. Gowers, LaVonne M. Poncetta,
Coralie Collins, Frances M. Flaherty, Eleanor M. Russell,
Louis H. Perez, Bruce H. Hunt**

BACK ROW:

**Willie D. Kight, Howard H. Hamilton, John P. Lindley
Judy M. Pavina, James E. Baker, Karen C. Kightly,
Temple Elliott, Peter H. Trivers, Leslie D. Nelman**

CIVIL GRAND JURY MISSION AND RESPONSE REQUIREMENTS

The primary mission of a Civil Grand Jury in the State of California is (1) to examine county and city governments as well as districts and other offices in order to ensure that the responsibilities of these entities are conducted lawfully and efficiently, and (2) to recommend measures for improving the functioning and accountability of these organizations which are intended to serve the public interest.

According to Section 888 of the California Penal Code: "Each grand jury . . . shall be charged and sworn to investigate or inquire into county matters of civil concern, such as the needs of county officers, including the abolition or creation of offices . . . or changes in the method or system of, performing the duties of the agencies subject to investigation pursuant to Section 914.1."

Section 925 states, "The grand jury shall investigate and report on the operations, accounts, and records of the officers, departments, or functions of the county including those operations, accounts, and records of any special legislative district or other district in the county created pursuant to state law for which the officers of the county are serving in their ex officio capacity as officers of the districts." Additionally, Section 919(b) prescribes that, "The grand jury shall inquire into the condition and management of the public prisons within the county," and Section 919(c) prescribes that, "The grand jury shall inquire into the willful or corrupt misconduct in office of public officers of every description within the county."

Empowered as part of the judicial branch of local government, the Civil Grand Jury operates under the aegis of the Presiding Judge of the Superior Court of the State of California in and for the County of Monterey. The Judges of the Superior Court nominate 30 citizens who have volunteered from throughout the County to be selected as officers of the Court in a public drawing of 19 Jurors and 11 Alternates held during a court proceeding convened on the first working day after the New Year holiday.

All who appear as witnesses or communicate in writing with the Jury are protected by strict rules of confidentiality, for which violators are subject to legal sanction. The minutes and records of Jury meetings are protected by law and cannot be subpoenaed or inspected by anyone.

Section 933(a) declares: "Each grand jury shall submit . . . a final report of its findings and recommendations that pertain to county government matters during the fiscal or calendar year." Every "elected county officer" and "governing body" to whom a Finding and/or Recommendation has been addressed must respond in writing to the Presiding Judge within 60 and 90 days, respectively.

Section 933(b) declares: "One copy of each final report, together with the responses thereto, found to be in compliance with this title shall be placed on file with the county clerk and remain on file in the office of the county clerk. The county clerk shall immediately forward a true copy

Civil Grand Jury Mission and Response Requirements (Continued)

of the report and the responses to the State Archivist who shall retain that report and all responses in perpetuity.”

Acting according to its statutory authority, the Jury investigates activities (1) by responding to written complaints from County residents about alleged irregularities in local government, and (2) by initiating inquiries about “offenses and matters of civil concern” (Section 915). Jury initiatives may involve investigations commenced by previous juries (Section 924.4), including evaluation of governmental responses to Findings and Recommendations given in prior Final Reports.

Residents of Monterey County may request complaint forms or correspond to the Grand Jury by contacting the Office of the Monterey County Civil Grand Jury at 831-755-5020. Residents may also view the Final Report or obtain complaint forms through the Grand Jury’s web site address at www.co.monterey.ca.us/court/.

Sections 933 and 933.05 of the California Penal Code (excerpts on following two pages) describe who must respond to Findings and Recommendations published in the Final Report of a Civil Grand Jury, when the response must be submitted, and the format of the response. Penal Code requirements are mandatory; please read and follow them carefully.

Pursuant to Penal Code Section 933(b), responses to the Final Report of the 2001 Monterey County Civil Grand Jury are due as follows:

ELECTED COUNTY OFFICERS: (60-Day Response Period)
Due on or before March 3, 2003.

GOVERNING BODIES OF PUBLIC AGENCIES: (90-Day Response Period)
Due on or before April 2, 2003.

ADDRESS FOR DELIVERY OF RESPONSES TO THE PRESIDING JUDGE:

Mailing Address

The Honorable Terrance R. Duncan
Presiding Judge of the Superior Court
Monterey County
P. O. Box 1819
Salinas, CA 93902

Street Address

The Honorable Terrance R. Duncan
Presiding Judge of the Superior Court
Monterey County
North Wing, Room 318, 240 Church Street
Salinas, CA 93901

Civil Grand Jury Mission and Response Requirements (Continued)

PENAL CODE SECTION 933 (c)

“Comments and Reports on Grand Jury Recommendations.

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 elected 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 of these 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.”

PENAL CODE SECTION 933.05 (a) and (b)

“Response to Grand Jury Recommendations – Content Requirements; Personal Appearance by Responding Party; Grand Jury Report to Affected Agency.

(a) For purposes of subdivision (b) 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 (b) 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.

Civil Grand Jury Mission and Response Requirements (Continued)

(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 head 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.”

GRAND JURY DIVERSITY

Improving the Demographic Profile

SUMMARY

The composition of the Monterey County Civil Grand Jury has not been representative of either the age or ethnicity of the pool of eligible citizens. This report discusses efforts being made to form a more representative Grand Jury.

Additionally, since much of the Monterey County Civil Grand Jury's work involves dealing with services heavily affecting members of the Hispanic/Latino community, appropriate awareness training has now been instituted.

BACKGROUND AND DISCUSSION

The Civil Grand Jury is an independent body of citizens, newly formed each year, with the responsibility and power to review and investigate most governmental departments, agencies and personnel within Monterey County. It operates under the jurisdiction of the Superior Court. The term of service is typically one year. Penal Code section 893 specifies the competency requirements for service as a grand juror, including that a person must be a US citizen 18 years of age or older and possess sufficient knowledge of the English language. Using data from the 2000 Census for Monterey County,¹ we estimated there are 203,000² citizens eligible to serve. Prospective Grand Jurors are encouraged to apply through the use of newspaper advertisements, direct mailings, and personal referrals. Over a hundred applicants eventually appear for interviews, and from these, 30 people are chosen by the Court to become the Grand Jury nominees. Nineteen of the 30 are eventually selected at random to serve, while the others are listed as alternates and called if vacancies arise due to resignations.

Grand Jury service is a voluntary effort and a significant time commitment, both of which make it extremely difficult for any full-time worker to serve. Grand Jury service, by default, is therefore limited largely to those who are retired, or work only part time by choice. The median age of the 2002 Grand Jury is estimated at 69, while the total eligible population within Monterey County is estimated to have a median age of 40.

¹ US Census 2000 Summary File 3 – (SF3) accessed via American Factfinder website - <http://factfinder.census.gov/servlet/BasicFactsServlet>

² see Appendix A

The Grand Jury sets its own work schedule, and typically chooses business hours for its meetings. While this is preferred by the mostly retired members, it is usually an insurmountable problem for those who are employed full time during the day. The nominal compensation paid to Monterey County Grand Jurors, currently \$15 per day (the statutory minimum) plus mileage, is also not conducive to attracting people to serve instead of possibly seeking part-time employment.

The same 2000 US census indicates that members of the County's Hispanic/Latino community are proportionately less likely than other ethnic groups to meet the threshold requirements of citizenship, age of majority, and fluency in English. While the County's overall population is 47% Hispanic/Latino, the age, citizenship and English language thresholds reduce those eligible to serve to 30% of the total.³ Furthermore, the Hispanic/Latino population has a smaller percentage of retired people or others able to devote substantial time to Grand Jury service than the corresponding non-Hispanic/Latino White population. The combination of these factors, together with other demands for community service within the Hispanic/Latino community, limits the availability of potential Grand Jurors.

The composition of the current and recent past Grand Juries has been made up of predominantly non-Hispanic/Latino White senior citizens. The 30 nominees for the 2002 Civil Grand Jury included one Hispanic/Latino, three Blacks, one Asian/Pacific Islander, and 25 non-Hispanic/Latino Whites.

Advice and suggestions have been sought by the Grand Jury from members of the Hispanic/Latino community on how its work could be better focused on representative needs of the County's population. The inclusion of people across the spectrum of our population would likely produce a Grand Jury more closely attuned to matters that impinge upon these more diverse segments of the population.

RACIAL DEMOGRAPHICS

Hispanic/Latino

This segment of the County's population is 47% of the total; however, the larger number of recent immigrants and the existence of linguistically isolated communities combine to produce a smaller percentage of US citizens than other ethnic groups and also a smaller percentage of those over 18 able to speak English well. This results in approximately 61,000 (33% of the total County population) that meet the Grand Jury eligibility criteria. While strides are being made to improve this situation, those eligible are increasingly serving as elected officials, members of county boards and commissions, and high-ranking civil servants, leaving fewer eligible people for Grand Jury service.

³ Since the necessary tabulation of the 2000 Census data has not yet been released, these estimates assume the percentage of those born in US and over 18 is the same as the percentage of the total population over 18.

Whites (non-Hispanic/Latino)

This segment makes up 40% of the County's population, but has a 98% citizenship rate and a 78% rate of English fluency. Whites also have a higher median age, influenced in part by retirees, many of whom live on the Monterey Peninsula. This 40% of the population makes up 61% of the pool eligible to serve on the Grand Jury.

Blacks

While 4% of the population, this segment has almost 100% citizenship and an 83% English fluency rate, resulting in their representing 6% of the pool eligible to serve on the Grand Jury.

Asians

This segment makes up 6% of the total population of the County, has a 75% citizenship rate, and an 89% English fluency rate. Asians make up 5% of those eligible to serve on the Grand Jury.

Seniors⁴

This group makes up a majority of Grand Jurors for reasons mentioned earlier. The statistics provide an insight into the resulting composition. Based upon the same citizenship and English fluency criteria, the available pool of 41,000 people is comprised of only 12% Hispanic/Latinos and 80% non-Hispanic/Latino Whites, plus 3% Blacks and 5% Asians. The practicality of having mostly retirees serve on the Grand Jury skews the eligibility pool even further from the representative population.

Comparisons with Imperial County

Imperial County has been used for comparison because it has a large majority of Hispanics/Latinos and has been able to have a more representative demographic cross-section serve on its Grand Jury. Imperial County has approximately 103,000 Hispanic/Latinos compared with 28,000 non-Hispanic/Latino Whites, 5,000 Blacks and 3,000 Asians. Of a total estimated (in year 2000) Grand Jury eligibility pool of 66,000, 58% are Hispanic/Latino and 35% are non-Hispanic/Latino Whites, with Blacks and Asians making up 6% and 1% respectively. The sitting Imperial County 11-member Civil Grand Jury reported it has at least six Hispanic/Latino members.

FINDINGS

1. The composition of recent Monterey County Civil Grand Juries has not reflected either the overall County demographics or the demographics of the pool eligible to serve.

⁴ defined for this purpose as those 60 and over

2. The process for generating Grand Jury applicants has not been providing sufficient minority and young adult candidates to assure a representative demographic mix.
3. The inclusion of more minorities and young adults would increase the Grand Jury's sensitivity to the needs and issues of a broader portion of the County's population.

ACTIONS TO ACHIEVE GREATER DIVERSITY

1. The Court is increasing its minority outreach activity in an effort to improve the demographic representation on the Grand Jury, and is inquiring into successful practices in other California counties.
2. Further operational changes should be considered to accommodate and encourage more applicants who must still continue their full-time employment. These changes could include resources and facilities for meetings during non-business hours, increased per diem, college credits offered to participating students, etc.
3. The Court will continue to provide diversity awareness/sensitivity training as part of its preparatory course for Grand Jurors as it initiated with the preparation of the 2003 Civil Grand Jury.

NO RESPONSE REQUIRED

Table 1 – Selected 2000 Census Demographics for Monterey and Imperial Counties

(All numbers in thousands, except where noted)	Monterey County	% of total	Imperial County	% of total
Total Hispanic Population (all ages)	188	100%	103	100%
Hispanic or Latino over 18 yrs	117	62%	66	64%
Hispanic or Latino native born US citizens	98	52%	60	58%
Assumed qualified to serve on the Grand Jury	61	32%	38	37%
Total White alone population (all ages)	162	100%	28	100%
White alone (non-Hispanic or Latino) over 18 yrs	132	81%	23	82%
White alone (non-Hispanic or Latino) native born US citizens	151	93%	28	100%
Assumed qualified to serve on the Grand Jury	123	76%	23	82%
Total Black alone population (all ages)	14	100%	5	100%
Black alone over 18 yrs	11	79%	4	80%
Black alone native born US citizens	14	100%	5	100%
Assumed qualified to serve on the Grand Jury	11	79%	4	80%
Total Asian alone population	24	100%	3	100%
Asian alone over 18 yrs	18	75%	2	67%
Asian alone native born US citizens	10	42%	1	33%
Assumed qualified to serve on the Grand Jury	8	31%	1	22%
Total Grand Jury pool	203	100%	66	100%
Hispanic or Latino	61	30%	38	58%
White alone (non-Hispanic or Latino)	123	61%	23	35%
Black alone	11	5%	4	6%
Asian alone	8	4%	1	1%
30 person Grand Jury nominees composition – equal ethnic representation	30	100%	30	100%
Hispanic or Latino	9	30%	17	58%
White alone (non-Hispanic or Latino)	18	61%	10	35%
Black alone	2	5%	2	6%
Asian alone	1	4%	0	1%
19 & 11 person hypothetical diverse Grand Jury - based on the above pool	19	100%	11	100%
Hispanic or Latino	6	30%	6	58%
White alone (non-Hispanic or Latino)	12	61%	4	35%
Black alone	1	5%	1	6%
Asian alone	1	4%	0	1%
Estimated total "Senior" Grand Jury pool (over 60 yrs)	41	100%	14	100%
Hispanic or Latino	5	12%	6	44%
White alone (non-Hispanic or Latino)	33	80%	7	53%
Black alone	1	3%	0	3%
Asian alone	2	5%	0	1%

LACK OF AFFORDABLE HOUSING AND ITS IMPACT ON THE MONTEREY COUNTY WORKFORCE

SUMMARY

Monterey County has become the least affordable housing market in California by several accounts. The impact of the lack of affordable housing was so pervasive during 2002 that witnesses testifying regarding the operations of governmental agencies and local cities invariably commented on the adverse effect high housing costs had on recruitment and retention of personnel, especially peace officers, nurses, correctional officers, teachers and similarly situated individuals with special training and skills working for moderate incomes. This Grand Jury report presents a general overview of the dimensions of the problem and the County's approach to reverse past trends to direct more housing to meet the needs of low to middle income households. Of special concern is the impact of scarce affordable housing on important segments of the local workforce vital to the economy.

PROCEDURE AND METHODOLOGY

Throughout the year, the Grand Jury interviewed county administrators, mayors and representatives of non-profit land use advocacy and low-cost housing groups. The Grand Jury also reviewed several state and local reports and studies. The principal ones are listed in the bibliography. Members of the Grand Jury attended public meetings for presentation of the County's draft General Plan and a meeting of AMBAG discussing allocation of a state mandate for 11,912 new housing units within the County by 2007. Finally, the Grand Jury reviewed recent state legislation concerning housing issues and minutes of certain meetings of the Board of Supervisors and the County Housing Advisory Committee.

BACKGROUND AND DISCUSSION

The Fix We're In

In mid-2002, both the California Association of Realtors and the National Association of Home Builders labeled Monterey County the least affordable place to buy a home in California, according to an article in The Monterey County Herald. The dimensions of the housing problem are well summarized in the County's second Annual Housing Report dated March 15, 2002, as follows:

- Over 77% of County households cannot afford to purchase a median priced home.
- Over 40% of County households cannot afford the median rent prices.
- Over 60% of County very low-income households (\$26,300 annual income, family of four) are paying over 30% of their incomes for housing, and over 75% of those in this income category who rent are paying over 30% of their incomes for rent.
- Most of the new housing being constructed is single family units on large lots, while the type of housing most needed is affordable, multifamily units suitable for large families and special needs groups.
- The lack of available housing results in higher housing costs, overcrowding and a deterioration of existing units.
- Overcrowding accelerates the decline of the existing housing stock.
- The lack of developable land appropriately zoned and the lengthy and unpredictable entitlement process adversely affects housing costs and availability.
- While the average sales price for a single family unit countywide rose 39.4%, from \$371,885 to \$518,491, between 1998 and 2001, the median income for a household of four people only increased 9.1%, from \$48,200 to \$52,600, over the same three-year period. Average rent for a multifamily unit in the County rose 31%, from \$762 to \$998 per month, from 1996 to 2001, while a very low-income family of four could spend a maximum of \$658 per month rent and stay within the guideline of 30% of income for housing. Appendix A immediately following this report shows in tabular form what households in the very low- to moderate-income levels can afford and how that compares with the average rent and the median monthly homeownership cost within the County.

The key industries of agriculture and tourism generate mostly low paying jobs. Even if industries that generate better paying jobs were attracted to the area as often hoped, the housing needs of the agricultural and hospitality workers would remain.

The Grand Jury visited both of the California Department of Corrections facilities in Soledad and heard repeatedly of the turnover in staff. Newly-trained correctional officers assigned to these prisons would seek transfer to penal institutions located in communities with affordable housing as soon as they acquired the seniority to make the move. The Monterey County Sheriff's Office similarly reported difficulty in hiring and retaining deputies and other employees, and claimed that some employees lived out of County to reduce housing costs. Sending new recruits through police academy training represented a substantial investment, and the training received by a new officer qualified him or her

for employment anywhere. Thus, one key question in hiring was whether the prospective hiree had ties to the local community making it more likely he or she would continue to work locally after training long enough to recoup the County's investment in providing the training.

The California Department of Housing and Community Development is charged with the responsibility of estimating future housing needs and imposing requirements on the counties to meet a supposed fair share of the provision of housing to meet those needs, all as discussed in its report, "Raising the Roof: California Housing Development Projections and Constraints." In early 2002, the state set a goal of 11,912 new housing units for Monterey County by 2007, with the threat of losing state housing funds if the goal is not met without justifiable cause. In February 2002, the Association of Monterey Bay Area Governments (AMBAG), a regional association of local governments, decided on an allocation of the new housing units among the cities and County areas based on the ratio of existing housing available to the workforce to existing jobs in each area. Under that formulation, the City of Monterey was charged with providing 3,723 of the 11,912 housing units, based on its now having only 13,019 housing units available to a workforce of 35,105. Whether this is possible in a city that is essentially built out is an open question, but the city's prosperity and appeal to residents and tourists alike are jeopardized by the traffic congestion generated by the morning inflow of workers coming from the north and east to the Monterey Peninsula and the evening outflow of those workers to their homes.

Community residents are resorting to self-help remedies to meet their housing needs, regardless of the laws and regulations. A large residential area in Salinas doubled in population between the 1990 and 2000 censuses while the number of housing units remained the same. Two and three families sharing a single family home, illegal apartments created from garages and storage rooms, use of trailers parked on residential property as a residence, and extended families of three and even four generations living together have become commonplace, and not just in one neighborhood. The City of Pacific Grove is considering establishing an amnesty program allowing property owners to obtain approval of "granny" housing units built without permits, subject to bringing them up to building code standards. The housing problem for very low- to moderate-income households is not a growth versus no-growth issue, because the people who need housing are already here working in jobs that are vital to the local economy.

Plans and Programs to Fix the Fix We're In.

A variety of recent developments have been added to the mix of programs designed to ease the affordable housing problem. At the heart of all solutions is the need to motivate the private sector to serve the housing demands of all segments of the community, as government funding cannot do it all. The Grand Jury catalogs some of the current developments impinging upon the situation:

Inclusionary Housing Program

At its meeting on August 29, 2002, the County Board of Supervisors resolved that as part of the 21st Century General Plan Update the Inclusionary Housing Program will require that all new residential developments of three or more units must include provision for at least 20% affordable units spread over the very low- to moderate-income levels. These requirements are set forth in Appendix B attached to this report.

Success of an inclusionary housing program depends upon developers being willing to undertake a housing project with such restrictions on the pricing of the end product. A study by Applied Development Economics, Inc., commissioned by the County Housing and Redevelopment Department and released in September 2002, supported the feasibility of the requirement. It indicated as a benchmark a return to the developer of 34% for a development of 100 housing units with half selling at the county average price of \$550,000 and the other half selling at \$375,000, which is the maximum price level for units qualifying for the County's Workforce Housing incentive program. (The incentives include fast track permit processing, financial assistance, and possibly reduced or subsidized developer fees). Adding in the 20% inclusionary housing would cut the developer's return to 25%, but the 34% rate of return could be maintained if the developer could boost the selling price levels on the upper end units by 13%. The consultant considered both scenarios achievable and acceptable to developers under current market conditions.

20-Year General Plan Update

Monterey County's 21st Century General Plan Update draft has been presented to the public and has been under consideration and the subject of debate throughout 2002. The primary focus of the housing element is to encourage new housing in cities where necessary services are available, and to limit housing growth in the unincorporated areas to land within or immediately adjacent to existing communities, including Pajaro, Castroville, Boronda, Fort Ord, and Rancho San Juan. Limiting areas open to development tends to aggravate the problem of too little supply of housing, but the draft plan would counter that effect by increasing housing density, in particular establishing minimum zoning densities of seven units per acre in new residential developments, with 50% of the new residential areas at densities of ten units or more per acre.

The effort to reverse the tendency to sprawl as a solution to demand will require changing the approach to expansion that has flourished all over the United States wherever such sprawl was not limited by topography. The second Annual Housing Report notes that, from January 2000 to March 2001, only one of approximately 700 building permits issued by the County was for a multifamily development, and that permit was for only six units. The extent of the reversal of existing patterns needed to achieve the County's density goals is immense. The planners hope to succeed by encouraging community plans designed to assure that a mixture of lot sizes, densities, and housing types are added to existing communities and thus avoid affordable housing being set aside as ghettos. Parks,

tot lots and other recreational and day-care facilities would be provided to enhance desirability.

Facilitation of Second Housing Units (Granny Housing But Not Limited to Granny Anymore)

Assembly Bill 1866 was enacted by the 2002 California Legislature amending Government Code section 65852.2, effective July 1, 2003, to facilitate obtaining approval for a second housing unit on a parcel zoned for a primary single-family or multifamily residence, for use as a rental, with limitations on the power of the city or county to impose restrictions on such second units. It also provides that an application for such a unit must be considered ministerially by the city or county without discretionary review or public hearing, notwithstanding other laws that regulate the issuance of variances or special use permits. This legislative support for allowance of second rental units contrary to local zoning laws prescribing single-family dwellings could ease the supply of rental units significantly.

Limitations on Construction Defect Liability

Senate Bill 800 was enacted by the 2002 California Legislature in response to arguments by builders and their liability insurers that legal liability for construction defects was extraordinarily onerous under existing law. The new statutes, codified as Civil Code sections 43.99 and 895, et seq., redefine the rights and responsibilities of a homeowner to bring an action for construction defects, including applicable standards for home construction, the statute of limitations, the burden of proof, the damages recoverable, and pre-litigation requirements. The net effect is expected to be encouragement of condominium and other multifamily housing construction.

Continuation and Expansion of Existing Housing Assistance Programs

The second County Annual Housing Report describes numerous projects in the works to assist in the creation of new affordable housing units and the rehabilitation of dilapidated existing structures. One such program illustrating the imaginative use of limited funds to create affordable housing is the allocation of \$500,000 in Inclusionary Funds (paid by developers to the County through its Housing and Redevelopment Division in lieu of constructing inclusionary housing) to assist with a Community Housing Improvement Systems and Planning Association, Inc (CHISPA) project in the Williams Ranch subdivision in Salinas. These funds will be used to construct 50 single family dwelling "self help" ownership units which will be made available to qualifying farm-worker households, with the "self help" construction supervised by CHISPA. That non-profit agency will also construct an additional 41 affordable housing units in the subdivision serving moderate income households.

FINDINGS

1. Monterey County has a severe shortage of housing that is affordable by its workforce, due to large increases in home sale prices coupled with stagnant wage earnings in recent years.
2. The shortage of affordable housing is adversely affecting the ability of government agencies and the private sector to retain trained and skilled personnel, including peace officers, nurses, teachers and others vital to serve community needs.
3. Past housing policies by the cities and County have resulted in construction of single- family dwellings on large lots selling at prices that are affordable by only a small percentage of the population.
4. The housing element of Monterey County's 21st Century General Plan Update seeks to direct future development toward cities and existing developed communities in the unincorporated areas of the County, to offer incentives to provide workforce housing and to increase requirements for inclusionary housing with increased densities.
5. Continuation and expansion of programs designed to provide housing affordable to the County workforce are necessary to meet housing needs, and recent legislation offers additional opportunities to increase the affordable housing stock throughout the County.

CONCLUSIONS

1. The lack of affordable housing jeopardizes the availability of an able workforce sufficient to sustain the agricultural and hospitality industry economic bases of the County and the recruitment and retention of mid-income skilled and trained core workers in such vital areas as law enforcement, health care and education.
2. As the County adopts new (and therefore unproven) policies to rectify the housing problem, strong leadership is needed in all cities and communities within Monterey County to recognize the need to accommodate housing for all segments of the County population and adjust old ways of thinking and doing things to meet the demand for housing serving community needs in innovative ways.

NO RESPONSE REQUIRED

BIBLIOGRAPHY

AMBAG Draft Regional Housing Needs Plan, attached to its Board of Directors meeting agenda for February 13, 2002

Applied Development Economics memorandum to Monterey County Housing and Redevelopment Department on Inclusionary Housing Analysis, dated September 20, 2002

California Department of Housing and Community Development report entitled "Raising the Roof: California Housing Development Projections and Restraints"

Monterey County Annual Housing Report dated March 15, 2002

Monterey County draft 21st Century General Plan Update, especially Chapter VIII, Housing Element

APPENDIX A

HOUSEHOLD INCOME AND AVERAGE HOUSING COSTS

Household Income Levels (4-Person Household)	Maximum Income Annual (2001)	Affordable Housing Cost (30% of Median Income Monthly)	Average Rent in Monterey County	Median Monthly Homeownership Cost	
				Single Family	Condo
Very Low Income	\$26,300	\$658	\$998	\$2326	\$1575
Low Income	\$42,100	\$1052	\$998	\$2326	\$1575
Moderate Income	\$63,100	\$1577	\$998	\$2326	\$1575

Shaded areas indicate those housing costs that are in excess of what a household can afford.

APPENDIX B

INCLUSIONARY REQUIREMENTS: HOMEOWNER UNITS

Size of Development	Inclusionary Requirement	20% Requirement Distributed by Household Income Level		
		Moderate Income	Low Income	Very Low Income
3-4 Units	Payment of In-lieu Fee	N.A.	N.A.	N.A.
5 Units	Provide 20% Inclusionary Units	1 Unit		
6-10 Units	Provide 20% Inclusionary Units	1 Unit	1 Unit	
11 + Units	Provide 20% Inclusionary Units	8% *	6% *	6% *

* The minimum requirement will always be at least one unit in each of the three income categories.

OPERATIONS OF THE MONTEREY COUNTY ELECTIONS DEPARTMENT

SUMMARY

As authorized by Penal Code sections 925 and 928, the Grand Jury investigated the operations and needs of the County Elections Department (Department), including equipment for and methods or systems used in performing its duties. This review was prompted in part by concerns over the vote-counting problems that emerged in the 2000 Presidential election, most notably in Florida. We concluded that the Department is well managed but needs to acquire improved voting equipment and increase voter outreach activities.

METHODOLOGY OF INVESTIGATION

The Grand Jury interviewed personnel of the Department and of the California Secretary of State's office, observed the Department's conduct of the primary election on the night of March 5, 2002, and reviewed Proposition 41 (which was approved by the state's voters at that election), relevant sections of the California Elections Code, the federal Help America Vote Act of 2002, Congressional Research Service studies on voting technologies and pending federal legislation, data from the websites of the Department and of the California Secretary of State, and the Monterey County budget for the 2002-2003 fiscal year.

BACKGROUND AND DISCUSSION

Functions, Staff and Budget

The Department is responsible for conducting federal, state, county and all local elections. Its stated goal is to provide quality, dedicated and efficient customer service and to maintain the integrity of the election process. It is headed by the Registrar of Voters, who has six permanent full-time employees, 50 part-time employees for the weeks before and immediately after an election, and about 800 paid volunteers to operate the 190 polling places in the County and to assist in moving the ballots to the Department's headquarters for tabulation on Election Day. The Department had difficulty getting the necessary number of volunteers for the primary election on March 5, 2002, and had to resort to using County employees, who received their regular salary plus the one-day pay for election workers. The Department's operating budget for the current fiscal year is \$2,079,402. Of that sum, \$94,800 comes from the state, \$215,610 is derived

from charges and current services paid by candidates and entities for which elections are conducted, and \$1,768,992 comes from the County's general fund. Of the total budget, \$625,505 is paid out in salaries and benefits, \$1,415,897 is spent on services and supplies, and \$38,000 is spent on fixed assets. The total budget is down a net of \$170,342 from the 2001-2002 fiscal year because two Countywide elections were held during the previous fiscal year and only one is scheduled to occur during the current fiscal year.

Voting Machines

The *Datavote* punch-card system is used at all 190 precincts within the County. The voter is given cards on which the names of all candidates and other ballot choices are printed, and the voter uses a voting apparatus that has a stapler-like punching mechanism to punch holes in the card to indicate the voter's choices. The cards are not prescored, as they are in other punch-card systems, so there is no problem with hanging or dimpled chads. In the March 2002 primary, 35.7% of those who voted cast absentee ballots using prescored punch cards, which can produce hanging or dimpled chads that interfere with computer tabulation of the vote.

Neither of these punch-card systems can prevent a voter from overvoting, i.e., punching more choices than authorized for a particular office or proposition, or warn a voter that he or she is undervoting, i.e., not voting for any candidate for an office or choice on a proposition, or voting for fewer choices than authorized. Overvoting is always the result of voter mistake, while undervoting may be either a mistake or an intentional choice not to vote on an office or proposition. The California Secretary of State reports that 4% of all punch-card ballots cast include at least one overvote.

Touch screen voting machines now available will prevent overvoting and alert the voter to any undervote. The Department has used these machines in some past elections, including the November 2002 General Election, on an experimental basis at absentee or early voting sites set up at the Department headquarters in Salinas and in shopping centers in Monterey, Salinas and King City.

Marksense ballots could be used by absentee voters who do not go to a prescribed location to vote early. Use of these ballots, which are marked in ink or a pencil and read by computer when returned to election headquarters, would eliminate the problem of hanging or dimpled chads.

Datavote machines were used by 19 California counties in the primary last March, and their use continued to be approved by the California Secretary of State through the November 2002 general election. However, Congress enacted the Help America Vote Act of 2002, which the President signed into law in October 2002. That Act requires replacement of all punch-card systems, including *Datavote*, by the general election in November 2004, and it provides funding to the states to defray at least some of the costs. Monterey County is therefore faced with replacing its *Datavote* system used at polling places and the punch cards used for absentee voting within the next two years.

At the primary election last March the voters approved Proposition 41, authorizing State bonds up to \$200 million to create a fund to assist counties in the purchase of updated voting systems, with the state paying 75% of the cost and the counties paying 25%. Monterey County applied to receive funds under this measure and was allocated \$1.99 million (with a little more expected because some counties did not apply for their shares). Currently the estimated cost to convert all precincts within the County to touch screen voting machines is \$4.5 to \$6 million. The federal Act will increase available funding, and improved machines at a lower cost may be developed in view of the expanding market for such equipment.

Voter Participation

The lack of citizen participation in elections is often deplored. At the primary election last March, 67.67% of the 222,932 Monterey County citizens eligible to register had done so, but only 41.04% of those who were registered actually voted. At the same time statewide 71.05% of persons eligible to vote were registered, and 34.59% of those who were registered cast ballots. In Monterey County 35.7% voted absentee, compared to 26.08% statewide. In California, voter participation ranged from a high of 69.66% of registered voters in Alpine County, where all votes were cast absentee, to a low of 25.86% in Los Angeles County. Some mountainous and rural counties with small populations did the best. Of the 15 counties with over 50% of those registered voting, all but two had fewer than 27,000 registered voters (the exceptions were Sonoma County with 231,595 and Nevada County with 58,310 registered voters). At the other end of the spectrum, the only counties with fewer than 20% of those eligible to register actually doing so and voting at that election were the counties that were the first, fourth and sixth in persons eligible, Los Angeles, San Bernardino and Riverside, respectively. Data on all counties for the March 2002 primary is attached as an appendix at the end of this report. It is apparent that voter apathy in California is generally proportionate to the population of the County, and that Monterey County is middling in population and voter participation.

The Department has one full-time employee in the lowest pay category assigned to voter registration and outreach services. Registration forms are available and on display at all public libraries, city halls and post offices within the County, as well as most County offices that routinely serve the public. The Department also teams up with a few businesses and all high schools and colleges to encourage voting, and has been active in mock elections for students in all grades. The Department and the Monterey County Office of Education are now developing plans to make mock elections and other activities available in all schools, and it is thought involvement of children also brings voting to the attention of the parents as well. The Department also seeks to assist special interest groups and parties by providing instruction in voter registration procedures. Public service announcements are put out to remind potential voters of registration and absentee ballot deadlines before elections. The Department works with minority language committees to maximize availability and distribution of election materials in minority languages. In short, anyone interested in registering and voting has ample opportunities to do so.

Costs/Benefits of Stand-alone Elections

The Grand Jury at the outset questioned whether Carmel's holding of its mayoral and council election one month after the primary election was justified. According to the Department, that election cost the City of Carmel \$6,500, or \$2.00 per registered voter, compared to the \$1.50 per registered voter that it would have cost if held at the same time as a primary or general election. As it happened, the fear that the special election would draw fewer voters to the polls proved unfounded, as 60.12% of registered voters in Carmel voted at the special city election in April 2002, compared to 47.1% of such voters in the March primary election. The media coverage for the special election was undoubtedly greater than it would have been if the election had been held at the same time as the primary. The difference in cost is minimal, but Carmel's citizens should consider the likelihood that city voters would have had greater participation in the primary election if it and the city election were combined. Future primary elections will be held in June, as they were before 2000, so a change in the terms of office might be required to shift city elections to June primary election dates.

FINDINGS

1. The Department has sufficient staff and funding to continue operating effectively.
2. *Datavote* machines in use through the November 2002 general election met current state standards, but federal legislation requires replacement of all punch-card voting systems by November 2004, with federal and state funding expected to pay most of the cost.
3. Voter participation in the County is in line with participation in other California counties of similar population size, and outreach efforts are sufficient to apprise any citizen interested in voting of the opportunities to register and vote. Increased outreach to educate children in the election process is being planned.
4. Carmel's holding of its municipal election separately one month after the statewide primary election did not cost the city significantly more, but city voters' participation in the statewide primary would have likely increased if the city election were consolidated with the statewide primary.

CONCLUSIONS

1. The Department's performance in the conduct of elections has been satisfactory with existing voting machines, but the Department must upgrade to better voting systems by November 2004. Most of the cost will be paid with funding from the federal and state governments, but some additional County appropriation may be required in the next fiscal year.
2. Voter participation in the County is comparable to that experienced in other California counties of similar population size, but expansion of outreach to children should be achieved as planned by the Department and the Monterey County Office of Education.
3. Voters of Carmel could achieve greater voter participation in statewide primaries by holding city municipal elections at the same time as the state primaries.

NO RESPONSE REQUIRED

BIBLIOGRAPHY

Congressional Research Service Election Reform Briefing Book Comparison of H.R.3295 & S. 565

Congressional Research Service Report RL 30773: Voting Technologies in the United States: Overview and Issues for Congress (updated March 21, 2001)

Help America Vote Act of 2002, H.R. 3295

Proposition 41, adopted by the voters on March 5, 2002, now California Elections Code sections 19230-19245

Websites

California Secretary of State: www.ss.ca.gov (source of all state voting statistics cited in this report)

Monterey County Elections Department: www.mocovote.org (source of all County voting statistics cited in this report)

VOTER PARTICIPATION STATISTICS BY COUNTY

Number of Voters and Percents

	Number of Precincts	Eligible to Register	Registered Voters	Precinct Voters	Absentee Voters	Total Voters	Percent of Registered	Percent of Eligible
Alameda	1,137	950,261	677,667	191,812	42,220	234,032	34.53%	24.63%
Alpine	5	940	824	0	574	574	69.66%	61.06%
Amador	57	24,137	18,941	6,926	3,287	10,213	53.92%	42.31%
Butte	174	150,645	114,094	37,581	14,174	51,755	45.36%	34.36%
Calaveras	30	31,517	24,245	8,256	4,743	12,999	53.62%	41.24%
Colusa	17	10,802	7,574	3,266	1,223	4,489	59.27%	41.56%
Contra Costa	910	655,341	478,754	132,230	55,183	187,413	39.15%	28.60%
Del Norte	18	16,931	11,848	4,099	1,755	5,854	49.41%	34.58%
El Dorado	120	115,573	90,053	30,246	14,461	44,707	49.65%	38.68%
Fresno	551	472,879	321,409	78,284	43,122	121,406	37.77%	25.67%
Glenn	25	16,550	11,603	3,678	1,634	5,312	45.78%	32.10%
Humboldt	128	96,233	73,353	26,502	8,318	34,820	47.47%	36.18%
Imperial	142	75,389	48,335	16,302	1,772	18,074	37.39%	23.97%
Inyo	30	13,197	10,240	4,443	1,382	5,825	56.88%	44.14%
Kern	480	397,122	248,637	86,578	19,632	106,210	42.72%	26.74%
Kings	58	72,351	43,746	11,862	2,885	14,747	33.71%	20.38%
Lake	52	44,077	31,018	8,608	3,298	11,906	38.38%	27.01%
Lassen	33	18,130	14,328	5,934	1,909	7,843	54.74%	43.26%
Los Angeles	4,845	5,596,320	4,140,740	851,675	218,976	1,070,651	25.86%	19.13%
Madera	98	76,968	40,801	10,783	8,566	19,349	47.42%	25.14%
Marin	200	180,083	138,322	37,640	28,127	65,767	47.55%	36.52%
Mariposa	21	13,331	11,053	4,586	1,391	5,977	54.08%	44.84%
Mendocino	99	61,997	46,002	17,199	4,829	22,028	47.88%	35.53%
Merced	110	122,116	87,721	27,463	6,581	34,044	38.81%	27.88%
Modoc	20	7,029	4,959	2,784	589	3,373	68.02%	47.99%
Mono	13	9,891	5,764	2,108	483	2,591	44.95%	26.20%
Monterey	188	222,932	150,863	39,806	22,107	61,913	41.04%	27.77%
Napa	114	88,998	62,342	21,092	6,546	27,638	44.33%	31.05%
Nevada	121	72,643	58,310	21,780	9,450	31,230	53.56%	42.99%
Orange	2,094	1,741,267	1,286,638	386,675	146,464	533,139	41.44%	30.62%
Placer	283	191,195	148,926	48,114	22,883	70,997	47.67%	37.13%
Plumas	29	16,194	12,273	5,039	2,201	7,240	58.99%	44.71%
Riverside	893	995,420	617,690	134,722	55,806	190,528	30.85%	19.14%
Sacramento	821	837,611	598,272	180,259	51,035	231,294	38.66%	27.61%
San Benito	53	33,462	26,358	7,246	2,265	9,511	36.08%	28.42%
San Bernardino	861	1,064,865	621,144	136,080	42,316	178,396	28.72%	16.75%
San Diego	1,725	1,893,200	1,362,861	345,399	107,341	452,740	33.22%	23.91%
San Francisco	659	576,971	440,016	98,276	51,973	150,249	34.15%	26.04%
San Joaquin	503	354,066	235,671	69,750	21,159	90,909	38.57%	25.68%
San Luis Obispo	237	184,684	135,476	36,982	21,608	58,590	43.25%	31.72%
San Mateo	532	474,079	332,357	80,083	41,577	121,660	36.61%	25.66%
Santa Barbara	488	266,671	208,551	48,288	25,877	74,165	35.56%	27.81%
Santa Clara	1,199	1,049,151	733,086	206,246	44,057	250,303	34.14%	23.86%
Santa Cruz	207	178,869	127,583	46,292	16,025	62,317	48.84%	34.84%
Shasta	141	120,913	82,886	25,566	13,831	39,397	47.53%	32.58%
Sierra	13	2,670	2,299	1,065	458	1,523	66.25%	57.04%
Siskiyou	83	32,566	24,572	10,135	2,913	13,048	53.10%	40.07%
Solano	282	259,190	171,695	45,542	16,803	62,345	36.31%	24.05%
Sonoma	466	323,631	231,595	65,538	54,964	120,502	52.03%	37.23%
Stanislaus	396	295,606	197,856	40,926	32,017	72,943	36.87%	24.68%
Sutter	59	52,118	36,919	9,395	5,527	14,922	40.42%	28.63%
Tehama	48	39,769	26,343	10,434	4,030	14,464	54.91%	36.37%
Trinity	23	9,900	7,584	2,927	1,908	4,835	63.75%	48.84%
Tulare	219	211,194	122,722	36,496	11,498	47,994	39.11%	22.73%
Tuolumne	75	36,653	30,472	11,150	3,525	14,675	48.16%	40.04%
Ventura	619	493,118	385,140	90,755	37,856	128,611	33.39%	26.08%
Yolo	127	119,285	76,981	27,738	8,206	35,944	46.69%	30.13%
Yuba	45	38,689	23,296	7,150	3,073	10,223	43.88%	26.42%
State Total	22,976	21,507,390	15,280,808	3,907,791	1,378,413	5,286,204	34.59%	24.58%
Percent			71.05%	73.92%	26.08%			

IMPROVING THE COUNTY BUDGET PROCESS

Providing Better Tools for Management

SUMMARY

As part of its local government oversight function, the Grand Jury reviewed the County budget and the process by which it is generated. While leaders of several administrative departments of the County expressed their approval of improvements to the budget process implemented in recent years, the Grand Jury finds that further enhancements can be made to allow those outside the process the opportunity for meaningful oversight. The Grand Jury also concluded that simple goals or milestones must be set for all new programs and projects to allow for appropriate periodic evaluations. Other suggestions are appended for consideration.

PROCEDURE / METHODOLOGY

Section 925 of the Penal Code requires the Grand Jury to investigate, on a selective basis, the functioning of County government. Interviews were held with selected department heads, County Supervisors, high administrative officers and personnel of County administration and the County Auditor's office, as well as other individuals directly involved in producing the proposed annual budget for final approval. The Grand Jury reviewed County budgets for the past several years, as well as those of several other counties, and the audited financial statements and letters from the outside auditor for the last fiscal year.

BACKGROUND AND DISCUSSION

The budget process for Monterey County is the responsibility of the County Administrative Officer (CAO), whose budget group is assigned to work with all relevant departments and agencies (budget units). Two County Supervisors serve as the Budget Committee to oversee the process on behalf of the entire BOS. The CAO provides overall guidance to the budget units. The major departments propose expense targets and negotiate as a group in an attempt to adjust their proposed expenses to fit within the budget guidelines for anticipated revenues. The final negotiated budget is eventually prepared and recommended to the Board of Supervisors (BOS) for final approval about a month before the end of the fiscal year, as the culmination of a seven-month effort. The resulting Recommended Budget contains approximately 500 pages, provides line-item

detail as well as summary information, and is publicly available from the Auditor's office. The 2002/2003 fiscal year budget proposes spending \$722 million – approximately \$1800 on behalf of each resident and includes a workforce of 4,788, an increase of 150 people from 2001/2202. Adding new personnel, with the attendant ancillary costs, is the equivalent of assuming a long-term financial obligation. Personnel headcount and salaries are shown, but the “fully loaded” cost of an individual may be twice that amount, and is not estimated. Fully loaded costs include salaries, all benefits, space and utilities (phones, heat, power), and equipment (furniture, computers, etc.)

When attempting to understand a large multi-faceted government budget, the reader may want answers to several simple broad questions such as:

- What is the specific purpose of a particular budget item?
- What benefits to the public are expected to result from these expenditures?
- How will the public know if these expenditures produce acceptable results at acceptable costs?

The Grand Jury finds that the County's annual published budget does not adequately address these questions. The budget process and published information needs to provide visibility to projects and programs within departments. Further, in our research to date, the Grand Jury finds that no “sunset” provisions⁵ exist for new programs or projects that would provide for them to be phased-out, or re-proposed if desired.

While the Grand Jury has several suggestions to improve the process⁶, it is not practical to propose detailed recommendations without the use of experts. Therefore, the Grand Jury recommends an operational audit of the County budget process, with detailed recommendations for final approval by the BOS. Several additional suggestions that should be considered as part of this process are appended to this report.

The Grand Jury has determined that once federal and state mandated programs are funded, there is limited flexibility for the County to propose new programs or expenditures. Furthermore, only a few budget analysts within the County Administrative Office are available to facilitate the budget process, while larger counties can afford more complete budget documentation and analysis. The Los Angeles County budget, for example, has developed performance criteria such as input, workload/output, efficiency, and effectiveness/outcome. These criteria are typically reported along with the previous year's budget and future projections. While this Grand Jury is NOT recommending an increase in budget staff, it seems appropriate for department heads and budget units to propose milestones, evaluation criteria for efficiency and effectiveness, and to report periodically against these measurements. These procedures are used as tools in normal business practice by commercial organizations of similar size, and can serve government as well. In the case of the BOS, these tools could provide for improved management oversight and accountability.

⁵ See Appendix A

⁶ See Appendix B

FINDINGS

Programs & Projects

1. The Recommended Budget provides goals and status of selected budget units, but a breakdown of costs for recommended or ongoing programs and projects is typically not shown.
2. Personnel headcount and salaries are shown, but a more inclusive “fully loaded” cost of an individual is not estimated.
3. Expenditures are generally not identified by project or program (with exceptions).

Milestones, Efficiency & Effectiveness

4. While new programs and projects within a budget entity are approved on their merit and priority, there appears to be no formal system in place to systematically ascertain and evaluate their actual performance and cost versus the milestones and goals when they were first adopted.
5. Workloads and related statistics are frequently mentioned, but without measures of efficiency or effectiveness.

Terminating a Program

6. Once established, a program may continue indefinitely, independent of its current relevance or effectiveness, as there is no simple way to identify these expenditures on an ongoing basis.

RECOMMENDATION

The 2002 Monterey County Civil Grand Jury recommends that an operational audit of the budget process be made (consider the use of the County Auditor or an independent consultancy) with the following goals in mind:

1. Improving clarity – i.e., making it simpler for people to see how the money is being spent and to visualize the impact of cutbacks.
2. Identifying performance measures – allowing the public to see whether the funds are being spent efficiently.

This audit should provide detailed recommendations (building from the Findings and Recommendation in this report) for final approval by the Board of Supervisors.

Responses Required	Findings	Recommendation
Board of Supervisors**	1,2,3,4,5,6	1
County Auditor*	1,2,3,4,5,6	1

*Date Due: On or before March 3, 2003

**Date Due: On or before April 2, 2003

Responses to the Findings and Recommendation shall be addressed to Presiding Judge of the Superior Court of Monterey County as noted on page iv of this report.

APPENDIX A

FICTIONAL EXAMPLE OF A SUNSET PROVISION

Assume the Grand Jury was allocated funds to have the services of a full-time financial analyst as well as the services of outside auditors to help in investigating the finances of selected cities, agencies and special districts. The authorization for this “investigative audit program” would stipulate a sunset clause - that funds would only be available for two years. As the end of that period approached, the Grand Jury and the court would have to decide if the funds being spent are a good use of taxpayer money. If the answer is NO, then no further action is needed since there are no further funds allocated for that program. Should this program be deemed a good use of funds, it can be proposed as part of the next year’s budget and take its place being evaluated and prioritized along with any other new program seeking funds. This “sunset” provision automatically puts the onus on the program to prove itself before it can be considered for any further funds.

APPENDIX B

The following are possible recommendations to be considered by the outside consultancy:

1. Provide each project and program with a set of milestones or goals that allow for periodic evaluation and facilitates go/no-go decisions or reprioritization.
 - a. The Grand Jury is not advocating a detailed project accounting system with time cards, etc. but rather the timely estimating of expenses by the responsible department head and the evaluation of performance v. milestones by the next level of supervision.
 - b. Frequent project reporting (to the CAO and the BOS or budget committee) and the highlighting of missed milestones could provide valuable management tools.
2. Provide for effectiveness evaluations through the use of “customer” surveys and other objective measures.
3. Have each new program be funded for the specific number of months (i.e., 36) determined as an adequate time for implementation and evaluation, at which time the program terminates. Prior to the termination, a decision can be made to either re-propose it (or another version of it) or propose other uses for those funds.

MOSS LANDING HARBOR DISTRICT

SUMMARY

A formal complaint prompted the Grand Jury's review of the Moss Landing Harbor District (District). While the complaint addressed specific issues, they had been resolved prior to investigation by the Grand Jury. This investigation, conducted under authority granted by California Penal Code Section 933.5, focused on the District's financial status and progress made in its harbor renovation program since the Grand Jury's review in 2000. The District's financial situation remains weak, due in large part to both an historical accumulation of debt, caused by failure to collect past-due rent, and to construction delays that have postponed occupancy of some of the projects. While the District has raised berthing fees and taken measures to collect past-due fees, it still does not have sufficient cash flow to finance long-term maintenance and dredging.

The Grand Jury recommends that the District develop and implement a financial model/budget, minimize its expenses (including Board members' compensation), start an aggressive program of removing abandoned vessels, and maximize its efforts to recover past-due berthing fees. Additionally, the District should raise its berthing fees and expedite the leasing of available commercial space.

PROCEDURE AND METHODOLOGY

This investigation, which took place over a five-month period, included interviews with personnel of the Moss Landing Harbor District and the Santa Cruz Port District, as well as the examination of numerous documents (as listed at the end of this report). A visual inspection of the docks was also conducted.

BACKGROUND AND DISCUSSION

The District encompasses about 370 square miles, stretching from the Santa Cruz County line on the north to the Salinas River and portions of Corral de Tierra on the south. The eastern boundary is the San Benito County line. The Harbor is home port to about 625 vessels, approximately equally divided between commercial fishing and pleasure use. The research vessels of the Monterey Bay Aquarium Research Institute and Moss Landing Marine Laboratory are also based there.¹

The Moss Landing Harbor District is a "special district," governed by a five-member Board of Harbor Commissioners (the Board), and staffed by ten employees who oversee the day-to-day operations of the harbor. Major changes have taken place in the management of the District. A new general manager was hired in 2002, and an accountant, who was acting as District Treasurer, recently left.

As reported in the 2000 Monterey County Grand Jury Final Report,² the District has undertaken several major capital projects during the past few years. The most significant of these, the renovation and construction of the Cannery Building and the adjacent K-dock, is now essentially complete. Representing an investment of approximately \$4 million, these improvements were made to facilitate the fishing industry's use of the K-dock for off-loading fishing catches to be processed in the Cannery, where the fishing companies were to be located. As of this writing, the Cannery Building is only 75% leased; however, delays are said to be partly the result of the County's permit process for the construction of tenant improvements. Lease revenues from Cannery Building tenants and from a new RV park opened during the past year will generate badly needed cash flow for the District.

The increased regulation of the fishing industry has severely affected the commercial fishers. The Pacific Fishery Management Council, which governs the West Coast fisheries, announced on June 20 that it would prohibit fishing for rockfish in waters deeper than 120 feet, effective July 1, 2002. Although this change has caused many to quit the industry or simply abandon their vessels, there has been no direct impact on the District yet, since there is a five-year waiting list for its slips. Nevertheless, this change may affect the generation of revenue anticipated from the Cannery Building and K-dock.

Berthing permit fees, which have historically trailed market rates, have just been increased approximately 14%, effective August 1, 2002.³ Assigned berth permit fees were raised from \$4.75 per foot to \$5.40 per foot. However, these rates are only 70% - 75% of those charged at other harbors on the coast of California.⁴ For example, the fee for an unoccupied 40-foot vessel in Santa Cruz Harbor⁵ is \$332 per month versus \$236 for Moss Landing, and \$488 per month for a live-aboard vessel versus \$361 at Moss Landing.⁶

The majority of the District's revenues is derived from rents from tenants. According to next year's budget, approximately \$1.65 million, or 74.2% of operating revenue, will come just from fees relating to berthing tenants' vessels, both commercial and recreational.⁷ This includes assigned, temporary and transient berthing, live-aboard, amenities fees and discounts. However, a significant number of tenants are behind in their payments. Although District staff (with the help of its CPA) received a good response when it sent out a collection letter in August 2002, revenue collection from tenants continues to be a problem. In September 2002, of the 700 available slips and 624 vessels berthed, 65 tenants were past due between 90 days and one year, each owing in excess of \$500.00. Fifty tenants were past due more than one year.⁸ Because of the difficulty and expense involved in the collection of these monies, in years past most of the debt has simply been left uncollected. Using these figures and assuming a typical

monthly berthing fee of \$250.00, the District is losing \$28,750 each month or \$345,000 each year that these berths are not rented to paying tenants. These figures do not include money already lost from past due fees that have not been collected.

Abandoned vessels are taking up berths that could be used for paying customers and are costing the District money to keep them afloat.⁹ While the District has the right under its ordinance to move the vessels for non-payment of fees,¹⁰ disposal of abandoned vessels has not been pursued due to lack of money for legal fees. Unlike a landlord with the ability to evict a non-paying tenant through an unlawful detainer proceeding in the local courts, the District is faced with the logistics of vessels either registered with the DMV or federally documented with the U.S. Coast Guard. If a vessel is abandoned and is registered with the DMV, a lien sale must be conducted in order to seize the vessel and sell it at auction. The vessels that are abandoned are generally in disrepair and barely seaworthy. Certain time requirements have to be met in the posting of notices for seizure, notice of sale, and the like. In the case of seizing a federally documented vessel, a maritime attorney must be retained at a cost of thousands of dollars, an expense the District cannot afford, given the number of such vessels that would need to be seized. In the meantime, over 100 berths are being occupied by vessel owners who refuse/fail to pay their rent on time, while other individuals pay to be on a five-year waiting list to rent berthing.

Tenants complain about poor dock maintenance but, without more money, there cannot be more maintenance. Since most District funds come from berthing fees, the District has just two major sources for additional money: it can evict those who are not paying and/or increase berthing fees from those who are paying.

Although meeting minutes reflect that the Board has been concerned about the number of tenants not paying, the District has reduced the office staff to the point that collection of past due fees has been curtailed due to lack of staff time. Yet, given the \$345,000 lost each year due to non-payment of fees (see above), it is quite likely that a return on investment analysis would show that hiring a collection agency or an additional full-time employee would result in increased cash flow to the District.

Budget projections for the current year do indicate anticipated improvement over last year. The District predicts revenues of \$2,229,550 for Fiscal Year ending (FYE) June 2003 compared with \$1,824,826 in FYE June 2002.¹¹ The increase is partly due to the increased berthing fees and amenities surcharges. However, the District is still having to curtail expenses and draw down lines of credit to cover operating expenses, and some extension of debt payments has been necessary to meet operating cash flow requirements.¹²

The District is faced with the need to dredge the harbor periodically which is very costly due to the need to properly dispose of contaminated dredge spoils. (The most recent dredging project in 1998-2000 had a price tag of over \$7 million.) Although the District has historically received grant money to offset the bulk of this expense, a "Dredging Accrual Fund" (DAF) needs to be funded, and next year's anticipated cash flow is

inadequate to fund the DAF “at a pace sufficient to cover anticipated cost of future dredging obligations.”¹³ However, a study by Moss Landing Marine Laboratories indicates that there may be a possibility of putting dredge spoils into Monterey Bay with no environmental damage and at greatly reduced cost.

In spite of the financial pressures facing the District, the Board nevertheless voted to increase its own compensation by 100% to \$100 per meeting (per member), with a maximum of \$600 per month, the maximum allowable under State law.¹⁴ This remuneration is in addition to reimbursement for any expenses incurred. Board expenses have increased from \$3,270 in FYE 6/30/98 to a projected \$10,000 in FYE 6/30/02 and a budgeted \$24,000 for the FYE 6/30/03.¹⁵ This is an increase of over 700% in five years.

Given the close proximity of Santa Cruz Harbor, a comparison with the operations of the Santa Cruz Port District was also made. Santa Cruz is fully self-sufficient; its Board receives no compensation, and its waiting list is 20 years. The 2001-2002 Santa Cruz County Civil Grand Jury reported: “Revenues generated by the Port District are adequate to operate and maintain all functions of the District.”¹⁶

FINDINGS

1. The District’s financial situation remains weak. It is still having to curtail expenses and draw down lines of credit to cover operating expenses, and some extension of debt payments has been necessary to meet operating cash flow requirements.
2. Anticipated revenues from the leasing of the Cannery Building and from the RV Park should help to improve the District’s weak financial situation.
3. Berthing fees, although recently increased, are still only 70% - 75% of those charged at nearby harbors.
4. Approximately 18% of slip renters are delinquent in paying their berthing fees which costs the District over \$300,000 in lost revenue each year.
5. Abandoned vessels are taking up berths that could be used for paying customers and are costing the District money to keep them afloat. The procedure for disposing of abandoned boats is complicated and costly.
6. Since most District funds come from berthing fees, the District has just two major sources for additional money: it can evict those who are not paying and/or increase berthing fees from those who are paying.
7. The increased regulation of fishing may adversely impact the District by reducing the income from the Cannery Building, and may decrease berthing fee collections if fishermen abandon their vessels in the berths. The effect on the District’s revenues cannot be estimated at this time.

RECOMMENDATIONS

The Monterey County Civil Grand Jury recommends that

1. the District develop and follow a comprehensive, quantitative business plan (financial model) to serve as a master plan for running the District, encompassing both existing and potential sources and uses of funds and laying out the steps necessary to return the District to financial stability;
2. the District maximize its efforts to collect past due rent, perhaps by contracting with a collection agency and/or hiring additional staff dedicated to collection;
3. the District start an aggressive program of moving abandoned vessels to dry storage or other non-revenue locations so that the berths can then be rented to paying customers;
4. the District enforce the procedure in Ordinance section 6.028, *Termination or Revocation of Berthing Permit and Removal of Vessel*, and set a goal of having the fees paid or the vessel moved in 120 days;
5. the District raise berthing fees to the going rate in nearby harbors;
6. the District expedite the leasing of the Cannery Building to full occupancy by the end of this fiscal year by working with the appropriate County departments in the acquisition of use and occupancy permits;
7. the Board reduce its pay to zero (except for the reimbursement of necessary expenses) and serve as volunteers until such time as the District is able to meet its debt service obligations and stay current in its annual contributions to meet reserve requirements;

Response Required	Findings	Recommendations
Moss Landing Harbor District	1-7	1-7

Date Due: On or before April 2, 2003

Responses to the Findings and Recommendations shall be addressed to the Presiding Judge of the Superior Court of Monterey County as noted on page iv of this report.

REFERENCES

Moss Landing Harbor District Ordinance Code
Moss Landing Harbor Berthing Application Checklist
Moss Landing Harbor Application for Berthing and Terms of Authorization
Moss Landing Harbor District Memo dated 8/1/02 re: District Fee Schedule Changes and Security Card Keys
Moss Landing Harbor District Financial Report (Years Ended June 30, 2001 and 2002)
Moss Landing Harbor District Budget FYE 6/30/2003 (Consolidated Format).
Minutes of the Moss Landing Harbor District Board of Harbor Commissioners
2000 Monterey County Civil Grand Jury Final Report
2001-2002 Santa Cruz County Civil Grand Jury Final Report
Santa Cruz Harbor *Services* rate sheet

APPENDIX A

MONTHLY BERTH FEE COMPARISON

Calculated for a boat length of 40 ft.

As of September 2002

	Santa Cruz		Moss Landing
	South Harbor	North Harbor	
<i>Published Fees</i>			
single & inside – per ft.	\$ 7.76	\$ 7.55	\$ 5.40
double side tie	\$ 8.45	\$ 8.30	
live aboard 2 nd person		\$92.00 \$29.00	\$75.00 \$50.00
unattended electric live aboard electric amenity/electrical		\$35.00 \$65.00	\$20.00
<i>Cost Unattended</i>			
berth	@ \$7.55	\$302.00	@ \$5.40 \$216.00
utilities/amenities		<u>\$ 35.00</u>	<u>\$ 20.00</u>
Total		\$337.00	\$236.00
<i>Cost Live Aboard</i>			
berth		\$302.00	\$216.00
2 persons		\$121.00	\$125.00
utilities/amenities		<u>\$ 65.00</u>	<u>\$ 20.00</u>
Total		\$488.00	\$361.00

ENDNOTES

¹The above District history and description were taken from: Monterey County Civil Grand Jury, *Year 2000 Final Report*, pp. 39-40.

²Monterey Grand Jury, *Year 2000 Final Report*, p. 46.

³Moss Landing Harbor District, *Memo Re: District Fee Schedule Changes and Security Card Keys*, August 1, 2002.

⁴Coyote Point Marina, *Berth Rates for San Francisco Bay Area Marinas*, March 2001 showed Moss Landing at \$4.75 per foot and 9th lowest of 49 harbors listed. Monterey was 30th at \$6.34 per foot, and Santa Cruz was 41st at \$7.10 per foot. The lowest was McCavoy at \$3.35 and the highest was Pelican at \$12.25.

⁵Santa Cruz Harbor, *Services rate sheet*

⁶See Appendix A

⁷Moss Landing Harbor District, *Budget FYE 6/30/2003 Consolidated Format*, lines 2-8

⁸Data obtained from interview

⁹In August, the District spent \$8000 to raise a vessel sunk in a berth

¹⁰Moss Landing Harbor District, *Ordinance Code*, July 25, 2002, pp. 14-15, par. 6.028

¹¹Moss Landing Harbor District, *Budget FYE 6/30/2003 Consolidated Format*, line 46

¹²Moss Landing Harbor District, *Budget: FYE June 30, 2003, Notes to Consolidated Format*, note 32

¹³Ibid, notes 33 and 34

¹⁴Moss Landing Harbor District, *Minutes August 27, 2001*, and *Minutes May 23, 2002*; Moss Landing Harbor District, *Ordinance Code*, July 25, 2002, p. 7, par. 3.110

¹⁵Moss Landing Harbor District, *Budget FYE 6/30/2003 Consolidated Format*, line 59

¹⁶See 2002 Santa Cruz County Civil Grand Jury Final Report

CURRENT GOVERNANCE ISSUES IN MONTEREY COUNTY

A Synopsis/Analysis of the Concerns of Mayors and County Supervisors

SUMMARY

As part of its oversight function of County and city government, the Grand Jury held meetings with the mayors of 11 cities in Monterey County, as well as with each of the County Supervisors. They represent the approximately 400,000 residents and are the senior elected officials within the County. The issues cited as being key varied greatly by geography and demographics. Cities view themselves as independent of the County. While the cities acknowledged the role of the County in governing the unincorporated areas, they were generally uncomfortable seeing the County government assume a planning/integration role, vis-à-vis the General Plan Update and impinging on the cities' own plans.

Managing growth and building the necessary infrastructure were dominant issues of all the cities, while the perennial problem of water supply and usage was viewed by the mayors of the six Monterey Peninsula cities as a major impediment to addressing the dominant issues. On the other hand, Salinas had issues more representative of a larger urban environment with an expanding immigrant population.

Overall, agriculture, tourism and government were viewed as the “must protect” industries, vital to the near term economic health of the County. Additionally, retail establishments were sought after as desirable economic growth opportunities. However, the agriculture, tourism and retail industries generate primarily low-paying jobs,¹ exacerbating the shortage of low-cost housing.

Low- to moderate-cost housing alone does not generate sufficient tax revenues to pay for the municipal services that residents demand of local governments (public safety and health), and continued commercial development and high-end housing were seen as necessary for cities to balance out the financial deficit that would be created by low-to moderate-cost housing.

¹ State of California, Employment Development Department:
a. Monterey County: \$53,800 annual median income
b. Agricultural worker: \$16,600 annual median income
c. Waiter/waitress: \$12,400 annual median income
d. Retail clerk: \$16,800 annual median income

While many local government entities disparage the concept of developing bedroom communities for Silicon Valley workers, these properties are generally valued in the higher percentiles of homes sold. Together with the increase in the number and market value of residences becoming second homes, they help provide the needed property tax surpluses to offset the deficits anticipated from increased low-cost affordable housing.

County and city governments plan for what they term reasonable economic development, and they are also mandated by the State to provide additional housing for a growing population. The current restrictions on the use of water on the Monterey Peninsula and in North County are a major impediment to the implementation of these plans. Moreover, the use of water as a tool to control growth is seen by many as a circumvention of the planning processes of the cities and County.

PROCEDURE / METHODOLOGY

Meetings were held individually with the mayors, some of the city managers and other officials in each of their respective cities during March and April. The County Supervisors individually attended full Grand Jury meetings in Salinas during April, May and June. Since these meetings were not related to a specific Grand Jury investigation, the sessions were not conducted in an environment of sworn testimony, but rather on a voluntary basis and in an informal question-and-answer format.

BACKGROUND AND DISCUSSION

The first half of 2002 was dominated locally by several major occurrences. First, this was the year for generating the update to the 20-year County General Plan. Secondly, in the view of the six mayors of the Monterey Peninsula cities, a crisis was precipitated in February by the Monterey Peninsula Water Management District (MPWMD) adopting an ordinance prohibiting the transfer of water credits, thereby creating a major obstacle for new construction and redevelopment in those cities. Thirdly, the State published its five-year housing growth targets for each region in the State, arousing significant concern throughout Monterey County. The County's goal is 11,912 additional housing units by 2007, and this is being apportioned to each city and area by the Association of Monterey Bay Area Governments (AMBAG), an agency comprised of Monterey Bay area cities and counties.²

The communities that comprise Monterey County have widely diverse geographic and demographic characteristics. The 12 cities and the County are members of AMBAG. Mayors, in general, rankle at AMBAG dictates restricting city decision making. The Cities Council, a monthly meeting of the 12 mayors, was mentioned as an informal, but very useful, vehicle for discussing matters of mutual concern.

² A Joint Powers Agency

Monterey Peninsula

The economic focus of the Monterey Peninsula and coastal communities is predominantly tourism, hospitality and Department of Defense facilities. The high housing costs in the major tourist and scenic areas cause many employed in that region to live elsewhere, resulting in a commuter environment that places strains on existing roads. The re-use of the former Ft. Ord and the associated “free” land being returned to local communities has long been considered a panacea for affordable and low-cost housing close to existing employment opportunities on the Monterey Peninsula, but has yet to show any substantial results.

A paradox exists on the Monterey Peninsula. Its major industry, tourism, depends heavily on low-paid workers, who find it difficult to afford the high cost-of-living in close proximity to their employment. The preferred situation is to have *closer-in* affordable housing. Unfortunately, affordable (low-cost) housing does not (in general) provide enough local tax revenues to pay for the associated public health and safety services. It was estimated this takes an assessed value of above \$400,000 (for a single family home), hardly what would be considered low-cost housing. To offset the deficit that low-cost housing creates, cities attempt to attract new commercial and industrial projects, which are viewed as providing tax revenues in excess of the services they consume. Cities tend to compete fiercely for these projects, trying to maintain the financial balance between commercial development and low-cost housing. This scenario was referred to as *sensible and balanced economic development*.

The availability of water is critical to implementing these new commercial and residential projects and has caused a coalition of Monterey Peninsula cities to bring suit against the local water district (MPWMD) over its February 2002 ordinance prohibiting the transfer of water credits. This ordinance was viewed as impeding the implementation of the new commercial and industrial projects as previously discussed.

Salinas Valley and South County

The focus of the Salinas Valley and South County cities is agriculture and secondarily County government in the County seat of Salinas and state prisons near Soledad. The still relatively expensive housing costs in the Salinas Valley cause similar problems in the hiring and retention of employees for local and state government agencies. While agriculture, and in particular produce production and processing, appears to be a solid business, there is also a rapidly expanding production of grapes. New wine corridors in the South County are part of the General Plan update aimed at attracting tourism and promoting the increase of locally produced wines in addition to the sale of grapes to out-of-County wineries.

Governments of South County municipalities display an independent spirit and a preference for less involvement by the County in matters that affect their communities. The rural nature of their geography and the distance between cities lessens the need for

interaction between the cities and the County. The mayors interact monthly at the Cities Council.

As the County seat, Salinas hosts much of the local presence of County and State government. It is the home of many of the agri-businesses and the industrial hub of the County. It is also within commuting distance from the San Jose high-tech corridor. While it struggles with traditional urban problems of overcrowded³ inner city housing, low paying jobs, a growing immigrant population and a related youth gang problem, it is redeveloping its downtown area, and encouraging tourism and economic development.

Unincorporated Areas

The residents of the unincorporated areas of the County are under the jurisdiction of the Board of Supervisors. These areas receive public health and safety services from County agencies. The County Supervisors are elected by geographic districts of approximately equal population that include the cities.

There were concerns raised by some Supervisors about the Prunedale Bypass project. The fact that the estimated cost and time to complete had escalated dramatically raised doubts as to the viability of the new increased project scope. The need to provide matching funds would severely limit the ability to do other public works projects for many years. Some doubt was expressed as to the State's commitment to actually spend its share for this project, since spending these funds in other locations in California could reap greater political benefit.

The use of the land from the former Ft. Ord was viewed as having the potential to become a model community. Unfortunately, the cost to remove health hazards and install new infrastructure and utilities would be substantial. Such costs would include a \$35,000 per unit fee imposed by the Fort Ord Reuse Authority, plus any bonded indebtedness to finance the new infrastructure and utilities. This burden limits the likelihood of providing very low-cost, low-density housing (\$150,000 selling price).

The incorporation of Carmel Valley⁴ was viewed as problematical, and studies currently underway would likely show the cost of separating from the County to be higher than residents would be willing to bear.

³ It was estimated that, over the past ten years, the inner-city population grew by 45% with NO change in the number of housing units.

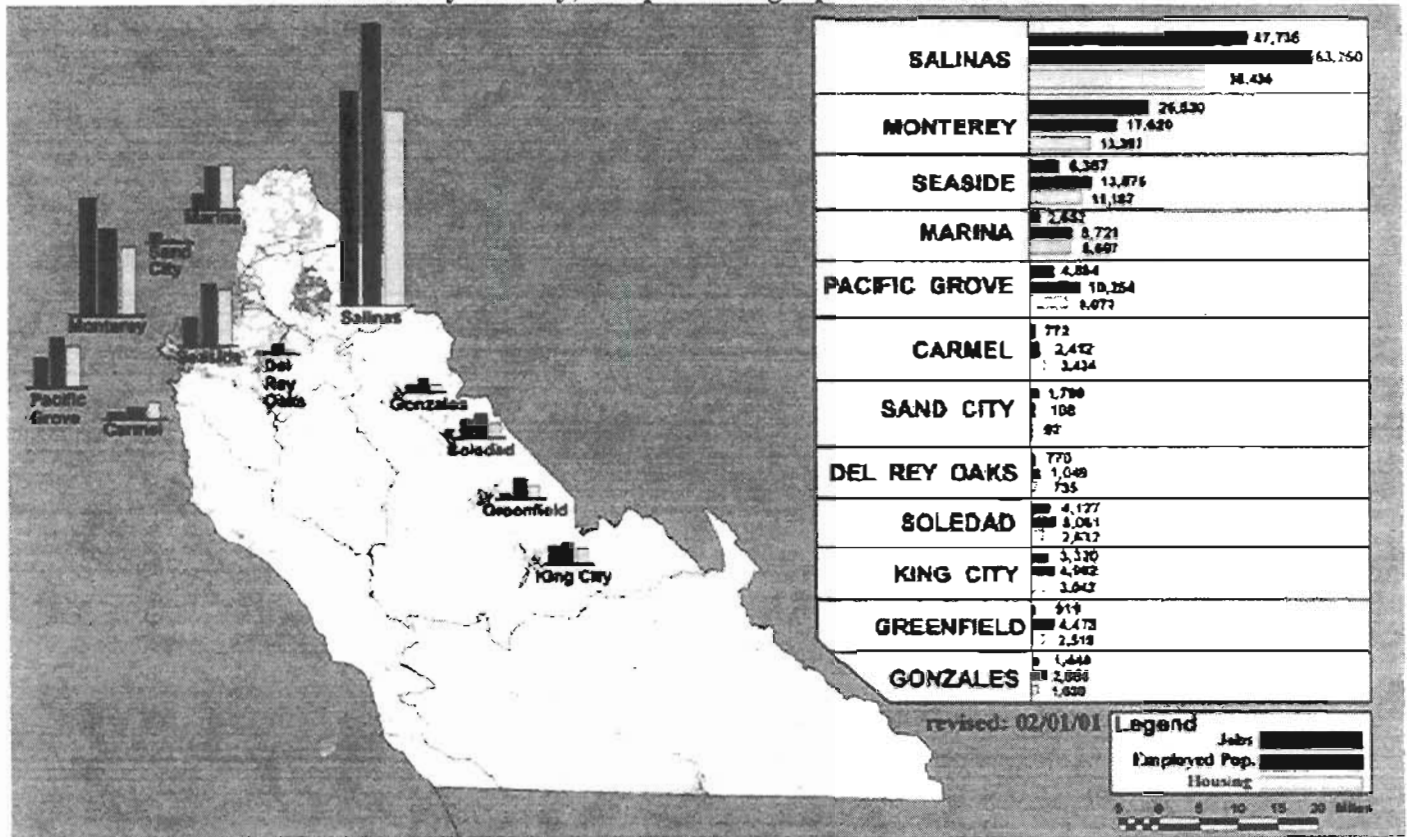
⁴ *Comment - It is noted that the population is growing very slowly or even in slight decline in several Monterey Peninsula areas, including Monterey, Carmel, Pebble Beach, Carmel Valley & Big Sur, caused to some extent by the increase in second home purchases by non-residents. Some residents are concerned that over time, the accompanying redistricting will marginalize their political influence. This has (among other issues) prompted an initiative in Carmel Valley to explore incorporation as a means of providing governance more responsive to local needs.*

The current restrictions on the availability of water are seen by many as an effort to restrict development, serving as an effective tool to control growth by those in favor of low- or no-growth scenarios. This is viewed as an inherent mistrust of governments being influenced by developers and the substitution of water policy for planning policy. It was stated that city councils and the BOS are the appropriate forums for setting growth policies.

NO RESPONSE REQUIRED

APPENDIX A

Monterey County, sample demographic information



	<u>Population⁵</u>	<u>Median Household Income⁶</u>	<u>Median Single Family Home Price⁷</u>
Salinas	144,000	\$43,720	\$285,500 ⁸
Seaside	32,000	\$41,393	\$317,000
Monterey	30,000	\$49,109	\$476,100
Marina	21,000	\$43,000	\$343,500
Pacific Grove	16,000	\$50,254	\$555,000
Greenfield	13,000	\$37,602	\$223,000
Soledad	11,000	\$42,602	\$223,000
King City	11,000	\$34,398	\$223,000
Gonzales	8,000	\$41,582	\$223,000
Carmel	4,000	\$58,163	\$850,000
Del Rey Oaks	2,000	\$59,423	\$435,000
Sand City	261	\$34,375	not available
Total Cities	292,000		
Unincorporated	100,000	\$744,100 ⁹	
Total County¹⁰	402,000	\$48,305¹¹	\$345,000

⁵ US Census 2000. Factfinder. All data rounded off to nearest 1,000.

⁶ US Census 2000. Factfinder

⁷ Monterey County Office of Economic Development based on 2001 data from Monterey County Association of Realtors

⁸ Average median of North (\$292,750), East (\$258,000), and South (\$307,500)

⁹ Average median of Pebble Beach (\$930,000), Carmel Valley (\$765,500), South Coast (\$1,100,000), Hwy 68 (\$540,000), North County (\$385,000)

¹⁰ Includes 11,000 prison population

¹¹ US Census 2000. Factfinder

**AVAILABILITY OF WATER ON THE MONTEREY PENINSULA
(issued as Mid-Year Final Report – October 2002)**

AND

SUPPLEMENT TO THE MID-YEAR FINAL REPORT

The Role of the Monterey Peninsula Water Management District

INTRODUCTION

Early in the term of the 2002 Civil Grand Jury, it began analyzing availability of water in Monterey County. Part of the investigation involved the functioning of the Monterey Peninsula Water Management District (MPWMD). Subsequently, Measure B was placed on the November 5th 2002 ballot, asking district voters whether the MPWMD should be dissolved. The Grand Jury therefore decided to issue this mid-year final report to share its research on this subject with the public.

SUMMARY

Based upon the County General Plan update, agricultural water needs, both current and forecasted, are being met by existing and planned sources. This has not been the case on the Monterey Peninsula for new commercial projects, residences on house lots without private wells,¹ or for residential additions involving additional water outlets that would otherwise be routinely approved. In most cases new water permits are not currently available and existing permits cannot be transferred from existing approved locations.

An investigation into the availability of water in Monterey County was initiated by the Grand Jury in response to a formal complaint as well as to comments by mayors and staff of Monterey Peninsula cities. The Grand Jury acknowledges that issues involving the utilization and augmentation of the water supply are policy matters within the domain of publicly elected officials and independent agencies. However, the Grand Jury is exercising its mandate² to investigate and report on the operations and functions of county, cities, and special districts, and has limited its findings to the effectiveness of the governmental entities involved, without regard to the policies they currently favor.

¹ Two acres is currently the required minimum for construction of a private well.

² California Penal Code Section 925

The Grand Jury finds that a water storage and delivery problem exists in Monterey County. There are sufficient outflows from the Salinas and Carmel Rivers³ that if stored for future use, could serve the needs of residences and businesses over the next General Plan period. In addition to storage, new delivery infrastructure is required to supply this water where needed in both the North County area and the area served by the California American Water Company (Cal Am).

Efforts at conserving water, fostered by Monterey Peninsula Water Management District (MPWMD) and Cal Am, have been effective, and the Peninsula is now rated as having among the state's lowest per-capita water usage. The MPWMD, through its February 2002 ban on transferring existing granted water credits, is potentially impeding new development. The cities⁴ within the MPWMD comprise a majority of the population and have responded by filing suit⁵ challenging the ban on the transfer of water credits.⁶ The MPWMD has been in existence since 1978 and has yet to accomplish one of its primary goals – augmenting the water supply, and, based upon its current planning schedule, it appears unlikely to do so during the next several years.

PROCEDURE AND METHODOLOGY

The Grand Jury utilized the following resources in gathering information pertinent to the issue:

1. Interviews with mayors and members of the Board of Supervisors;
2. Interviews with officials of the MPWMD and review of its Board meeting minutes;
3. Interviews with an official of the Monterey County Water Resources Agency and review of its Board meeting minutes;
4. Interview with an official of the Cal Am Water Company;
5. Review of applicable sections of the California Water Code⁷ (enabling water district legislation);
6. Review of former Grand Jury reports and responses;
7. Review of formal complaints filed with the Grand Jury;

³ See Appendix B

⁴ Monterey, Carmel, Seaside, Del Rey Oaks, Sand City, Pacific Grove. 2000 population - 83,000 est. unincorporated areas - 26,000

⁵ City of Seaside, et. al. v. MRWMD, Monterey Co., Superior Court Case #M59441, filed May 28, 2002

⁶ MPWMD Ordinance #102, enacted February 28, 2002

⁷ Water Code Appendix, Chapter 118

8. Review of State Water Resources Control Board order;
9. Review of the 1998 Environmental Impact Report for the proposed Carmel River Dam and Reservoir; and
10. Attendance at public hearings on water-related matters.

BACKGROUND AND DISCUSSION

While both private companies and local government entities may provide water, the water supply is under the governance of the State Water Resources Control Board (SWRCB). The State Public Utilities Commission (PUC) approves the rates that can be charged to the public. Other agencies have jurisdiction over matters that may directly affect the supply of fresh water (see Appendix A). The Monterey Peninsula Water Management District is the agency with jurisdiction over fresh water within its specified boundaries (See Appendix B), which encompass large portions of the Monterey Peninsula and Carmel Valley.

Approximately 80% of all water usage in Monterey County is for agriculture and industry. Of the remaining 20% used by residences, it is estimated that 60% is used externally (lawns, gardens, etc.) and 40% for internal purposes (cooking, laundry, showers, toilets, etc.). The availability of water for agricultural, commercial and residential uses has been a concern of most areas of Monterey County for several decades. In areas where the situation was viewed as critical, the State legislature authorized two new water districts impacting Monterey County. In 1978, the MPWMD⁸ was formed, encompassing much of the Monterey Peninsula and the Carmel Valley watershed area (see Appendix B), with mandates to augment the water supply and promote conservation and reuse, while fostering the Carmel River basin's environmental, ecological and recreational values. The District is governed by a seven-member Board of Directors, five elected from voter divisions, one member of the Monterey County Board of Supervisors, and one elected official or chief executive officer appointed by a committee comprised of mayors from jurisdictions within the District boundaries. According to testimony from those familiar with the enabling legislation, a primary rationale for the establishment of the MPWMD in 1978 was to have an agency capable of funding a new dam on the Carmel River, a project then considered too expensive to be funded by the local water purveyor.

During its existence, the MPWMD has spent in excess of \$50 million,⁹ primarily from the 7.125% user fee on water bills, taxes on real property and permit fees. While assisting Cal Am with conservation efforts, it has yet to achieve its primary purpose – augmenting the District's water supply.¹⁰ In 1995, the SWRCB found that current usage of water from the Carmel River exceeded the Cal Am Water Company's rights and issued Order

⁸ Monterey Peninsula Water Management District - CA Water Code Appendix, Chapter 118

⁹ Recent estimates (9/16/02 Carmel Pine Cone) place this figure at close to \$100 million.

¹⁰ first item in MPWMD Mission Statement and preamble of enabling legislation

#95-10 mandating that Cal Am reduce its usage of Carmel River water until the entire 'deficit'¹¹ could be replaced (then estimated to take seven years).

Cal Am provides water to 25% of County residents. Two-thirds of its water supply comes from groundwater and surface flows associated with the Carmel River. The capacity for storage of water from the Carmel River watershed has declined from its original 6,000 to 2,600 acre-feet, due to the natural silting process filling up the existing Los Padres and San Clemente reservoirs. In a year of average rainfall, over 50,000 acre feet of water from the Carmel River flows through the Carmel River Channel and into the ocean. The SWRCB has stated that a river flow of 20 cubic feet/second (15,000 acre-feet annually) is the amount necessary to adequately maintain a healthy fish and wildlife environment.¹² To capture the "surplus" run-off, Cal Am has in the past proposed, as its preferred and lowest cost solution to the water supply and storage problem, building a new dam that would create a 24,000 acre-foot reservoir (about a two year supply) encompassing the existing Los Padres facility.¹³

Cal Am has been unsuccessful to-date in getting state and federal approvals for this new reservoir. It is currently proposing a 15,000 acre-feet (or greater) desalination facility that would satisfy both the deficit and forecasted growth targets of the affected communities. While this alternative is estimated to provide water at a 50% higher cost than the reservoir, it is considered a less controversial solution, with a higher likelihood of rapid approval. Cal Am is currently a subsidiary of a company based in the United Kingdom, itself in-turn owned by a company based in Germany. Cal Am, as a result of being acquired, is now apparently capable of obtaining the financing necessary for the building of either a new reservoir or desalination facility. In the case of both the reservoir and the desalination plant, the construction costs would be paid by Cal Am, but these costs plus the operating expenses and a profit would be recovered in the price of the water eventually paid by the ratepayers.

Based upon the river outflow data, the experts interviewed by the 2002 Grand Jury agree that there are sufficient water resources to serve the needs of the local residences¹⁴ and businesses over the next General Plan period as well as providing for the well being of the affected fish and wildlife habitats. They also agree that new water storage and delivery infrastructure must be built to supply this water where and when needed.

A degree of success had been achieved in the effort by Cal Am and MPWMD to conserve water. However, residences within Monterey County are currently among the lowest water users in the state.¹⁵ While the residential users tend to be cooperative, there appears to be only limited savings possible by attempts to further reduce water consumption.

¹¹ The 'deficit' is 10,730 acre feet.

¹² *SWRCB Meeting Minutes*, March 21, 2002, page 10.

¹³ *Cal Am EIR*. 1999, Cal Am EIR 1993

¹⁴ An average residence uses 0.25 Acre-Feet annually.

¹⁵ *California-American Water Company, Monterey Division – Urban Water Management and Water Shortage Contingency Plan 2000 – 2005*, Chula Vista, CA, Cal-Am Water Co., pg. 19

The MPWMD has spent in excess of \$15 million in studies of alternative water supplies, and its Plan A, a proposed larger Los Padres reservoir and dam, was defeated in a voter referendum in 1995; and after being proposed again in 1998, was shelved by Cal Am because future acceptance by the voters was deemed unlikely. Earlier, in 1993, an interim desalination plant was proposed, but it also failed to win voter endorsement.

As reflected in their General Plans, Monterey Peninsula cities strive for continued economic development, driven by their need to balance the state-mandated requirement to supply additional housing (which in general does not provide enough tax revenue to fund necessary municipal services) with commercial and industrial projects that require fewer services and can provide the additional tax revenues. This development frequently requires reassignment (transfer) of existing granted water credits. In February 2002, the MPWMD issued an ordinance banning the transfer of water credits. This action was met with the filing of a lawsuit by most of the affected cities, challenging the ban.

Looking toward the future, MPWMD's most recent strategic planning workshop documents indicate it will be another two or three years (2004 – 2005) to merely have a plan approved for augmenting the water supply, with the implementation of such a plan being typically many more years out into the future.

FINDINGS

1. Based on river outflows alone, there exists sufficient fresh water, to meet the current and projected needs of residential, business and agriculture within Monterey County.
2. Delivering water to approved projects and users is not limited by technical problems or lack of supply, but by questions as to water rights, state and federal regulations, as well as the expense of the necessary infrastructure.
3. Having MPWMD as a special water district, with a majority of its board independently elected, places another independent political entity between the affected populace and the existing political structure of cities, as well as the County.
4. The General Plans of the Monterey Peninsula cities assume an adequate water supply to achieve their growth goals, and, by not supplementing the existing water supply or allowing the transfer of existing granted water credits, the Water District has impeded implementation of the general plans of the affected cities and County areas.
5. A primary rationale for the establishment of the MPWMD in 1978 was to have an agency capable of funding a new dam on the Carmel River. At this time it appears that Cal Am (which was recently acquired by a larger entity with greater financial resources) is now capable of independently financing a new water supply solution and has publicly stated its intention to do so.

NO RESPONSE REQUIRED

OTHER INFORMATION SOURCES

1. *Supplemental Environmental Impact Report (SEIR) for the Carmel River Dam and Reservoir Project*, Monterey, CA, MPWMD 1998
2. *California American Water Company Monterey Division – Urban Water Management and Water Shortage Contingency Plan 2000 – 2005*, Chula Vista, CA 1999, Cal-Am Water Co.
3. *Monterey County Environmental Impact Report –Public Review Draft, Water Supply and Demand, Monterey County General Plan Draft Update, Salinas, 2002*

GLOSSARY

aquifer = water bearing rock formation

acre-foot = 43,500

cubic feet = 325,851 gallons

APPENDIX A – Agencies with Jurisdiction Over Water-Related Matters

Federal

- US Army Corps of Engineers
- US Fish and Wildlife
- National Marine Fisheries Service

State

- California Public Utilities Commission
- California Water Resources Board
- California Department of Fish and Game
- California Coastal Commission

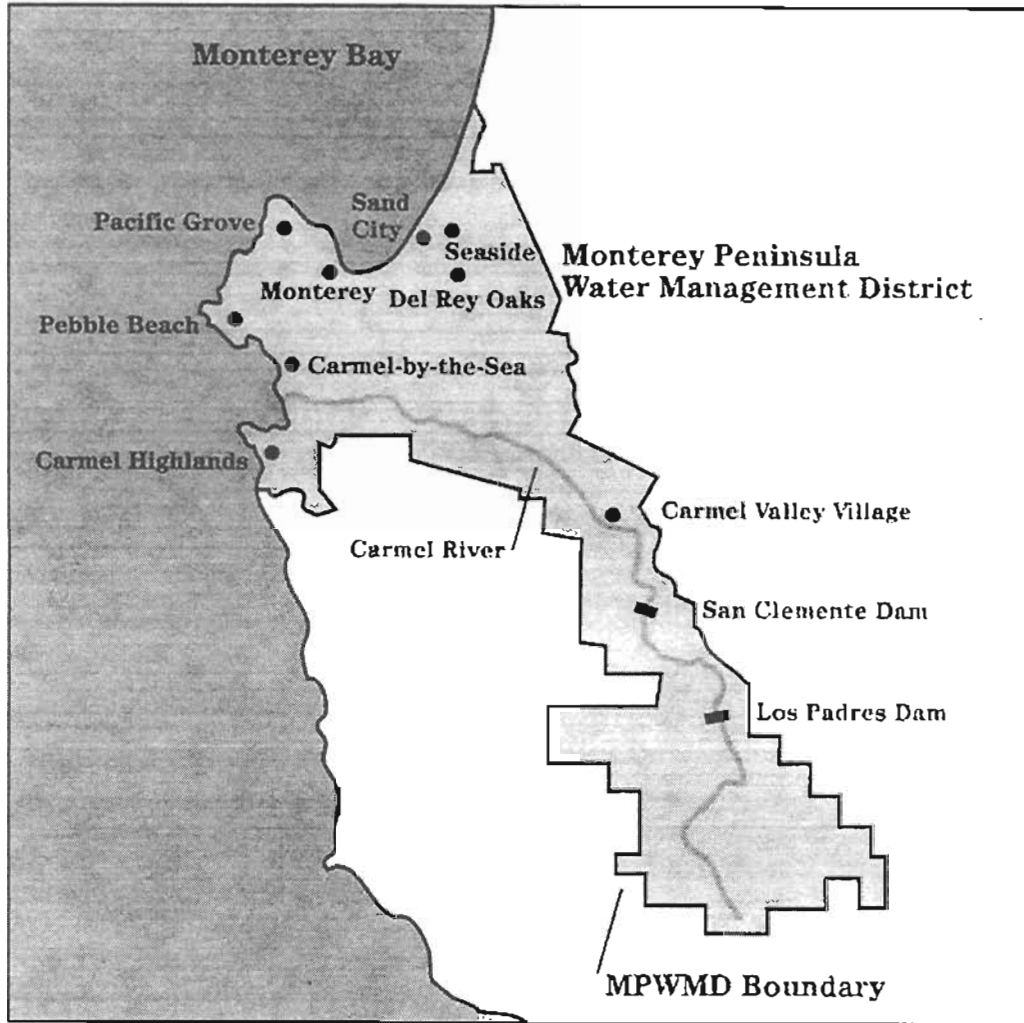
County

- Monterey County Water Resources Agency

Special Districts

- Monterey Peninsula Water Management District - sets water policy within its jurisdiction

Appendix B - Carmel River Water Supply and Usage



Reservoir Storage

Los Padres	2,000 Acre-Feet
San Clemente	3,000 Acre-Feet
Silting has reduced total capacity to	2,600 Acre-Feet (estimated)

Annual River outflow

Carmel River (typical year)	50,000 Acre-Feet
Carmel River (in an El Nino year)	Over 150,000 Acre-Feet
Salinas River (typical year)	250,000 Acre Feet

Flow necessary to sustain fish 15,000 Acre-Feet

Annual usage in district less than 20,000 Acre-Feet
(Over 11,000 from the Carmel River & associated aquifers)

SUPPLEMENT TO THE MID-YEAR FINAL REPORT
ON
AVAILABILITY OF WATER ON THE MONTEREY PENINSULA
The Role of the Monterey Peninsula Water Management District

This supplement acknowledges the results of the voting on Measure B, listed on the November 5, 2002, ballot for residents within the Monterey Peninsula Water Management District and states an additional Finding and makes Recommendations. The body of the report was issued as a Mid-year Final Report on October 25, 2002, and is reprinted immediately preceding this supplement.

FINDING

6. The results of the voting on Measure B indicate the desire of the majority of voters within the MPWMD to abolish the water district. The advisory vote on the question "Should the MPWMD be dissolved?" was 66.5% in favor and 33.5% opposed.¹

RECOMMENDATIONS

The 2002 Monterey County Civil Grand Jury recommends that

1. the November 2002 advisory vote of the affected residents should be taken as a mandate and the existence of the MPWMD be terminated by proper political process. That the cities and County mount a joint effort to have their state legislators sponsor a bill in the legislature to dissolve the MPWMD, and
2. one of the following options be chosen in place of the current MPWMD:
 - a. No new agency, leaving Cal Am to operate as it does in most other areas, under the aegis of the existing state agencies; or

¹ County Election Department published results including absentee ballots, November 8, 2002, <http://montereycountyelections.us/nov2002.htm>
http://montereycountyelections.us/nov2002_2.htm

- b. A joint powers agency with a board of directors comprised of appointees from those same cities and the County.

Responses Required	Finding	Recommendations
County Board of Supervisors	6	1,2a,2b
City of Carmel-by-the-Sea	6	1,2a,2b
City of Del Rey Oaks	6	1,2a,2b
City of Monterey	6	1,2a,2b
City of Pacific Grove	6	1,2a,2b
City of Sand City	6	1,2a,2b
City of Seaside	6	1,2a,2b

Date Due: On or before April 2, 2003

Responses to the Findings and Recommendations shall be addressed to Presiding Judge of the Superior Court of Monterey County as noted on page iv of this report.

MONTEREY PENINSULA UNIFIED SCHOOL DISTRICT

Conflict of Interest Renders Contract Void

SUMMARY

The publication of an article in a local newspaper in January 2002 prompted a review by the 2002 Monterey County Civil Grand Jury (Grand Jury) of the Monterey Peninsula Unified School District (MPUSD) regarding a conflict of interest issue. The main goal of the investigation was to determine if, in fact, a conflict of interest existed in the award of a certain contract in which an employee of the District provided input to its formulation, then resigned to take a job with the company being awarded the contract.

PROCEDURE AND METHODOLOGY

As part of its investigation, the Grand Jury interviewed both past and present administrators employed by MPUSD and others familiar with school construction contract practices at MPUSD and elsewhere. It also reviewed minutes of meetings of the MPUSD Board of Trustees (Board) and relevant contract documents, as well as applicable California statutes¹ and the California Attorney General's treatise² on Conflicts of Interest (Attorney General on Conflicts).

BACKGROUND AND DISCUSSION

Recognizing it had physically deteriorating school facilities and no funds with which to finance renovation and/or new construction, in 1999 the MPUSD hired School Facilities Planning & Management, Inc. (SFP&M) to apply to the State Department of Education for a design-only (planning) financial emergency grant, which was received. Subsequently in 2000, the District awarded two contracts: one to 3D/International (3D/I) to conduct a facilities assessment to determine the full extent of needed renovations; and, the other to SFP&M to provide program management services for a fee of 3.8% of the total program costs plus reimbursement for specified costs. The facilities assessment was completed in early 2001, and in April of that year the District awarded a \$3.1 million contract for construction management services to 3D/I to be performed over a four-year period. The MPUSD's Director of Facilities and Operations (DFO) was named in the program and construction management contracts as the primary contact person in the MPUSD administration of those contracts. Both contracts contained provisions allowing termination without cause on 30-days notice by the MPUSD.

The following incidents are listed in chronological order:

June 2001 – SFP&M’s key employee performing program management services at MPUSD informed the District that he was leaving that company to form his own firm. The DFO drafted the letter for the Superintendent’s signature to SFP&M to ascertain its ability to perform the contract, and he and the Superintendent personally received its proposals to do so (including one in which the DFO would be hired to fill the vacant position with SFP&M to perform the services on the District’s contract). The District also received proposals from SFP&M’s former key employee’s firm, as well as from 3D/I, both of whom also offered to hire the DFO to perform the contract. No other proposals were sought. In an effort that was as much a job selection process for the DFO as a determination of who would provide future program management services to MPUSD, the DFO researched the alternatives, declined SFP&M’s job offer, advised the Superintendent that SFP&M lacked the resources to complete its contract, and presented the Superintendent with a statement of the pros and cons favorable to the 3D/I proposal with the DFO as its employee on the job. The Superintendent agreed with the DFO, and on the recommendation of both, the MPUSD Board terminated the contract with SFP&M.

August 20, 2001 – At a meeting of the Board, the DFO personally presented a proposed amendment to 3D/I’s construction management contract to also include performance of program management services, at an added cost of \$1,240,000 plus certain expenses, with the DFO specifically identified in the proposed amendment as the person who would be 3D/I’s on-site supervisor. The Superintendent and the DFO expressed the belief that 3D/I had the resources to provide the best services at the lowest cost. They also said that the District could save money by eliminating the position of DFO and shifting its responsibility (other than construction oversight) to another District employee. Since the contract amendment had not been presented to the Board for review prior to the August 20th meeting, the Board continued the matter.

September 4, 2001 – At its meeting, the Board approved the contract amendment with the concurrence of the District’s legal counsel. (There is no evidence that counsel was made aware of the DFO’s role in the selection of 3D/I and formulation of the amendment.) Two weeks later, the DFO retired from his position with the District at a salary of \$80,000 per year to commence work with 3D/I at a starting salary of \$115,000 per year.

March 2002 – MPUSD submitted Measure A to District voters at the primary election to authorize issuance of \$158 million in bonds to finance the improvements needed throughout the District. Only 43.3% of the votes were cast in favor, while 55% was needed to pass the measure.

Beginning with the closure of Fort Ord, MPUSD lost federal funds and student population, but failed to make adjustments to operate within its means. Failure to cope with the loss of revenue and increasing debt up to the time of the election was seen as a major factor in the bond issue’s failure. With that failure, MPUSD became eligible for up to \$43 million for emergency renovations. The District has closed four of its schools due

to major shortfalls in operating funds, so the scope of the construction project is in flux. 3D/I continues to provide and receive payment for such program management and construction management services as are needed.

Attorney General on Conflicts addresses the prohibition of conflicts in public contracts as follows: "Government Code section 1090 basically prohibits a public official from being financially interested in a contract or sale in both his or her public and private capacities."³ Virtually all public employees are considered public officials under section 1090.⁴ When a public employee is not a board member and plays no role in the contracting process, but is financially interested in a proposed contract, the employer is not prevented from entering into the contract.⁵ However, any participation in formulating and obtaining approval of a contract by the public employee renders the contract void, however well-meaning and disclosed the participation may have been. Attorney General on Conflicts discusses a particularly apt example on page 49.⁶

Further, every contract made in violation of any of the provisions of Government Code section 1090 is void, not merely voidable, and no recovery can be afforded the contracting party for services rendered under the contract, regardless of the seeming unfairness to the company because of the public's interest in avoiding conflicts of interest. Any willful violation of this code section is a crime, punishable by a fine of not more than \$1,000 or by imprisonment in the state prison, and disqualification from holding any office in this State.⁷

FINDINGS

1. MPUSD's Director of Facilities and Operations participated in the negotiation, formulation, and consideration of the proposal of 3D/I to take over as the District's program management services contractor and hire the Director to supervise the project at the District, and, he personally presented the proposed contract amendment to the Board of Trustees for its approval.
2. Being both the District's DFO as well as the designated future employee of 3D/I to work with the District, he had a conflict of interest and did not disqualify himself from participating in the process of preparing the contract amendment and recommending 3D/I as the recipient of the Board's approval.
3. Given the DFO's participation in the award of the contract amendment, it is not possible for the Grand Jury to determine whether continuation of the contractual relationship with 3D/I is in the best interest of MPUSD, particularly in light of the greatly reduced scope of construction after failure of its bond measure.

CONCLUSIONS

1. The DFO had a conflict of interest when he participated in the preparation and negotiation of the contract award to 3D/I in the form of an amendment to its contract with MPSUD for construction management services.
2. By reason of the conflict, the amendment and the contract it amends are void, and 3D/I is not entitled to further compensation under them.
3. MPUSD needs outside advice from an independent consultant specializing in school construction management and independent legal advice from an attorney experienced in such matters to determine whether to (a) terminate or renegotiate its contractual relations with 3D/I, or (b) obtain proposals from other firms.
4. The DFO did not appear to have acted willfully or in a secretive manner in his participation in the contract formation, and therefore does not appear to the Grand Jury to be subject to criminal prosecution.

RECOMMENDATIONS

The 2002 Monterey County Civil Grand Jury recommends that

1. MPUSD seek outside advice from an independent consultant specializing in school construction management and independent legal advice from an attorney experienced in such matters to determine whether to:
 - a. terminate or renegotiate its contractual relations with 3D/I; or
 - b. obtain proposals from other firms to provide services as now needed by the District; and
2. MPUSD withhold further payment to 3D/I pending determination whether to terminate or renegotiate its contractual relations.

Response Required	Findings	Recommendations
MPUSD Board of Trustees	1 - 3	1, 2

Date Due: On or before April 2, 2003

Responses to the Findings and Recommendations shall be addressed to the Presiding Judge of the Superior Court of Monterey County as noted on page iv of this report.

ENDNOTES

¹ California Government Code Sections 1090 and 1097

² California Attorney General's treatise on Conflicts of Interest (originally published in 1998 and still in use)

³ Attorney General's treatise, *Ibid.*, at pages 45 and 46. The treatise goes on to say:

"In *Thomson v. Call* (1985) 38 Cal.3d 633, 649, the California Supreme Court reiterated the long-standing purpose and framework of section 1090. The purpose of section 1090 is to make certain that '...every public officer be guided solely by the public interest, rather than by personal interest, when dealing with contracts in an official capacity. Resulting in a substantial forfeiture, this remedy provides public officials with a strong incentive to avoid conflict-of-interest situations scrupulously.' " (*Id.* at pg. 650.)

The Court also stated:

"...The principal has in fact bargained for the exercise of all the skill, ability and industry of the agent, and he is entitled to demand the exertion of all of this in his own favor. [Citation]" (*Thomson v. Call, supra*, 35 Cal.3d at p.648; see also *Campagna v. City of Sanger* (1996) 42 Cal App.4th 533, 542.)

"... It follows from the goals of eliminating temptation, avoiding the appearance of impropriety, and assuring the city of the officer's undivided and uncompromised allegiance that the violation of section 1090 cannot turn on the question of whether actual fraud or dishonesty was involved. Nor is an actual *loss* to the city or public agency necessary for a section 1090 violation..." (*Id.* at p. 648; emphasis in original)

"... In short, if the interest of a public officer is shown, the contract cannot be sustained by showing that it is fair, just and equitable as to the public entity. Nor does the fact that the forbidden contract would be more advantageous to the public entity than others might be have any bearing upon the question of validity. (*Capron v. Hitchcock* (1893) 98 Cal. 427)..." (*Id.* at p. 649)

⁴ Attorney General's treatise, *Ibid.*, at pages 46 and 47

⁵ Attorney General's treatise, *Ibid.*, at page 50

⁶ In 66 Ops.Cal.Atry.Gen.156 (1983), the Attorney General concluded that county employees who proposed that their functions be accomplished through private consulting contracts were barred from contracting with the county to perform such services. The Attorney General stated:

"We are told that the persons involved, while employees of the county, and as *employees of the county* have provided input in the formulation of the contract.... By that participation in the give and take that went into such 'embodiments' of the contract as the negotiations, discussions, reasoning, planning, and drawing of plans and specifications, the county employees had the opportunity to, and did bring their influence to bear on the ultimate contract itself. While no fraud or dishonesty may have been involved we are nonetheless satisfied that in so doing they participated, *not* in their personal capacities but in their official ones *as county employees*, in the 'making of the contract' within the meaning of section 1090...." (*Id.* at 160.)

⁷ Attorney General's treatise, *Ibid.*, at pages 55 and 56

SALINAS CITY ELEMENTARY SCHOOL DISTRICT

The Need for Improved School Board Oversight

SUMMARY

In response to a citizen's complaint, the Grand Jury conducted an investigation of the management activities and practices of the administration of the Salinas City Elementary School District (District) and oversight by its Board of Trustees (Board).

The following three issues first arose in 2001 and were investigated by this Grand Jury:

- questionable travel and training expenses for administrative personnel, incurred without prior Board approval, and the misuse of program funds earmarked for teacher mentoring;
- introduction of a program intended to improve teacher performance in all schools which, after spending \$156,000 from a federal grant specifically to fund programs at the three poorest schools in the District, was dropped when it met with overwhelming resistance by the teachers it was supposed to help; and
- purchase of algebra computer systems, designed for use by middle school students but deployed in elementary schools, and the subsequent rebuke and administrative penalties imposed by the federal agency whose grant for an after school enrichment program for non-English speaking students was improperly used to purchase the computer systems.

This Grand Jury report is focused on recommending changes to improve the ability of the School Board to oversee the administration of the District and to improve the utilization of grant funds in accordance with the terms under which they were awarded.

The Grand Jury is recommending the Board increase its oversight in the following three areas:

- ensuring the use of programmatic funds as intended by the grantors;
- ensuring significant new programs have the support of those responsible for their implementation; and
- authorizing travel and training expenditures.

PROCEDURE AND METHODOLOGY

In addition to the complainant, members of the District's senior administrative staff were interviewed, as were members of the Board. Documentation detailing the transactions in question was reviewed, as were minutes of relevant Board meetings, the applicable Education Code sections, and the federal granting agency's program web site. Follow-up interviews were conducted to verify previous testimony and clarify data in the documentation provided. The investigation took place over an eight-month period.

BACKGROUND AND DISCUSSION

The District encompasses 13 schools and 427 teachers, providing kindergarten through sixth grade (K-6) education for approximately 9,000 students. It has an overall annual budget of approximately \$60 million, of which 25% is estimated to be from grants. The District has students from a wide diversity of economic and social backgrounds, with three schools qualifying for Title I federal funds for disadvantaged students. There is a Superintendent with an administrative staff who reports to the five-member Board. The Salinas City Elementary School District is an independent district whose board members are elected by the voters to four-year terms and represent specific geographic sections of the District. The Board typically meets twice a month with a formal agenda, usually prepared by the Superintendent. The following incidents are listed in the order of their coming to the Grand Jury's attention.

Travel and Training

The investigation of the District was initially undertaken in response to a citizen's formal complaint filed with the Grand Jury alleging improper use of \$11,600 for travel, room and board, and tuition for three top administrators to attend a two-week intensive course in Spanish language and culture in Ecuador in the Summer of 2001. The complainant claimed that the required prior approval of the Board had not been obtained and that grant funds from teacher mentoring programs had been improperly used for this seemingly unrelated activity. The Grand Jury verified that District regulations required prior Board approval for all out-of-state travel for any purpose, and that no such approval was sought or obtained for the Ecuador trip. Checks for payment of tuition and travel appeared on the Board's consent agenda without identifying their purpose.

The Grand Jury also confirmed that the administration had directed payment for the Ecuador trip from grants from the State's Mentor Teacher Program,¹ which expired in mid-2001, and the Peer Assistance and Review Program for Teachers,² which replaced it. Both programs provide extra pay for top teachers to mentor and train their less successful colleagues. The Mentor Teacher Program specifically prohibited use of any of the grant for administrative expenses³ while the Peer Assistance Program limited such expenses to 5% of the grant but

¹ Education Code Sections 44490 - 44498

² Education Code Sections 44500 - 44508

³ Education Code Section 44493

required the administrative expenses be incurred for program purposes.⁴ The purpose of these grants was to benefit the District's teachers, and no coherent justification was made for the Spanish language training for the senior administrative staff as serving any grant purposes. Multiple witnesses testified that the expenditures of small percentages of specific purpose grants for non-grant administrative costs would be "under the radar" of the granting agency and thus avoid detection, but the practice circumvents the grantor's intent and the ability of the Board to monitor and control the District's budget.

The Grand Jury takes note that since this investigation began, the Board has adopted a policy that requires expenditures for out-of-state travel to be a line item on its meeting minutes, thus highlighting such travel expenses and the need for approval in advance. The Board has not sought reimbursement from the attendees of the program in Ecuador.

Teacher Support for New Programs and Questionable Use of Grant Funds

At the end of March 2001, the District entered into a contract, recommended by the administration, in the amount of \$190,000 for 25 days of consulting services at \$7,000 per day plus \$15,000 in expenses with the Lorraine Monroe Leadership Institute (LMLI) for instruction of teachers in strategies and programs to create and strictly follow daily lesson plans. Part of the program provided that lesson plans be written on the chalkboard each day, and that records of compliance be prepared. The appropriateness of this approach for K-6 schools, in which teachers typically teach many subjects in the course of a day, later became a contentious issue between the teachers and the administration.

The funding for this contract, which provided teacher training in all 13 schools in the District, was charged against the Title I federal grant funds which are specially set aside for the three high-poverty schools within the District. The Board had approved entering the contract at its February 26, 2001, meeting, when it first came up on the agenda, without giving the teachers and principals an opportunity to review and comment on its desirability. The initial workshops were given starting in October 2001. After receiving extensive negative input from teachers and principals, the Board terminated the contract on recommendation of the administration. The District negotiated a settlement paying LMLI \$156,000.00.

While the Grand Jury takes no issue with the authority of the District administration to introduce new programs with Board approval, it maintains it is poor management practice to do so without the necessary support of those responsible for their successful implementation, in this case the teachers and principals. While the Grand Jury views the awarding of the contract to LMLI to be a typical issue for school board determination, the approval process was short-circuited in this case, and the resulting lack of time to consider and discuss the matter increased the risk of failure.

Use of Title I funds for programs with a district-wide scope, such as the LMLI program, is highly questionable. It represents another example of taking administrative license with the rules of programmatic funds, with the assumption that the grantor won't notice.

⁴ Education Code Section 44503(e)

Questionable Use of Program Funds

In March 2001, the District applied to the US Department of Education “21st Century Learning Center” program⁵ for a grant to provide funds for a non-school hours program to help students attending low-performing schools meet state standards in core academic subjects such as reading and math. The application for a grant was successful, and the District was awarded \$1.8 million over three years, starting in the fall of 2001, as part of the funding for the District’s \$4.1 million after-school program, Project BETTER, over that period. Subsequently the District spent \$450,000 from this federal grant to purchase 30 computers and software originally designed for a single application – teaching math (algebra) skills. The provider of this program, *I Can Learn*, claimed successful uses in middle schools and above,⁶ but the District is a K-6 school district, and only the sixth graders were able to use the program.

In December 2001, the District was notified by the US Department of Education (DOE) that it objected to the use of grant funds to purchase the *I Can Learn* program. After correspondence back and forth, on August 21, 2002, the federal director of the 21st Century Community Learning Centers wrote to the District that the expenditure of over 30% of the grant to benefit fewer than 10% of the students was not reasonable and represented a major change in the focus of the grant (which asked for only \$12,000 for staff computers) requiring prior approval of the DOE. As a consequence, the District was declared to be a “high-risk grantee.” The DOE will pay additional funds on a reimbursement basis only, with payment only upon proof that the item is allowable and reasonable, and will pay for the costs of the computers only to the extent they actually meet the needs described in the grant application. The DOE also refused to pay the grant writer’s commuting expenses from Los Angeles to act as the new project director. (The original project director was removed from the project by the administration because of the director’s objection to using program funds to buy the *I Can Learn* system).

In September 2001, the District provided the Grand Jury with the SAT 9 math test results of the sixth-grade students at the Los Padres School. They showed that 15 of the 16 students who completed seven or more units of the *I Can Learn* program raised their percentile ranks over 2001 test results by an average of 21 percentile points, but the results for the entire sixth-grade class at Los Padres School, including the 16 who used *I Can Learn*, fell an average of 13 percentile points below the 2001 test results. These outcomes validate the position of the DOE that use of \$450,000 of the grant to purchase *I Can Learn* computers would at best help only a few of the K-6 children in Project BETTER while short-changing the vast majority.

⁵ 21st Century Learning Centers Program web site <http://www.ed.gov/offices/OESE/21stcccl/21qa98.html>

⁶ *I Can Learn* program <http://www.icanlearn.com/> web site

- Selected minutes of the SCESD Board of Trustees meetings
- Correspondence between Dept. of Education and the District
- Correspondence between the District and *I Can Learn* program vendor
- Receipts for travel and related expenses for trip to Ecuador
- Contract between the District and LMLI

The Board's approval of the purchase of the *I Can Learn* program with federal grant money was made without regard to staff questioning the suitability of the program designed for children above the K-6 level, although such objections were well known by the Administration, and without regard for the purposes of the grant, as expressed and detailed in the application.

FINDINGS

1. Approximately 25% of annual revenues of the District are provided by grants (program specific funds) from various state, federal and private agencies and are vital to serving the special needs of the District's student.
2. The use of Peer Assistance and Review and Teacher Mentor program funds to pay for administrative travel and training in Ecuador was a misuse of grant funds.
3. The contract with LMLI, paid for with funds from Title I federal grants, was in part a misuse of these program funds.
4. The contract awarded to LMLI and the subsequent attempt at implementation resulted from poor approval and management practices.
5. The purchase of the *I Can Learn* program with federal 21st Century Learning Center funds was an improper use of grant funds, and inconsistent with applying these funds for maximum student benefit.

CONCLUSIONS

Although part of the annual approved District budget, funds for various administrative overhead purposes appear to be extracted from multiple grants. This is apparently considered acceptable practice by some District administrators and is usually small enough to be below the threshold that would draw corrective action from the grantors. However, while possibly benefiting the District, this practice oversteps the grant guidelines, thwarts the intent of the grant and jeopardizes future funding.

There is a pattern of the Board not insisting upon receiving sufficient information about school operations from administrators to provide meaningful oversight. While mistakes may occur occasionally, a thorough approval process, including consideration of the legality of the sources of funding, should be a tool that helps minimize their frequency. The Board, by its lack of appropriate oversight, has not provided the administration and staff with the needed advice and consent.

RECOMMENDATIONS

The 2002 Monterey County Civil Grand Jury recommends that

1. the Salinas City Elementary School District adopt a policy of detailed oversight of travel and training or other activities of the administrative staff, in order to ensure there is no questionable use of funds or abuse of authority;
2. as required by reasonable management practices, the Salinas City Elementary School District adopt a policy to ensure that new programs are adequately reviewed and discussed by the affected parties prior to approval, and the Board ensure that programs affecting the classroom work of teachers be presented to those teachers prior to their introduction; and
3. from inception to completion, the Salinas City Elementary School District adopt a policy to provide additional oversight of the entire grant process, including solicitation of grants and follow-through to ensure that grant funds are used as intended by the agencies providing the funding; to assist in achieving oversight, the Board require the administration to identify all grant expenditures as such on the Board's consent agenda for approval, and the administration verify by such identification that the use of grant funds is authorized.

Response Required	Findings	Recommendations
SCESC Board of Trustees	1 - 5	1 - 3

Date Due: On or before April 2, 2003

Responses to the Findings and Recommendations shall be addressed to the Presiding Judge of the Superior Court of Monterey County as noted on page iv of this report.

TRAINING SCHOOL BOARD MEMBERS IN GOVERNANCE

The Need for Continuing Education

SUMMARY

During investigation of citizen complaints concerning matters in multiple school districts, this Grand Jury concluded that many of these complaints are rooted in the lack of adequate governance by the school boards themselves, and that the ability of school boards to govern is positively influenced by formal training of their members. It is therefore recommended that this formal training be more rigorously promoted and publicized by the Monterey County Office of Education (MCOE) and its Board of Trustees for all school boards in the County. It is also recommended that an introductory program be offered by MCOE, at no charge, to candidates prior to elections for school board positions, with certificates of completion issued to the attendees, to make training a de-facto prerequisite for election to office. Continuing training for newly-elected members should also result in more effective school boards.

PROCEDURES AND METHODOLOGY

Interviews were conducted with school board members and superintendents of several school districts. A follow-up was conducted on the 2001 Grand Jury recommendations for increased school board training. The Grand Jury also had discussions with the MCOE and reviewed materials concerning the California School Board Association (CSBA) training programs.

BACKGROUND AND DISCUSSION

California school boards are independent entities whose members (or trustees) are publicly elected, generally in November of odd numbered years, and serve four-year terms. There are no specific qualification standards for the office of school board member. Many of them are elected by the voters on issues other than a candidate's background and experience in the oversight of an enterprise as complex as today's typical school districts. Since the State of California has taken a greater role in school funding, partly as a result of Proposition 13's capping local property taxation for schools, a noticeable shift has taken place in school board composition. With the resultant lowering of concern about local taxes, school boards are now composed of fewer business people and executives who once provided fiscal and management experience as board members.

Many school districts in Monterey County have significant annual financial budgets, some in excess of \$50 million, with many facilities, hundreds of employees and several thousand students. Fiscal and other management related matters are of major significance to most school boards. Expert testimony convinced this Grand Jury of the importance of using formal training to raise the effectiveness of school boards and help compensate for their having fewer experienced management professionals. Less experienced or less active school boards are typically more dependent upon their chief administrator, the Superintendent, and have abdicated portions of their oversight responsibility. School boards must have basic knowledge of the laws and rules governing the actions of their staffs in order to avoid misconduct.

The lack of ongoing training necessary to keep up with the rapid changes in education technology, policy and legislation causes a situation of “they don’t know what they don’t know,” and errors in judgment and errors of omission become more likely.

The training available to date has been offered by MCOE and has focused on specific areas of concern, i.e., legislative changes, budget mandates, leadership skills, etc., without a coherent overview of board responsibilities.

A statewide organization, CSBA, offers both introductory courses for new school board members and an extensive series of courses in “governance/leadership.” However, this training was not available at a site within Monterey County prior to November, 2002.

As noted in the 2001 Grand Jury report, school boards generally budget funds that members can use to pay for training courses. School board members have had to use their own time and travel out of the County to avail themselves of training programs, particularly those of the CSBA.

In the Fall of 2002, the MCOE announced the local availability of a formal CSBA training program called Masters in Governance (see: www.csba.org/mig/), consisting of nine modules (60 hours) given over the course of two years. This program will be presented at the MCOE and taught by professionals in various aspects of board oversight. The Grand Jury is pleased to see this program become more convenient and therefore more appealing to local school board members, most of whom have rigorous work and home obligations in addition to their school board responsibilities.

The Grand Jury endorses the concept of having candidates for school boards receive some training to become better qualified to serve if elected and hypothesizes that offering introductory training for candidates (at no charge) prior to election would aid this effort. Those availing themselves of this training, and publicizing successful completion of such training, would likely be viewed as more serious candidates. There should be a follow-up program for those newly elected, building on the introductory course and integrated with the Masters in Governance training.

Continuing education of the sort described above represents an opportunity for the MCOE to take a proactive position in raising the level of school board expertise and the awareness of the need for formal training of board members.

FINDINGS

1. Basic, practical, relevant, and inexpensive training courses for prospective school board members is not available in Monterey County.
2. In the past, training for elected school board members in leadership skills has been available through the Office of the Monterey County Superintendent of Schools. In addition, some continuing education has occasionally been available and has provided board members information about education-related legislation and court decisions that may impact the schools they serve.
3. In November 2002, the MCOE began sponsoring advanced training in the form of the CSBA "Masters in Governance" program for sitting board members which will consist of nine modules of instruction and participation over a two-year period. The program will be held at the MCOE facility. On completion of the program graduates will receive a "Masters in Governance" certificate.

RECOMMENDATIONS

The 2002 Monterey County Civil Grand Jury recommends that

1. the MCOE create an introductory training program for potential school board candidates; the program be offered free of charge to acquaint candidates with the responsibilities of a school board member; the program be offered prior to the filing date for school board elections, and a certificate awarded at its completion;
2. the MCOE offer a follow-up program for newly elected and sitting school board members immediately after school board elections, covering specific responsibilities in oversight and a certificate of completion be given to indicate completion of this second phase of board membership preparation;
3. the MCOE encourage as many school board members as possible to attend the "Master in Governance" training course on an ongoing basis, either at board or personal expense; and
4. the MCOE make training and the award of certificates of completion known to the public through local publicity to increase public awareness of the importance of special education for school board members and recognition for those who participate.

Responses Required	Findings	Recommendations
Monterey County Superintendent of Schools*	1 - 3	1 - 4
Monterey County Office of Education Board of Trustees**	1 - 3	1 - 4

*Date Due: On or before March 3, 2003

**Date Due: On or before April 2, 2003

Responses to the Findings and Recommendations shall be addressed to the Presiding Judge of the Superior Court of Monterey County as noted on page iv of this report.

MONTEREY COUNTY OFFICE OF EMERGENCY SERVICES

Can It be More Effective?

SUMMARY

As part of its duties in oversight of local government health policies, the 2002 Civil Grand Jury investigated the Monterey County Office of Emergency Services (OES). This was motivated in part by a post-September 11, 2001, perceived need to assure that the County is organized to meet the demands which would be imposed on its resources should a disaster or a terrorist-like assault occur. Overall, it is the conclusion of the Grand Jury that the County is reasonably well prepared and resourced to meet any likely threat, bearing in mind that additional state and federal resources would be available in the event of a catastrophic emergency. The Grand Jury concluded, however, that several minor changes and augmentations would be well advised and relatively easily implemented. These include adding to staff and relocating the OES within the County administrative organization. Additionally, improved participation by all required County agencies in the emergency exercises would increase the overall level of preparedness.

PROCEDURE AND METHODOLOGY

Interviews were conducted with County employees at all levels of responsibility and differing job descriptions. Documents examined included budget submissions, County Code provisions, memoranda, the OES web site and reports of emergency exercises. The Grand Jury also toured the OES site and witnessed an emergency exercise.

BACKGROUND AND DISCUSSION

OES, a department within the County Administrative Office, coordinates emergency responses by other agencies of the County and local governments when emergencies involving response by multiple services are required, such as major accidents closing roads, fires, floods, etc. It establishes procedures, prepares operations manuals and organizes periodic tabletop training exercises. The OES is a small central command agency and not a provider of emergency services itself. OES operates the Monterey County Operational Area Emergency Operations Center, which is activated during emergency conditions, and the mobile emergency coordination unit in support of tactical situations in the field.

The Grand Jury concluded that the County is not a likely target for a terrorist attack similar to that experienced on September 11, 2001. There are, however, possible threats to tourism and agriculture. There is also the continuing and more likely probability of natural disasters such as flooding and earthquake. The Grand Jury found that the County has the capability to respond to such emergencies effectively today, as it has in the past. In the course of its inquiry, the Grand Jury noted areas that should be addressed to improve performance of the OES. First, emergency exercises have not been well attended by everyone whose services would be required in the event of an actual emergency, thus limiting effectiveness of the exercises. Second, the location of the OES within the County organization detracts from recognizing the importance of its mission. Third, the staffing level of the OES is inadequate for the level of work required, as reflected in a high level of overtime put in by office personnel.

Participation by County Agencies in Emergency Exercises

Simulations of emergency exercises are run periodically, as more expensive, full-blown exercises are not budgeted within each department. They are *paper* simulations and do not require the deployment of actual emergency field personnel. Instead, representatives of the emergency response agencies and various County departments man the Emergency Operations Center (EOC) and perform a simulated emergency. It was noticed that the usefulness of these simulations would be enhanced if all those who would ultimately participate in an actual emergency regularly attended these simulations.

Organizational Location of the OES within County Administration

Day-to-day operations of the OES are conducted by the Deputy Director who reports to the Assistant County Administrative Officer. Under County Code 2.68.050, the Deputy Director of the OES (and therefore the OES organization itself) is to report to the Director/County Administrative Officer (CAO), as the *ex-officio* Director. The Grand Jury questions the imposition of an additional supervisory level that would appear to interfere with the development of a working relationship between the CAO and the Deputy Director, which would be required in actual emergency situations, and believes the subordination of the OES within the administrative office lowers the status of OES in the eyes of organizations and officials with whom it requires cooperation in order to operate effectively. In addition, there is a difference in organizational temperament between the OES and many of the departments within the CAO's office. The OES is real-time and operationally oriented whereas other departments within the County organization are largely administrative in character. Therefore, the OES would function better if there were no bureaucratic layers between the OES and the CAO who will be the *ex-officio* Director of OES during an emergency.

Staffing Levels within the OES

OES staffing consists of one emergency services manager, two emergency services planners, one auxiliary communications support officer and a senior secretary. This small staff has been experiencing an overtime rate of 1,000 hours per year (which represents approximately 14% of the total non-secretarial manpower). OES personnel are exempt from the statutes that

restrict overtime. The amount of uncompensated overtime actually worked, normally limited by administrative policy, appears excessive. In addition, the most recent OES budget submission reflects a backlog of work that has been characterized as exceeding two years, independent of the emergent anti-terrorism and community outreach requirements.

The National Coordinating Council on Emergency Management, in its recommendation to the Federal Emergency Management Agency, has developed guidelines for staffing levels for emergency services organizations. These guidelines, which are based upon population and risk levels, indicate that the recommended staffing level for Monterey County should be eight (versus the current five).

FINDINGS

1. The Monterey County Office of Emergency Services provides an acceptable level of support and coordination to meet emergencies within the County. Although possible, a major terrorism incident is not anticipated, but if one should occur, the County could expect a rapid on-scene response from state and federal authorities.
2. The state of preparedness of the County to handle an emergency situation would be improved if all the responsible agencies participated in each and every emergency exercise in the same manner as they would in an actual emergency.
3. The Monterey County Office of Emergency Services would be more effective if it reported directly to the CAO as a staff function. County Code section 2.68.050 specifies the CAO as the ex-officio Director of the OES, thus implying a direct reporting relationship. There is no provision for a level of administrative supervision between the CAO-Director and the Deputy Director of the OES.
4. The 1,000 hours of unpaid overtime put in by the professional staff of the OES in order to provide an acceptable level of service is excessive. The fact that the backlog of work is growing, even with this level of overtime, is again indicative of a shortage of staff.

Applicable law: County Code 2.68.050

RECOMMENDATIONS

The 2002 Monterey County Civil Grand Jury recommends that

1. for both operations and administration, the Office of Emergency Services through its head, the Deputy Director, report directly to its ex-officio Director who is the County Administrative Officer; and

2. the staffing level of the Office of Emergency Services be increased by two additional planners and that staffing be reviewed annually for the possible addition of a third planner.

Response Required	Findings	Recommendations
Monterey County Board of Supervisors	1 - 4	1,2

Date Due: On or before April 2, 2003

Response to the Findings and Recommendations shall be addressed to the Presiding Judge of the Superior Court of Monterey County as noted on page iv of this report.

INFORMATION SOURCES

1. Monterey County Office of Emergency Services website – <http://www.co.monterey.ca.us/oes>
2. National Coordinating Council on Emergency Management report - August 31, 1993
3. American City and County, June 1997: “Emergency Management – Taking a Comprehensive Approach to Handling Disasters.”

FLUORIDATION OF DRINKING WATER IN MONTEREY COUNTY

Getting it Done

SUMMARY

As part of its duties in oversight of local government health policies, the 2002 Civil Grand Jury investigated the benefits, costs and risks associated with introducing therapeutic fluoridation into the drinking water supplies of the several water distribution systems within the County. The Grand Jury found that, aside from one military housing community, none of the water systems within the County are fluoridated. The Grand Jury concluded that fluoridation of drinking water is a highly beneficial health initiative that may be initiated and sustained at minimal cost to the citizens of the County. The Grand Jury recommends introduction of therapeutic levels of fluoridation throughout the County as soon as practicable.

PROCEDURE/METHODOLOGY

The Grand Jury conducted interviews with senior health care professionals within the County and reviewed related federal and state laws, policies and information from all levels of government, foundations and water providers.

BACKGROUND AND DISCUSSION

Fluoridation of drinking water has been practiced for many years in areas throughout the United States and the world. (See Appendix for a listing of California communities that have instituted fluoridation.) There is persuasive evidence to support the conclusion that fluoridation produces a marked improvement in dental health and that this improvement results in additional benefits in other health areas as well, e.g., nutrition.¹ It is also evident that these health benefits accrue to all persons who drink the fluoridated water, and this in turn results in disproportional benefit to disadvantaged persons who are not likely to receive fluoridation by other means, e.g., through regular dental checkups.

Although there are start-up costs associated with providing fluoridation, the benefits derived overcome the cost of investment. Estimates indicate that the one-time cost to introduce fluoridation is on the order of \$2.00-\$11.00 per person and a similar amount is required to

¹ National Institute of Dental and Craniofacial Research article Statement on Water Fluoridation (<http://www.nidr.nih.gov/health/waterFluoridation.asp>)

operate and maintain the system annually, but it is also estimated that fluoridation reduces dental cavities by 35% to 60%, giving rise to a considerable payback—every dollar invested in fluoridation may reduce dental treatment costs by as much as \$140.00.² Of course, other payback results from reduced work and school absenteeism and lower dental insurance costs.

Implementation of fluoride treatment is complicated by the variety of separate water systems in which it must be introduced to reach all County residents. It is understood that each water provider will need to create its own program and that different situations will require different solutions; therefore, the County's encouragement and direction would be instrumental in helping them do so. In summary, fluoridation of drinking water is a positive, cost-effective benefit to all citizens, especially those who are at greatest health risk because of their difficulty in affording fluoridation treatment at dental offices.

California Health and Safety Code sections 116410 and 116415, enacted in 1995, set the requirements for the various agencies and local jurisdictions to provide fluoridation treatment of drinking water supplies. These code sections clearly demonstrate the legislative intent to fluoridate drinking water wherever and whenever possible without imposing financial burdens on the system's ratepayers, local taxpayers, shareholders or bondholders. Fluoridation of drinking water is mandatory in systems with 10,000 or more service connections but only if funds from outside sources (federal, state, or foundation grants) are available to cover the capital and associated costs to implement and the non-capital operation and maintenance costs. There are no state funds or federal block grants available, but the City of Watsonville, for instance, received full funding in 2002 from the California Dental Association Foundation and has been ordered by the state to proceed with fluoridation.³ The law provides an exemption from (but does not prohibit) fluoridation by water systems with fewer than 10,000 service connections. Any water system whose rates are set by the California Public Utilities Commission may obtain a rate increase within 45 days of application to recover reasonable capital and associated costs and operational expenses of fluoridation; however, the system cannot be required to seek implementation financing by increasing rates.

In Monterey County, the two principal water providers service customer bases of over 10,000 connections--California-American Water Company (CAL AM) on the Monterey Peninsula and California Water Service Company (CAL WATER) in Salinas and other areas. These private companies have no clear interest whether the water they provide is fluoridated, and they are unwilling to implement fluoridation and reclaim expenses from their ratepayers (although they have that authority) unless public support is generated to do so. Complicating matters is the fact that these companies service customers who reside in different jurisdictions, i.e., cities and/or county; therefore, there is no single authority that can provide the necessary leadership to proceed.

² Ibid

³ Letter from Chief of Division of Drinking Water & Environmental Management of California Department of Health Services to City Manager of Watsonville dated March 8, 2002

Fluoridation may be more readily implemented in the water systems owned by the Cities of Gonzales, Greenfield, Seaside (which provides water to 787 service connections in part of the City) and Soledad and in the Aromas, Castroville, Marina Coast and Pajaro/Sunny Mesa Water Districts. In these areas, a vote of the publicly elected city council or water district board is all that is needed.

There may be other challenges to implementing fluoridation within other small water systems. Start-up funding may be a formidable barrier to implementation because the benefits may not be realized within their more limited planning horizons. Owners and customers should be encouraged to study the feasibility of providing fluoridation in their particular circumstances.

FINDINGS

1. Fluoridation of drinking water will provide a positive health benefit to the citizens of the County with the greatest benefit accruing to the most disadvantaged citizens.
2. With the possible exception of smaller water systems, start-up and operations costs of drinking water fluoridation are more than offset by cost avoidance in the areas of dental and general health care.
3. There are a multitude of water providers and jurisdictions within the County, and there is no coordinated advocacy program joining political leadership and health professions to implement fluoridation of drinking water.

RECOMMENDATIONS

The Monterey County Civil Grand Jury recommends that

1. the County of Monterey become a principal advocate for fluoridation of drinking water in the County, and provide leadership to water providers and users in unincorporated areas to obtain needed start-up funding and user rate increases to support ongoing operations for fluoridation;
2. the Cities of Gonzales, Greenfield, Seaside and Soledad and the Aromas, Castroville, Marina Coast and Pajaro/Sunny Mesa Water Districts develop funding and implement fluoridation of drinking water in their water systems and establish a schedule to accomplish these goals; and
3. the Cities of Carmel-by-the Sea, Del Rey Oaks, King City, Monterey, Pacific Grove, Salinas, Sand City and Seaside (for areas serviced by CAL AM) which are served by private providers, seek funding and express public support for implementation of water fluoridation by their water suppliers, and establish a schedule to accomplish these goals.

Responses Required	Findings	Recommendations
Monterey County Board of Supervisors	1,2,3	1
City of Carmel-by-the Sea	1,2,3	3
City of Del Rey Oaks	1,2,3	3
City of Gonzales	1,2,3	2
City of Greenfield	1,2,3	2
City of King City	1,2,3	3
City of Monterey	1,2,3	3
City of Pacific Grove	1,2,3	3
City of Salinas	1,2,3	3
City of Sand City	1,2,3	3
City of Seaside	1,2,3	2,3
City of Soledad	1,2,3	2
Aromas Water District	1,2,3	2
Castroville Water District	1,2,3	2
Marina Coast Water District	1,2,3	2
Pajaro/Sunny Mesa Community Services District	1,2,3	2

Date Due: On or before April 2, 2003

Responses to the Findings and Recommendations shall be addressed to the Presiding Judge of the Superior Court of Monterey County as noted on page iv of this report.

BIBLIOGRAPHY

1. National Institute of Dental and Craniofacial Research article Statement on Water Fluoridation (<http://www.nidr.nih.gov/health/waterFluoridation.asp>)
2. CDC National Oral Health Surveillance System Frequently Asked Questions Community Water Fluoridation (<http://www.cdc.gov/nohss/guideFL.htm>)
3. California Department of Health Services (<http://www.dhs.cahwnet.gov/ps/ddwem/Fluoridation/Fluoridation.htm>)

APPENDIX

Public Water Systems in California Communities Implementing Fluoridation

COUNTY	WATER SYSTEM NAME
Alameda	
	Alameda County Water District
	East Bay Municipal Utility District
	City of Hayward
	City of Pleasanton
	Dublin San Ramon Services District
Butte	
	City of Gridley
	Cal Water Service Company (Oroville)
Contra Costa	
	City of Antioch
	Contra Costa Water District
	City of Martinez -WTP
	Diablo Water District
	Pittsburg Water Plant
	Zone 7 Water Agency - Randall-Bold WTP
Del Norte	
	City of Crescent City
El Dorado	
	City of Placerville
Fresno	
	City of Coalinga
	City of Fresno*
Humboldt	
	City of Arcata
	City of Eureka
	Pacific Lumber Company
Imperial	
	NAF El Centro
Los Angeles	
	Long Beach Water Department
	City of Los Angeles Department of Water and Pow
	Rubio Canon Land and Water
	City of Sierra Madre
	City of Beverly Hills
Marin	
	Marin Municipal Water District
Merced	
	City of Los Banos
	City of Merced

Monterey	
	Naval Postgraduate School – La Mesa Village
Orange	
	City of Huntington Beach
	City of Fountain Valley
Placer	
	City of Roseville
Sacramento	
	City of Sacramento
	Citizens Utility Company—Rosemont System
	McClellan AFB – Main Housing System
	McClellan - Capehart Housing System
San Francisco	
	San Francisco Public Utilities Commission
	Presidio of San Francisco
San Luis Obispo	
	City of San Luis Obispo Water Plant
Santa Barbara	
	Vandenberg Air Force Base
Santa Clara	
	City of Mountain View
	City of Palo Alto
	Stanford University
	San Jose Municipal Water
Sierra	
	City of Loyalton
Solano	
	City of Benicia
	City of Fairfield
	City of Vallejo
	City of Vacaville
	City of Vallejo - Travis AFB Water Treatment Plant
	Travis Air Force Base
Sutter	
	Yuba City
Tulare	
	Porterville Dev. Center
Ventura	
	Port Hueneme Water Agency
Yuba	
	Beale Air Force Base

* Only part of the City of Fresno Water System receives fluoridated water.

MONTEREY COUNTY DEPARTMENT OF CHILD SUPPORT SERVICES

Effectiveness of Monterey Department of Child Support Services

SUMMARY

The 2002 Monterey County Grand Jury received complaints from parents under orders to pay child support through the Department of Child Support Services (DCSS) and its predecessor, the District Attorney's Family Support Division, which enforced child support orders prior to July 1, 2001. After examining the issues brought forward, the Grand Jury concluded that dispute resolution mechanisms that have been enacted into law are in place within the DCSS to effectively address the concerns enumerated by the complainants. In the course of this investigation, this Grand Jury noted that the 2000 Grand Jury had conducted a detailed review of the Family Support Division and issued a report focused largely on its personnel and internal operations. Since that report was issued, there have been significant organizational changes affecting major aspects of the DCSS's operations and responsibilities. In view of these changes and as a follow-up to the work presented by the 2000 Grand Jury, this Grand Jury undertook a limited review of the DCSS and is issuing this update on certain aspects of its operations. Stated briefly, the DCSS is meeting or exceeding the performance goals imposed upon it by federal law and enforced by the State of California, and it has undertaken positive steps to (1) make its capabilities known to the community it serves, (2) educate those who might someday need its services, and (3) develop more "user-friendly" relationships with those it serves—both custodial and non-custodial parents.

PROCEDURE/METHODOLOGY

The 2002 Grand Jury conducted interviews with senior DCSS personnel and reviewed reports, directives, brochures, and other materials produced by and about the DCSS and the public court files for the complainants' cases. The DCSS maintained that its files on the complainants' cases were privileged and confidential, and it declined to produce or discuss them. We did not challenge the DCSS's position because the thrust of our inquiry was the existence of means within the DCSS for resolving disputes with parents now and not delving into individual case histories going back a decade or more. The review was limited to an examination of how well the Department serves its constituents in providing services to collect and disburse child support payments and in taking steps to improve the quality of its relationships with clients and potential clients.

BACKGROUND AND DISCUSSION

The DCSS's primary goal is the collection of child support payments, for custodial parents and for reimbursement of any public assistance (CalWORKS, foster care and/or Medi-Cal benefits) provided to the children. To achieve these objectives, DCSS staff members perform a wide variety of activities, including locating absent parents, establishing paternity, obtaining court-ordered child support awards, and enforcing or collecting payments based on awards. Services are both to families that receive public assistance and to those who do not.

On July 1, 2001, as mandated by state law, the DCSS was established as a County department separate from the District Attorney's office and is now under the control of the Monterey County Board of Supervisors and the California Department of Child Support Services, with all funding coming from the federal government by way of the State Department of Child Support Services. Establishment and operation of State and County Departments of Child Support Services are provided for in California Family Code sections 17000-17804, with local maintenance of complaint resolution processes and appeals to the state governed by sections 17800-17804.

Performance standards for the DCSS are set under the federal Child Support Performance and Incentive Act of 1998. The prescribed annual compliance review for the calendar year ending December 31, 2001, discloses that Monterey County is in substantial compliance in the categories of establishment/modification, enforcement, collections and distribution, handling interstate cases, medical support, case closure and expedited process. The County has also met the administrative requirement for required notices, case application, separation of cash handling and accounting, and the safeguard activity report.

Important as these findings are, the 2002 Grand Jury notes with particular interest the actions taken to educate the community and clients about the ways in which the organization can serve them. A mailing went out to all custodial and non-custodial parents in November 2001 to educate them about dispute resolution procedures that went into effect the previous July. Additionally, activities in the area of customer service/outreach, including creation of the office of Ombudsperson, are designed to make a contribution in easing discord in already stressful relationships (with the principal beneficiaries being the children involved). This easing of discord occurs when both providers and recipients of child support payments better understand the way the "system" works and how they can insure their individual needs are understood and payments credited.

Either parent may file a complaint with the DCSS over its handling of a child support matter (other than actions taken by the court, which only the court can resolve). The DCSS is generally required to respond to every complaint in writing within 30 days, to resolve disputes about customer service, timeliness of service, payment and billing issues, and decisions to close a child support case. The DCSS's decision can be appealed to the state level. The DCSS also tries to resolve disputes informally whenever possible.

In addition, DCSS efforts to educate teens about the financial responsibilities that accompany unplanned/unwanted pregnancies are important. The paternity education program is singled out as a worthy effort to be supported and reinforced. According to the Department, the program's goal is "teaching young students what it means to be a responsible parent and what it will cost to raise a child in today's world...."

CONCLUSIONS

The Monterey County Department of Child Support Services

1. is meeting or exceeding its performance goals in support enforcement, as mandated by federal law, and is implementing new conflict resolution procedures now required by state law; and
2. is to be commended for its efforts in fostering better understanding and communications with its clients and the community and for promoting more responsible parenthood.

NO RESPONSE REQUIRED

SALINAS VALLEY STATE PRISON

In accordance with its mandate to “inquire into the condition and management of the public prisons within the county” [Penal Code section 919(b)], the 2002 Monterey County Civil Grand Jury visited the Salinas Valley State Prison (SVSP) on February 26, 2002.

The California Department of Corrections operates all state prisons, oversees a variety of community correctional facilities, and supervises all parolees during their re-entry into society. The Department’s budget (2001-2002 Budget Act) is \$4.8 billion, with an average yearly cost per inmate of \$26,894 and a per parolee cost of \$2,743.⁴ For the fiscal year 2000-2001, SVSP reported an annual operating budget of \$93 million.⁵

PRISON PROFILE

SVSP is classified as a Level IV institution⁶ for the most violent prisoners. It opened in 1996 and is located in the City of Soledad within electrified security perimeter fencing. It consists of one Level I minimum support facility and four Level IV facilities separated into two complexes. The primary mission is to provide long-term housing and services for minimum and maximum-security prisoners.

SVSP was designed to house approximately 300 Level I inmates along with 2024 Level IV inmates and currently operates at nearly 200% of capacity, housing more than 4200 convicted felons. As of October 2, 2002, there is a 190.1% occupancy rate at the prison.⁷ Overcrowding has forced most inmates to be housed two in a cell and necessitated conversion of a gymnasium into an open dormitory with bunks that are double and/or triple-tiered. This situation was reported as temporary in the 1999 Monterey County Civil Grand Jury Report.⁸

The Salinas Chamber of Commerce ranks SVSP as the 10th largest employer in the County.⁹ SVSP personnel reported a total staff of 1120 with 732 custody staff and 388 non-custody staff. Custody staff includes correctional officers, sergeants, lieutenants, captains, firefighters and counselors, as well as medical technical assistants. All other classifications within the

⁴ see <http://www.cdc.state.ca.us/factsht.htm>

⁵ see <http://www.cdc.state.ca.us/facility/instsvsp.htm>

⁶ See description of prisoner security levels in the preceding report: CORRECTIONAL TRAINING FACILITY - SOLEDAD

⁷ see http://www.cdc.state.ca.us/reports/Archive_PDF/Weds_Weekly/TotalPop/2002/Oct0202.pdf, page 2

⁸ See http://www.co.monterey.ca.us/court/grand_jury_report_1999/overcr.htm

⁹ see: <http://www.salinaschamber.com/community/employers.html>

institution are non-custody and include, in part: clerical, medical, warehouse and maintenance workers, teachers, and food service personnel.

SVSP staff provided the following inmate statistical data for June 30, 2000:

19.6% of the population is categorized as White, 39.4% Black, 33.8% Hispanic and 7.2% "Other." Offenses are classified as 71.2% Violent, 12.4% Property, 11.6% Drugs and 4.1% "Other." The average reading level is reported as sixth grade, and the median age is 34. There are 1,572 inmates housed for life.

LOCKDOWN OR "MODIFIED PROGRAM"?

A survival technique for prisoners is to affiliate with gangs. SVSP personnel reported there is a great deal of overhead involved with maintaining different "gang" populations to minimize violence. At the time of the tour, the Grand Jury did not tour Facilities B or D as a result of restricted activities. Although the Grand Jury left the tour with the understanding there was a "lockdown" in effect, further communication with SVSP administrative personnel negated this, explaining the difference between a "lockdown" and a "modified program." Prison "lockdown" is an *institutional* state of emergency where inmates are kept in their cells 24 hours a day, leaving only to shower a couple of times a week. Visitation rights and recreation time on the yard are suspended; inmates cannot make any phone calls, go to prison jobs or participate in educational classes. A "modified program" is *any* restriction of inmate movement or suspension of inmate programs *for a group of inmates*. A modified program may be instituted when a concern of safety for staff, inmates, or the public is identified.

The following table categorizes events for the last 12 months (November 2001 through October 24, 2002) that led to modified programs, as reported by staff:

EVENTS TRIGGERING MODIFIED PROGRAMS 11/01 – 10/02

Facility	Riots	Weapons found	Report of possible incidents	Internal conflict or refusal to comply	Stabbing or slashing	Battery on officer	Battery on inmate w/ weapon	Racial tension	Mutual combat or fight	Attempted murder	Search order	Implemented modified program because of # of incidents	Total # of inmate incidents	Total # of implemented modified programs
A	2				2	1	7	1	1	1			15	15
B	4		2						1	2			9	9
C	1	1			5	1	8		1	2			19	19
D	1			4	1		3		1	2	1	1	12	14
Totals	8	1	2	4	8	2	18	1	4	7	1	1	55	57

Staff reported to the Grand Jury that an institutional lockdown had not occurred at the prison for at least two years.

A modified program is basically restriction on movement. Restricted movement can include feeding locations (delivered to cell versus going to cafeteria), routine versus priority medical (inmates still receive medical, but restrictions can affect how they receive it), day room activities, store activities, receipt of packages, phone calls, religious services, etc. U.S. mail is never restricted. The following table reflects a detailed breakdown of the *active* modified programs as of October 24, 2002:

ACTIVE MODIFIED PROGRAMS as of 10/24/02

A	1002	Bldg 1=186 Bldg 2=195 Bldg 3=188 Bldg 4=195 Bldg 5=160 Gym = 78	10/18/2002	Battery on an inmate with a weapon. All Black inmates are on modified program.	unknown	unknown
			10/23/2002	Battery on an inmate with a weapon. Northern Hispanic inmates are on modified program. Black inmates return to normal program except Crip and Hoover inmates.	100	9.98%
B	910	Bldg 1=187 Bldg 2=191 Bldg 3=186 Bldg 4=191 Bldg 5=155	9/24/2002	A riot involving Black and White inmates with approx. 200 inmates participating. All inmates are on modified program.	910	100.00%
C	997	Bldg 1=125 Bldg 2=126 Bldg 3=127 Bldg 4=123 Bldg 5=124 Bldg 6=127 Bldg 7=127 Bldg 8=118	9/25/2002	All inmates on modified program for weapons searching.	997	100.00%
			10/8/2002	All Southern Hispanic inmates returned to normal program. Northern Hispanic and White inmates are on modified program. Searches continue.	unknown	unknown
			10/22/2002	Northern Hispanic inmates return to normal program. White inmates on Yard #1 and Yard #2 remain on modified program. Searches continue.	515	51.65%
D	885	Bldg 1=107 Bldg 2=116 Bldg 3= 91 Bldg 4=120 Bldg 5=124 Bldg 6=123 Bldg 7=116 Bldg 8= 88	8/15/2002	Due to extraordinary # of incidents, all inmates are on modified program.	885	100.00%
			8/22/2002	All Other and Black inmates return to normal program. White Fresno Bulldog, Mexican National remain on modified program.	208	23.50%
			9/13/2002	Black inmates refuse to comply with orders during an emergency. Black inmates are on modified program.		
			9/27/2002	Two separate incidents involving Crip inmates. Crips are on modified program.		

SITE TOUR HIGHLIGHTS

Areas visited by the Grand Jury included Silkscreen/Computer Graphics, Landscaping/Gardening, Kitchen, Laundry/Dry Cleaning and the Medical Facility. As a result of the

“Modified Program” in effect, these areas were restricted to “essential” prisoners who maintained the area’s function.

- The Silkscreen/Computer Graphics certification program takes approximately 12-16 months to complete and offers additional training in Computer Animation. Historically, five parolees have completed the Silkscreen Certification program of which three are currently utilizing these skills after release.
- The Landscaping/Gardening program participates in the dune propagation program for Marina/Fort Ord. This past year was the first year they were able to purchase plants.
- The Kitchen facility has a \$4 million food budget, not including labor or equipment. Staff includes four cooks plus two supervisory staff, serving 13,000 meals per day.
- The Medical Facility repeatedly reported a nursing shortage. The prison hospital is an accredited facility that handles minor surgery. One section of the hospital is designated for inmates with mental or emotional problems. All rooms are glass enclosed. A new facility is currently being built. During the Medical Facility tour, staff reported a lack of additional storage planning for supplies. Empty beds were observed stacked/stored in potential patient rooms.

Academic programs at the prison offer classes in basic literacy and preparation for the high school General Education Development (GED) exam.

The Grand Jury toured certain cellblocks; each cell consisted of a sink, toilet, shelves and two TV’s. Although designed for one bunk, there were two bunks in each cell and standing room only. On a normal day, the prisoners have a choice of staying in their cell or going to the yard. The Grand Jury observed a rotunda surrounded by the cells, furnished with tables and chairs for games and other activities.

Most prisoners are allowed visitors in an open visiting lounge. Those who have lost their privilege can visit through a glass partition. Staff reported a high incidence of heroin and marijuana, probably smuggled in by visitors. Approximately 20% of the inmate population participates in some form of mental health program, 90% of them for drug and/or alcohol issues.

Numerous prison officials and staff members told the Grand Jury that one of the prison’s biggest problems is hiring enough staff. Vacant positions, which result in high overtime costs, are said to be the result of the high cost of living in Monterey County, the lack of good health insurance and low pay scales. Among Correctional Officers, transfer rates to other facilities in the state were reported as high, a situation which, according to both prisoners and staff interviewed by the Grand Jury, can lead to an unstable prison atmosphere.

NO RESPONSE REQUIRED

CORRECTIONAL TRAINING FACILITY - SOLEDAD

In accordance with its mandate to “inquire into the condition and management of the public prisons within the county” [Penal Code section 919(b)], the 2002 Monterey County Civil Grand Jury visited the Correctional Training Facility in Soledad on April 30, 2002.

In California, prisoners are classified as Level I, II, III or IV, based on a “Classification Score,” which is the primary factor in determining institutional placement. Inmates are assigned points for commitment offense, unfavorable behavior, background factors, prior incarceration behavior and special factors. Points can be taken off for favorable behavior. These point levels determine an inmate’s placement in the facility to which he or she is remanded. Generally, Level I housing is for inmates with a score of 1 to 18, Level II for those between 19 and 27 points, Level III, 28 to 50 points, and Level IV, 51 points and above. Level I housing consists primarily of open dormitories with a relatively low security perimeter, Level II is open dormitories with secure perimeter and armed coverage, Level III has outside cell construction with secure perimeter and armed external coverage, and Level IV inside or outside cell construction with secure perimeter and both internal and perimeter armed coverage.

CTF occupies 680 acres in an agricultural area of Monterey County just north of Soledad. In 1947 CTF, which had begun as a camp center run by San Quentin State Prison, was recognized by the State as a separate institution. At that time it consisted of about 700 Level I inmates employed in the farming and dairy industries, housed in what became known as South Facility (South). Central Facility (Central) was added in 1951, and finally North Facility (North) in 1958. Three dormitories were added in 1996, each accommodating 200 inmates. Two of these are at North and one at Central. These two facilities house primarily Level II inmates in Central and Level III inmates in North, although there is some mix of those levels in both. In 2001, South was closed due to a drop in occupancy as a result of the alternative treatment offered for non-violent or first-time drug offenders after passage of Proposition 36. Although unoccupied, South is being maintained for later reopening.

CTF’s mission is to provide housing and academic/vocational training for medium-custody inmates, mostly Level II in Central, and to provide the same services plus some industrial programs for the Level III inmates in North. Although CTF is designed to house 2815 inmates, the current population is 5368.

The staffing level at CTF is 1,470. Approximately two-thirds of these are peace officers dealing directly with inmates. The rest are in administrative positions, 20% of which are in Health Care Services operations.

The prison's total 2001/2002 budget of \$111,437,000 is allocated approximately 83% for personnel services (salaries, wages, staff benefits, overtime, workers comp., etc.) and the balance for overhead (operating expense and equipment). The latter includes utilities, equipment, inmate subsistence and personal care, and the operation and maintenance of the physical plants. The approximate cost of housing and caring for each inmate is just under \$21,000 per year ($\$111,437,000 \text{ budget} \div 5368 \text{ inmates}$).

The tour of Central included the West End, E-wing and the Chapel, the kitchen and dining room facilities and cold lunch preparation area, as well as the classrooms and East Dorm. At North, the visit included the Infirmary, the classroom area, A-Yard and Fremont Dorm and the Prison Industry Authority (PIA) facilities, which offer inmates vocational training in textile work, small engine repair, upholstery, appliance repair, masonry, and landscaping. The Grand Jury also toured the prison's dairy operations, which meet the needs of several California Department of Corrections (CDC) institutions and facilities, including CTF.

During the period just prior to release, inmates at both Central and North facilities are offered programs in substance abuse control, anger management, parenting and other skills required for successful transition to life after release.

The Grand Jury was told that no follow-up is arranged for inmates upon their release. Without immediate direction on release from confinement, the likelihood is increased that the parolee will return to the lifestyle that caused his/her confinement in the first place. While the Grand Jury has no authority to make recommendations to state-run organizations, we nevertheless make the observation that former inmates' chances of a successful transition back into society might be enhanced if prison management were to develop relationships with private and/or nonprofit groups to work with prisoners just before and upon release to provide housing, counseling and employment opportunities.

NO RESPONSE REQUIRED

**MONTEREY COUNTY
SHERIFF'S DEPARTMENT, JAIL AND HOLDING CELLS**

SHERIFF'S DEPARTMENT

In accordance with its mandate to "inquire into the condition and management of the public prisons within the county" [Penal Code section 919(b)], the 2002 Monterey County Civil Grand Jury visited the Monterey County Sheriff's Department on March 26, 2002. The orientation included a summary of the staffing and budgeting functions of the Department. Out of 358 safety officer positions, the Department is 23 deputies short. The vacancy problem is actually more severe than this, because many deputies are on temporary training assignments or on loan to other departments. The Department is unable to recruit an adequate number of deputies for several reasons. Only ten out of 100 applicants for Deputy pass both the physical and psychological exam. In fact, in the most recent testing of 30 female applicants, only one passed both tests. In an average year, 25 new deputies are hired but another 25 leave. Part of the hiring and retention problem is due to the low salaries offered relative to the cost of living in Monterey County.

The tour of the Department included the Coroner's unit, which must investigate all unattended deaths. The Department contracts out for a pathologist who performs the autopsies.

COUNTY JAIL

The Grand Jury toured the County Jail (Jail) on May 14, 2002. The Jail's purpose is the humane and constitutional housing of inmates either awaiting trial and sentencing or whose sentences are less than one year. The Jail personnel are responsible for intake, care, housing (both male and female), and release (or transfer) of approximately 1,000 inmates, with a total budget for the year 2001-2002 of \$17,915,928.

The physical plant of the Jail consists of 27 housing units and other adjunct buildings. The housing consists of varied facilities. Some inmates are in individual cells, others in two-person cells, while many are in open dormitories. Those in the open dorms are usually on work crews. Work details inside the Jail include kitchen duty, cleaning different areas of the Jail or doing general maintenance services. Outside work crews pick up litter on the roads and highways of the County. There are also six isolation or safety cells for those who are inclined to injure themselves. These cells are also used occasionally to house juveniles considered too violent for Juvenile Hall.

The Jail has a medical staff for minor illnesses and injuries, while Natividad Hospital is close by for the more serious cases. Special diets are provided by the kitchen for those who need them. The Rehabilitation Center provides access to drug and alcohol therapy, chapel services, educational programs and the library.

According to the Narcotics Unit, 80% to 90% of inmates are in jail on charges related to drugs and/or alcohol. Drugs of choice in Monterey County are marijuana, heroin, cocaine and methamphetamine.

The Work Alternative Program allows selected inmates to work at outside jobs during the day and return to jail after work. Home confinement is also part of the Jail Division's oversight.

HOLDING CELLS

Holding cells are used as a daytime facility for prisoners scheduled for court appearances. The current cells are located in the Old County Jail nearby the courthouse in Salinas. This facility was toured by the 2002 Civil Grand Jury on April 23, 2002. Previous Grand Juries have reported them as being unsafe, filthy and smelling of urine. This year's jurors noted a marked improvement. The smell was gone, the cells were clean – an inmate cleans them daily - and no safety hazards were apparent.

Alternatives to transporting prisoners back and forth between the courthouse and the County Jail for arraignment were discussed. Using closed circuit television for arraignments, while easily implemented by the County Jail (and currently being used in the Court's King City branch), presented scheduling difficulties for the Court in Salinas. Alternatively, holding court hearings in the County Jail facility is currently unfeasible due to the lack of a sufficiently large room.

New holding cells are being constructed in the basement of the courthouse and scheduled for completion in January 2003. Having the holding cells and courts in the same building will facilitate the legal proceedings and increase security. The Grand Jury toured the construction site of this new facility in October 2002.

NO RESPONSE REQUIRED

MONTEREY COUNTY PROBATION DEPARTMENT YOUTH FACILITIES

SUMMARY

Although the operations of the Probation Department and its youth facilities appear to be well run, there are serious maintenance, safety and security deficiencies at the facilities, and there is insufficient classroom space. Because of these deficiencies, Juvenile Hall is presently in a state of non-compliance with both Department of Corrections¹⁰ and Fire/Life Safety standards.¹¹ Because the facility has been exempt from some physical plant design regulations due to its age,¹² a great deal of work has been postponed, and the facility continues to deteriorate. The Grand Jury therefore recommends that repairs for critical fire and safety deficiencies be expedited and that planning start immediately for a new facility.

PROCEDURES & METHODOLOGY

On May 30, 2002, the Grand Jury toured the Juvenile Hall, Juvenile Court, Youth Center, Youth Complex in the old Natividad Hospital and Rancho Natividad in accordance with its mandate to “inquire into the condition and management of the public prisons within the county” [Penal Code section 919(b)]. Management staff at the Probation Department briefed the Grand Jury on the operation of the youth programs. The Grand Jury also reviewed the organizational charts, program rules and prevention program brochures and met with a Superior Court Judge assigned to the Juvenile Court. All juvenile cases are heard in that courtroom, and because of the number of cases, it is in session continuously. The Grand Jury also conducted further interviews with the staff at a later date.

BACKGROUND & DISCUSSION

The Probation Department consists of four major divisions: Adult, Juvenile Hall, Juvenile Complex, and the Youth Center. This report is focused on the activities relating to juveniles.

The Chief Probation Officer is an officer of the court and is responsible for probation recommendations, as well as for overseeing court-ordered probation for adults and juveniles. He is also responsible for the supervision, care, well being and housing of juveniles under the age of 18 who are wards of the court in Monterey County. The Chief Probation Officer is chosen by a committee of Superior Court Judges. The Probation Department staff members are County employees.

¹⁰ Welfare and Institutions Code section 209

¹¹ Salinas Fire Department Fire/Life Safety inspection report, dated March 13, 2002

¹² California Code of Regulations , Title 24, sections 13-201(b)

A juvenile arrested for commission of a crime is referred to a Probation Department intake officer for the initial decision on further disposition. The choice may be a referral for counseling, assignment of community service work, placement on informal probation for up to six months, or referral to the District Attorney requesting a formal petition to the Juvenile Court to make the youth a ward of the court. Pre-trial detention in Juvenile Hall may be ordered if deemed necessary for the safety of the minor or the public. If the court finds the minor responsible for a criminal offense, a juvenile court investigator prepares a disposition report with a disposition recommendation for the court. Possible dispositions by the court include dismissal of the case, probation without wardship, and wardship. If the minor is made a ward of the court, further placement may be: return to home; placement in a group home or foster home; or, commitment to Juvenile Hall, the Youth Center or the California Youth Authority.

Juvenile Hall

The Juvenile Hall was built in the late 1950s to house runaway juveniles and has been expanded to provide extra space over the intervening years. It is a temporary living facility for 114 young offenders (ages 8 to 19) awaiting trial and/or sentencing. The plant consists of a maximum security unit for violent male offenders (see later discussion), one medium/maximum unit for all female prisoners and young male offenders, one medium unit for male nonviolent offenders and three minimum security dorm units. In addition to these housing areas, Juvenile Hall includes its own administration offices, the Juvenile Court, classroom space (presently inadequate) to accommodate the inmate population, kitchen and food service facilities, and separate recreation areas for both the general population and maximum security inmates.

The facility is subject to numerous inspections each year by such authorities as the County Building Inspector, the local fire department, the Public Health Administrator and the County Superintendent of Schools, as well as the Juvenile Court Judge and the Board of Corrections.¹³ The Grand Jury reviewed a March 13, 2002, Fire/Life Safety report issued by the Salinas Fire Department and the response thereto dated June 24 from the Probation Division Director to the Chief Probation Officer. The comments and Findings that follow are based in large part on these documents, as well as on interviews with responsible personnel and the Grand Jury's own observations.

Repairs

- According to the Fire/Life Safety report, "This facility is in desperate need of serious attention, both safety and maintenance. It is only a matter of time before a serious situation occurs because of the lack of attention given to this facility." Such matters as can be corrected "in-house," i.e., clearing exits, boiler room repairs, replacing ceiling tiles, etc., have been attended to. But major items have been "referred to Facilities,"¹⁴

¹³ California Code of Regulations, Title 15, section 1313

¹⁴ June 24, 2002, letter from Probation Division Director to Chief Probation Officer. "Facilities" refers to the County Facilities & Operations Division.

which means they cannot be completed without specific funding by the County. Most of the items so noted involve expenditures of considerable sums of money (up to \$20,000 to repair a leaking pipe beneath a poured concrete hallway floor). Even in the face of financial shortfalls, these items deserve a higher priority from the Board of Supervisors.

- The 2002 Fire/Life Safety Inspection Report referred to above also noted that new fire alarms, sprinkler systems and electrical upgrades are needed to protect against catastrophic events.
- Plumbing installed 50 years ago beneath poured concrete floors cannot be repaired by regular maintenance staff. It will require major construction projects to remedy the leaks and seepage that presently plague the property.

Improvements

- Juvenile Hall is in immediate need of a secure facility to house serious offenders who must be held until they can be legally assigned to adult prisons. Convicted murderers, rapists and gang leaders who are legally “under age” must be treated as juveniles with respect to living conditions, diet, recreation and supervision. Juveniles who require greater security than that available at Juvenile Hall because they pose a threat to other inmates, themselves or the public are sent to the County Jail where they are housed individually in isolation cells that are suitably secure. This is a burden on the County Jail, first because it deprives the Jail of its use of the isolation cells, and secondly, because the Jail is operated for adult offenders and is therefore not prepared to meet the required standards for juveniles mentioned above.
- Juvenile Hall currently has long hallways with rooms on each side, wooden doors and unprotected outside windows. The long halls prevent the Correctional Officers from seeing and acting on what might be happening in the rooms even if the doors are open. A configuration placing the rooms in a circular pattern around an officer's station would enable officers to observe all rooms. Fewer officers would be required to maintain order in the more modern arrangement. The unit now being used for “maximum security” is actually no more secure than the rest of the facility. Of the existing units within Juvenile Hall, Unit ‘A’, which has its own exercise area and is located at the far end of the facility, is perhaps best suited to be “hardened” for a maximum security occupation.
- Present classroom space is inadequate for the number of juveniles served. Additional classroom space is imperative to meet the state mandate that classroom instruction be provided for all juveniles in custody.¹⁵
- An inadequate flow of air through the corridors and living units was also noted. The report recommended installation of an adequate ventilation system throughout both of the main buildings to correct the situation.

¹⁵California Code of Regulations, Title 15, section 1370

- At the time of the Grand Jury's visit, the eight-foot chain link security fence around the exercise yard was found to be falling down due to rusted-out posts and was being held up with temporary fence stakes. The Grand Jury was told that the County had appropriated money to make necessary repairs three years ago, but the work had not begun at the time of our visit. (It was subsequently reported that repairs to the fence were started shortly after the Grand Jury visit.) Also, prisoners in the County Jail recreation area plus any other casual passersby could observe the juveniles in their exercise yard and possibly make contact, which is expressly forbidden.¹⁶ Insertion of security slats in the cyclone fence would create an effective screen between Juvenile Hall and the County Jail.

Juvenile Hall is exempt from many of the "Minimum Standards for Juvenile Facilities"¹⁷ because it was designed and built prior to their effective date.¹⁸ But even this exception has its limits. If "the facility administrator or other appropriate authority" determines that a facility is "dangerous to life, health or welfare of minors," even an older facility can be considered non-compliant. Indeed, the Board of Corrections has found Juvenile Hall to be non-compliant for the last five years. It is time to build a new facility.

Youth Center

The Youth Center is a low-security residential facility for Monterey County juvenile wards. It provides classroom and rehabilitation programs for boys and girls. They are under supervision of the Probation Officer, with services provided by the County Behavioral Health Department and the County Office of Education. Medical services are provided by California Forensic Medical Group. The Youth Center is built like a standard school but with dormitories and kitchens added. The outside doors are controlled to prevent people from entering without permission but are not locked from the inside. If a juvenile walks out, he or she is sent back to Juvenile Hall. One dormitory was not being used when the Grand Jury toured in June 2002.

Youth Complex

The Youth Complex is a non-residential facility for wards of the court and at-risk youth between the ages of 14 and 18 who are referred by the Juvenile Court and/or their Probation Officer. The wards of the court live at home and are picked up in the morning and taken home at night. The morning programs have two goals. The first is to improve classroom skills and subject competency so that the student may return to public school. The second goal is to provide employment preparation and job placement. Afternoon and evening programs, available for wards and the general public, offer a wide range of intervention and prevention programs for both children and parents. Approximately 20 young people were in the program at the time of the Grand Jury's visit. Currently, however, nearly twice as many are being served because the County later made additional space available for the program.

¹⁶ California Code of Regulations, Title 15, sections 1544 and 1546

¹⁷ Title 15, division 1, chapter 1, subchapter 5; Title 24, chapter 3, article 2, Part 1

¹⁸ see footnote 3

Rancho Natividad (a replacement for the Youth Complex)

Abandoned for many years, Rancho Natividad was once the Monterey County Boys' Ranch, located at the end of Natividad Road. It has a large gymnasium, classrooms, kitchen and residential facilities. Recently, the Sheriff's Department started an after-school youth athletic program in the gymnasium. The County leased the facility to a nonprofit organization that intends to raise private money to refurbish the buildings. When the renovation is completed, the programs currently at the Youth Center will be transferred to Rancho Natividad. The expanded space will allow a much wider variety of programs and employment training.

FINDINGS

1. Juvenile Hall facilities were generally clean and neat, but due to the advanced age of buildings, there is a backlog of needed maintenance and safety corrections, which are seriously under funded.
2. There is a lack of visual screening between Juvenile Hall and the County Jail.
3. Juvenile Hall does not provide the level of security required to house today's most violent youthful offenders.
4. Classroom space at Juvenile Hall is inadequate to comply with State education requirements.
5. Rancho Natividad will give at-risk youths a greater opportunity to become employable and productive citizens.

RECOMMENDATIONS

The 2002 Monterey County Civil Grand Jury recommends that

1. for protection of the surrounding community and safety of the youth housed in Juvenile Hall, Unit "A" be "hardened" to conform to current standards for maximum security incarceration;
2. adequate screening be installed between Juvenile Hall and the County Jail so as to remove all possibility of contact between the two populations;
3. the BOS allocate adequate funds to address the deficiencies identified in Juvenile Hall as outlined in the Fire/Life Safety report and subsequently "referred to Facilities";
4. planning for a new Juvenile Hall be started in 2003;

5. the BOS allocate sufficient funds to facilitate an early and orderly transfer of programs currently at the Youth Center to Rancho Natividad, and to expand the programs at the new space.

Response Required	Findings	Recommendations
Monterey County Board of Supervisors	1-5	1-5

Date Due: On or before April 2, 2003

Response to the Findings and Recommendations shall be addressed to the Presiding Judge of the Superior Court of Monterey County as noted on page iv of this report.

INVESTING IN THE COUNTY'S YOUTH

Can We Do Better with Workforce Investment Act Funds?

SUMMARY

In the course of visiting the penal institutions and law enforcement operations located within the County of Monterey, the 2002 Grand Jury became acutely aware of the importance of intervening with our youth in trouble at an early age. By the time these youths become adults, it is too late for most to be rehabilitated. The Probation Department's experience with recidivism rates is just 30% for youths in County-run programs in comparison with 80% for adults.

This awareness led the Grand Jury to inquire into the programs and opportunities available to the youth of Monterey County with a primary focus on out-of-school and at-risk or disadvantaged youth. Several state, county and city programs that provide services to youth locally received positive comments from youth service workers that were interviewed. However, groups chartered to serve troubled youth repeatedly complained about a bottleneck in obtaining funding for their programs from federal funds earmarked for such purposes.

One program was repeatedly criticized, leading the Grand Jury to initiate a detailed investigation of the youth programs conducted by the Monterey County Workforce Investment Board (WIB) and the Office of Employment Training (OET). Among its functions, WIB is the primary source of assistance for disadvantaged youth in the area of job training and subsequent job placement. It is funded by the federal government through the State of California as required by the federal Workforce Investment Act of 1998 (the Act). The investigation revealed a bottleneck in the delivery of service to youth due to favoring participation by those most likely to succeed and noncompliance with federally mandated procedures when choosing vendors to provide services for youth programs.

The Act lists six categories of youth eligible¹⁹ for participation in WIB-funded programs, including school dropouts²⁰ and offenders. It appears upon investigation that the young

¹⁹ Workforce Investment Act of 1998 (WIA), Section 101, paragraph (13) - eligible youth (ages 14 -22) is a low-income individual, and is one of the following: 1- deficit in basic literacy skills; 2 - a school dropout; 3 - homeless, a runaway or a foster child; 4 - pregnant or a parent; 5 - an offender; and, 6 - skills deficit. See also Appendix A.

²⁰ WIA§101(33), Out-of-school youth. See also Appendix A. For purposes of this report, we have adopted the federal government's definition of "out of school youth" as any eligible youth who is a school dropout or has received a diploma and is unemployed or underemployed. In addition to "out of school," many of our youth can be described as disadvantaged for reasons having to do with economic situation, family stability, health

offender population is under-served by WIB programs. The problem results from the fact that working with the more difficult to serve generally results in lower performance scores for the specific program. To some degree, program performance dictates the level of federal and state funding in the future. Therefore, the focus of the selection process has narrowed to favor those with a higher likelihood of success--many year after year. This practice is referred to by those in the job-training field as "creaming." The neediest are left under-served, and many of these youths are being denied the opportunities that should be available to them through the Act.

Upon further investigation, the Grand Jury concluded that the WIB is overly influenced by its executive management, who also staff the County Office of Employment Training (OET). The OET has not conformed to changes mandated under the Act and still operates as it did under the previous Job Training Partnership Act (JTPA). The OET often competes for program funds against outside contractors, resulting in a conflict of interests. The youth are not receiving the innovative programs intended by the Act's requirement for competitive bidding. The Grand Jury further concludes that the Monterey County Board of Supervisors (BOS) has not provided sufficient oversight of the WIB and its funding. This is likely due to the fact these are federal funds and therefore are a net zero cost to the County.

The Grand Jury recommends that the BOS revisit its approved five-year plan for the WIB to address the conflicting organizational interests and disregard for proper procedures. Specifically, it is recommended that the BOS: separate the functions of grant management and service provider; have the WIB appoint an independent executive director and staff directly under its control; establish an independent WIB financial office; process all procurements through the County General Services Department; and, have the County Counsel assign a deputy to attend all WIB meetings.

The Grand Jury further recommends that WIB members become better educated in the Act regulations and assume a more proactive role in governance, with more rigorous oversight of its operations and procurement of services.

PROCEDURE AND METHODOLOGY

The Grand Jury took sworn testimony or conducted interviews of several WIB members and staff past and present, concerned citizens, consultants and public officials, and consulted with County officials regarding finance. The Grand Jury reviewed the Board of Supervisors' approved five-year plan for the local WIB, the enabling legislation WIA-98, relevant Department of Labor documents which dictate the operation of the WIB and other documents relating to the local WIB. With reference to other youth programs independent of the WIB, representatives from other city and county organizations conducting summer and year-round youth service programs were interviewed.

problems and a myriad of other factors. Also, there is a wide range of young people who are on school vacation and need summer jobs, or need training in basic job-seeking and retention skills.

BACKGROUND AND DISCUSSION

Workforce Investment Act of 1998 (WIA)

This Act sought to avoid duplication of effort of multiple existing federal programs by requiring collaboration among diverse federally funded initiatives. Funds are distributed to each state for separate adult and youth job-training programs. The Act is administered by the U.S. Department of Labor and in California by the State Employment Development Department. The Act established Workforce Investment Boards at the state and local level. The local WIBs must select providers of services from a variety of agencies including public schools, community colleges, trade schools and community-based organizations. Under the Act, the BOS (as the highest elected County officials) is the grant recipient and is liable for proper disbursement and use of Act funds. Monterey County has in turn chosen to use the County Office of Employment Training (OET) to be the sub-recipient of these funds and the disbursing agent.

California disbursed over \$400 million received from the federal government for the 2002 fiscal year to provide services for adults, laid-off workers, and youth.²¹ Monterey County was allocated \$10.8 million. Additional grant funds were expected to bring the total to over \$13 million. Of the \$10.8 million, \$3.75 million was specifically allocated to youth programs.²²

The Workforce Investment Board

The Workforce Investment Board is the body established by the Act to manage services at the local level, to prevent duplication of services, to share resources and to seek out alternative funding streams to help communities overcome today's challenges. The Act provides that each local WIB shall consist of 32 or more persons²³ appointed or approved by the BOS with members representing business, education, labor, community-based organizations, economic development agencies and One-Stop²⁴ career partners. A majority of WIB members must represent business. No WIB member is to be a service provider²⁵, and all members are expected to recuse themselves from discussions of bids submitted by any agency they represent.²⁶

The WIB is responsible for selecting operators or providers to provide job training and service programs for adults, youth, and displaced workers. It is also responsible for selecting, funding, and overseeing those programs. The WIB may employ staff and is responsible for adopting personnel policies and for hiring, evaluating and potentially terminating its Executive Director. No local WIB may itself provide training services to adults or displaced workers without obtaining a waiver from the Governor each year.²⁷ The

²¹ DOL Training and Employment Guidance Letter (TEGL) 13-01

²² California EDD Information Bulletin WIAB01-93, March 26, 2002

²³ National Association of Workforce Boards, Building Better Workforce Boards, January 3, 2002, page 25

²⁴ Act-funded local centers that provide employment, education, and training information and/or services all in one place

²⁵ Monterey County Strategic Five-Year Local Workforce Investment Plan, approved 2/22/00, p. 19

²⁶ WIA§117(g)

²⁷ WIA§117(f)(1)(A)

referenced Act section makes no mention of a waiver for the WIB (or its designee) to provide youth programs.

For youth, the WIB may only provide core services through the One-Stop delivery system and operate youth summer programs without the process of competitive bidding. All other youth program operators must be chosen on a competitive basis. It should be noted there is no provision in the Act for a waiver of this requirement. The Department of Labor Guidance Letter states:

“The intent of the WIA is to provide flexibility in the development and design of comprehensive youth services, and to create a market-based system which drives the quality of youth services. A variety of providers establishes a mixed set of youth development services competitively selected to meet the needs of local communities and encourages youth service providers to do more with their resources.”¹⁰

The Monterey County Workforce Investment Board uses only employees of the County’s OET as its staff. The OET’s executive staff also serves as the executive staff of the WIB. This arrangement creates a conflict of interest and discourages competitive bidding, contrary to the intent of the Act.

Consistent sworn testimony has convinced the Grand Jury that the meetings and functioning of the WIB are overly controlled and influenced by its executive staff. Examples of questionable practices include: the staff exercises unilateral control of the WIB meeting agenda; the WIB meeting agenda is often not distributed far enough in advance for member consideration; the accuracy of the meeting minutes are questioned by members; requests by WIB members for financial information are routinely disregarded; nominations for appointment to the WIB are handled by the executive staff for BOS approval.

Domination of the WIB by a staff which also works for a provider (OET) contravenes the Act’s intent that the WIB function as a citizen-based independent body. The Contra Costa County Workforce Investment Board recently stated that the local WIB needs “to continually struggle against having a staff-driven board. Local WIB members themselves need to sponsor, if not spawn, ideas and directions.”¹¹

Office of Employment Training

The Office of Employment Training has been in existence for over 20 years, having been the core provider of youth employment training under the JTPA before the passage of the current Act. Although some functions are now prohibited by the Act, as described below, these employment training functions continue as part of the OET’s current operations, which are to provide youth employment and training programs as a One-Stop Career Center operator,

¹⁰ U.S. Department of Labor (DOL), Training and Employment Guidance Letter (TEGL) #9-00, sec. 8, p.8

¹¹ Building Better Workforce Boards; page 25

along with other One-Stop partners such as the California Employment Development Department, Monterey County Department of Social Services (DSS) and others.

The OET is the grant recipient of federal and state funds from the Act. It is currently totally funded by Act grants and receives no County tax funds. The budget of these funds covers employment of an Executive Director heading a staff originally projected at 99 persons.¹²

According to the Act, the OET can be funded for its authorized programs such as core services on a noncompetitive basis. However, since the OET is designated the grant recipient, it is not authorized to provide employment training, nor is it permitted to bid on solicitations or grants required to be competitively bid.

The Workforce Investment Board and OET Organization

Under the law and Department of Labor guidelines, the OET cannot serve both as the grant recipient and service provider.¹³ In Monterey County, the functions of the WIB and the OET are combined, contrary to the intent of the Act. It is important to note the following:

1. The same County employees serve as executive staff of the WIB and the OET;
2. The WIB has no independent staff;
3. The OET, instead of the WIB, disburses all government grant funds; and
4. The OET is also a service provider.

Some documented examples of the difficulties caused by combining functions are given below.

Example 1. Competitive Procurement of Youth Services

The U.S. Department of Labor has specific requirements for the competitive award of youth service contracts. In part, its document states:

“A basic tenet of the standards found at 29 CFR 95.42 and 97.36(b)(2) is that procurement be a process that provides for full and open competition and avoids even the appearance of a conflict of interest (either individually or organizationally). Procurement actions must be conducted in a manner that provides for full and open competition and prevents the existence of conflicting roles that might bias judgment and cause unfair competitive advantage, as described under regulations at 29 CFR 95.43 and 97.36(c). Such actions must assure separation of those who develop or issue the solicitation, or are involved in the selection process, from those who bid upon it. Accordingly, an identifiable sub-unit of the local government or non-governmental organization may not submit a bid or an offer on a grant or contract solicitation if that sub-unit is involved in the development of the solicitation, the

¹² 2002-2003 Monterey County Recommended Budget, Budget unit 565, page 419

¹³WIA§117(f)(1)(A)

review, evaluation and selection process, or the ongoing post award administration (including oversight) of the award.”¹⁴

The Grand Jury asked for copies of all of the Requests for Proposals issued for youth services and only one was provided.¹⁵ It was issued January 23, 2001, by the OET, not the WIB. The Grand Jury was told that it was the only Request for Proposal for youth services issued to date since the WIB was formed. The staff stated that the only proposal for services received was from the OET itself. No other providers responded, and there was no investigation as to why. The WIB approved awarding the contract to the OET, and the contract was later extended without competitive bidding.

The WIB and OET have apparently violated each of the requirements listed above. The required separation between the Act fund recipient and training provider does not exist in Monterey County. The result is that, with no competitive bidding, there is no assurance that the best youth service providers and innovative programs are being chosen.

Example 2. Separating Program from Administrative Costs

The current County budget calls for OET spending \$8.9 million (68% of its allocation) for staff related expenses, leaving 32% to be utilized for employment programs for both adults and youth. It is unclear to the Grand Jury that using 68% of total appropriations to pay for staff and supplies is a responsible use of funds earmarked for programs, particularly when the Act limits the categories of programs that can be provided directly by the OET as the grant recipient, and the Act limits the amount of youth funds that can be used for administration to just 10% of the grant.¹⁶ The emphasis seems to be on maintaining the WIB/OET staff rather than choosing the best youth service providers through a competitive process.

Example 3. Measures of Program Success

The Act lists “Youth Performance Criteria” to be used to measure success of programs run by the local WIB.¹⁷ The local WIB negotiates with the State Workforce Investment Board to determine a “Negotiated Performance Level” for each criteria, and annually reports the number of local participants that met or exceeded the performance level.¹⁸ Similarly, the State negotiates with the federal government and reports statewide performance. The amount of money allocated to the state and passed through to the counties is based, to some extent, on the reported success of the various programs.

In theory, this procedure rewards and encourages those states and counties that have

¹⁴ DOL, TEGL no. 9-00, sec. 8, p. 9

¹⁵ Monterey County OET, RFP, *Youth Education and Employment Services under the Workforce Investment Act of 1998*, January 23, 2001

¹⁶ WIA§128(b)(4)(A)

¹⁷ WIA§136(B)(2)(A)(I); also see the Appendix

¹⁸ State of California, *Workforce Investment Act Annual Report, Program Year 2000, December 2001* (www.calwia.org)

successful programs. However, several people testified that this method of determining program allocations might also encourage program operators to limit participation to just those youth who are most likely to be successful and not include those who might bring the score down, a practice referred to as “creaming” by those in the job-training field.

The Grand Jury has heard multiple conflicting testimonies on the subject of candidate selection. Further investigation is required to more accurately ascertain the extent of this selection bias and cannot be completed by the current Grand Jury.

The Grand Jury concludes that the youth most in need of assistance may be receiving only limited support from the County’s WIB/OET. An uninvolved BOS, a staff-driven WIB and a disregard for the Act regulations have allowed Act funds to be applied to projects whose priorities are determined by staff preference and not necessarily the needs of those disadvantaged youth most at risk.

The Role of the Board of Supervisors

The BOS has the responsibility and authority to bring the WIB/OET into compliance with the Act and Department of Labor regulations.

The BOS appoints the WIB members and employs the staff of the OET. The Act clearly indicates that, in the case of Monterey County, the BOS is responsible for funds spent from grants¹⁹ under this program. WIA§117(d)(2)(B)(i)(I), Local Workforce Investment Boards, states “in general... the chief elected official in a local area shall serve as the local grant recipient for, and shall be liable for any misuse of, the grant funds allocated to the local area... unless the governor acts in that capacity.”

As authorized by the Act, in the County Strategic Five-Year Local Workforce Investment Plan,²⁰ the BOS has appointed the County OET as the grant recipient and the agency responsible for disbursing grant funds. The US Department of Labor regulations²¹ specifically prohibit the recipient of the grant funds (the OET in this County) from acting as a contractor (with certain exceptions). This conflict would have to be corrected to further avoid jeopardizing grants.

Sworn testimony has convinced the Grand Jury that there has been little, if any, oversight of the functioning of the WIB and OET. Since OET operations are totally funded by federal funds and therefore have no net cost to Monterey County, it is understandable that BOS oversight of these expenditures is likely not to have a high priority. However, the Act regulations specifically hold the BOS liable for any misuse of grant funds.

¹⁹ WIA§117(d)(2)(B)(i)(I)

²⁰ Monterey County Strategic Five-Year Local Workforce Investment Plan, p. 43

²¹ DOL TEGL no. 9-00, pp. 4 and 9

FINDINGS

1. Conflicting interests arise as a result of the common management of the WIB and the OET.
2. The WIB has no independent supporting staff. Support services are provided by employees of the OET which itself is a provider of youth services.
3. Core and summer programs provided by the OET do not require competitive bidding; however, funds available to the WIB from federal grants for youth training programs are not being allocated to service providers on the basis of competitive bids as required by Act regulations.
4. WIB meetings are dominated by the executive staff, including procedure, content and direction. The WIB and its President are not exercising independent control.

RECOMMENDATIONS

The Grand Jury recommends that

1. the BOS re-examine its approval of the Monterey County Strategic Five-Year Local Workforce Investment Plan granted on February 22, 2000, for the Monterey County Workforce Investment Board, and
 - a. immediately divide the OET into two organizations independent of one another (not one subservient to the other)--one organization being the staff of the WIB, and the other organization (the "new OET") functioning as a service provider, with a separate executive staff for each organization.
 - b. designate the WIB and its staff to serve as the grant recipient and procure and oversee programs.
 - c. specify that the "new OET" as a potential provider of youth services (among other programs) function as any other provider/partner, to operate the programs for which it has successfully competed.
 - d. mandate that all Board and OET procurements including contracts are to be processed through the Monterey County General Services Department to ensure that the Department of Labor competitive procurement principles and procedures found in the Training and Employment Guidance Letter 9-00²² are followed;
2. the County Counsel assign a deputy to attend all WIB meetings to ensure compliance with state and federal laws and regulations and to advise the WIB and its staff on any and all legal matters;

²² DOL TEGL no. 9-00, pp.4 and 9

3. the members of the WIB and its Youth Council be instructed, by appropriate experts, as to their roles and responsibilities under the Act and the rules imposed upon the WIB by governmental regulations;
4. the Executive Director of the WIB provide both the WIB and the BOS a detailed annual report of all programs, the participants' profiles and performance results; and
5. the WIB adopt a set of guidelines to ensure properly functioning board meetings. (An example of such guidelines are listed in Appendix B.)

RESPONSES	FINDINGS	RECOMMENDATIONS
Monterey County Board of Supervisors	1,2,3,4	1,1a,1b,1c,1d,2,3,4,5

Date Due: On or before April 2, 2003

Responses to the Findings and Recommendations shall be addressed to Presiding Judge of the Superior Court of Monterey County as noted on page iv of this report.

REFERENCES AND SOURCES

1. Workforce Investment Act of 1998
2. U.S. Department of Labor Training and Employment Guidance Letter 3-99, January 31, 2000, program guidance for the implementation of comprehensive youth services under the Workforce Investment Act during the Summer of 2000
3. Training and Employment Guidance Letter 9-00, January 23, 2001, Competitive and Noncompetitive Procedures for Providing Youth Activities under Title I
4. Monterey County Workforce Investment Board, Strategic Five-Year Local Workforce Investment Plan, approved February 22, 2000
5. Monterey County General Services audit of bidding responses RFP 9465, May 2002
6. Monterey County Office for Employment Training, Request for Proposal, Youth Education and Employment Services Under the Workforce Investment Act of 1998, January 23, 2001
7. National Association of Workforce Boards, January 2002, "Building Better Workforce Boards"
8. California Workforce Association - "Resource Guide"
9. Monterey County 2002/2003 Recommended Budget

APPENDIX A

Some excerpts from Workforce Investment Act

Definitions

Eligible youth

Except as provided in subtitles C and D, the term “eligible youth” means an individual who—

- (A) is not less than age 14 and not more than age 21;
- (B) is a low-income individual; and
- (C) is an individual who is one or more of the following:
 - (i) Deficient in basic literacy skills.
 - (ii) A school dropout.
 - (iii) Homeless, a runaway, or a foster child.
 - (iv) Pregnant or a parent.
 - (v) An offender.
 - (vi) An individual who requires additional assistance to complete an educational program, or to secure and hold employment.

Offender

The term “offender” means any adult or juvenile—

- (A) who is or has been subject to any stage of the criminal justice process, for whom services under this Act may be beneficial; or
- (B) who requires assistance in overcoming artificial barriers to employment resulting from a record of arrest or conviction.

Out-of-school youth

The term “out-of-school youth” means—

- (A) an eligible youth who is a school dropout; or
- (B) an eligible youth who has received a secondary school diploma or its equivalent but is basic skills deficient, unemployed, or underemployed.

School dropout

The term “school dropout” means an individual who is no longer attending any school and who has not received a secondary school diploma or its recognized equivalent.

Identification of eligible providers of youth activities

From funds allocated under paragraph (2)(A) or (3) of section 128(b) to a local area, the local board for such area shall identify eligible providers of youth activities by awarding grants or contracts on a competitive basis, based on the recommendations of the youth council and on the criteria contained in the State plan, to the providers to carry out the activities, and shall conduct oversight with respect to the providers, in the local area. [This is the entire section.]

Limitation on Use of Youth Funds

Of the amount allocated to a local area under this subsection and section 133(b) for a fiscal year, not more than 10 percent of the amount may be used by the local board for the administrative cost of carrying out local workforce investment activities described in subsection (d) [required core services] or (e) [One-Stop activities] of section 134 or in section 129(c) [youth program design and program elements].

Youth Funding Priority

At a minimum, 30 percent of the funds described in paragraph (1) shall be used to provide youth activities to out-of-school youth.

Exception to Youth Eligibility

Not more than 5 percent of participants assisted under this section in each local area may be individuals who do not meet the minimum income criteria to be considered eligible youth, if such individuals are within one or more of the [other eligibility youth categories]

Youth Service Program Elements

(A) tutoring, study skills training, and instruction, leading to completion of secondary school, including dropout prevention strategies;

(B) alternative secondary school services, as appropriate

(C) summer employment opportunities that are directly linked to academic and occupational learning;

(D) as appropriate, paid and unpaid work experiences, including internships and job showing;

(E) occupational skill training, as appropriate;

(F) leadership development opportunities, which may include community service and peer-centered activities encouraging responsibility and other positive social behaviors during non-school hours as appropriate;

(G) supportive services;

(H) adult mentoring for the period of participation and a subsequent period, for a total of not less than 12 months;

(I) follow-up services for not less than one month after completion of participation as appropriate; and

(J) comprehensive guidance and counseling, which may include drug and alcohol abuse counseling and referral, as appropriate.

Youth Program Performance Criteria

(A) Core indicators of performance--

(i) In general.--The core indicators of performance for employment and training activities authorized under section 134 (except for self-service and informational activities) and (for participants who are eligible youth age 19 through 21) for youth activities authorized under section 129 shall consist of--

(I) entry into unsubsidized employment;

(II) retention in unsubsidized employment 6 months after entry into the employment;

(III) earnings received in unsubsidized employment 6 months after entry into the employment; and

(IV) attainment of a recognized credential relating to achievement of educational skills, which may include attainment of a secondary school diploma or its recognized equivalent, or occupational skills, by participants who enter unsubsidized employment, or by participants who are eligible youth age 19 through 21 enter postsecondary education, advanced training, or unsubsidized employment.

(ii) Core indicators for eligible youth.--The core indicators of performance (for participants who are eligible youth age 14 through 18) for youth activities authorized under section 129, shall include--

(I) attainment of basic skills and, as appropriate, work readiness or occupational skills;

(II) attainment of secondary school diplomas and their recognized equivalents; and

(III) placement and retention in postsecondary education or advanced training, or placement and retention in military service, employment, or qualified apprenticeships.

APPENDIX B

Guidelines for Workforce Investment Board Meetings

- Provide an agenda that is only changed by the agreement of the Workforce Investment Board.
- All materials for each meeting (agenda, minutes, treasurer's report, etc.) shall be received by each member at least one week in advance of a regularly scheduled meeting.
- Once circulated, these documents shall not be amended prior to the meeting.
- Include reports at each meeting showing status of all procurements of services.
- All procurement decisions to be made by an open vote of the full Workforce Investment Board.
- All Workforce Investment Board meetings should be audio or video taped to ensure accuracy.
- Monthly year-to-date financial reports on program funding and expenditures shall be given to all members of the Workforce Investment Board.

RESPONSES TO THE 2001 CIVIL GRAND JURY FINAL REPORT

SUMMARY

The Final Report issued by the 2001 Monterey County Civil Grand Jury (Final Report) contained nine topics and a total of 31 Findings and 37 Recommendations. In all, 45 separate responses were requested from 35 different government entities. The majority responded in a timely and considerate manner and gave affirmative replies to the Findings and Recommendations. The Monterey County Board of Supervisors (BOS) displayed exemplary leadership by providing timely and diligent replies to six separate topics, 19 Findings and 18 Recommendations.

Although recent Grand Juries in Monterey County have not made a practice of reviewing previous years' Findings, Recommendations and Responses in their Final Reports, many other Grand Juries throughout the state have done so effectively,³³ and the 2002 Grand Jury felt it would be informative for the citizens of Monterey County as well.

PROCEDURES AND METHODOLOGY

Pursuant to Penal Code section 933(a), copies of relevant individual reports were mailed to all those from whom a response was required. All responses were logged, tabulated and reviewed. Respondents who did not reply were contacted first by mail and then, where necessary, by phone. All requested responses were eventually received. The Grand Jury reviewed replies from all respondents for each topic and sent follow-up letters where appropriate. Finally, a tabulation of the responses was assembled and evaluated and the resulting tables are appended to this report.

BACKGROUND AND DISCUSSION

The usefulness of the Civil Grand Jury is embodied in its ability to "shine a light" upon issues it uncovers in its role as a watchdog on government within Monterey County. The Final Report is the vehicle used to publicly announce its Findings and Recommendations with the substance and validity of each individual topic being the measure of thoroughness put into each investigation.

³³ These include, but are not limited to, Grand Juries in the following counties: Amador, Marin, Plumas, Sacramento, San Mateo, Santa Barbara and Shasta.

Individual topics within a report are targeted at defined audiences, and responses are requested from those who are legally empowered to reply to specific recommendations. While the Grand Jury acknowledges compliance with recommendations is voluntary, it assumes that most recommendations are accepted and implemented because respondents share the Grand Jury's desire to improve the functioning of government.

In part to avoid the creation of yet another government bureaucracy, a new Civil Grand Jury is impaneled each year. The current sitting Grand Jury therefore has the responsibility of following up on its predecessor's work. The 2001 Final Report was issued on January 2, 2002. Pertinent sections of the California Penal Code set out the deadlines and format required for all responses. Responses from elected officials are due within 60 days and those from governing bodies within 90 days.³⁴

Respondents are requested to reply to each Finding by either agreeing or disagreeing. Responses to each of the Recommendations shall be one of the following:

the Recommendation:

- *has been implemented*, with a summary regarding the action implemented;
- *will be implemented*, specifying a timeframe for implementation;
- *requires further analysis*, with an explanation and a timeframe, not to exceed six months from the date of the Grand Jury Final Report; or
- *will not be implemented*, with an explanation.

In the table following this report, "Responses to 2001 Monterey Civil Grand Jury Final Report" (Table of 2001 Responses), the 2002 Grand Jury has tabulated, by subject matter area and report topic, the Findings and Recommendations from last year's Final Report, along with the Responses received and comments regarding any follow-up that has been or needs to be taken. Overall, a total of 45 Responses were requested on nine separate report topics; one topic required 24 individual responses. Each Response was carefully reviewed and evaluated by the Grand Jury.

Responses to Recommendations

Response	#	%
Has been implemented	73	51%
Will be implemented	44	31%
Requires further analysis	5	3%
Will not implement	9	6%
Non-conforming Response	13	9%
TOTAL	144	100%

³⁴ California Penal Code section 933(c).

- Of 45 total Responses, just four were late.
- 8% of Responses to the Findings and 9% of Responses to the Recommendations were deemed incomplete or “non-conforming.”
- 79% of the replies agreed with the Findings.
- 82% of the replies indicated the Recommendation had been or would be implemented.
- Only 6% of the Recommendations were replied to by stating they would not be implemented, and 12% of the Findings were disagreed with.

In reviewing the school districts’ Responses to the report on School Board Training, an interesting phenomenon was noted: in four separate cases, two districts had apparently “worked together” on their responses and submitted virtually identical answers.

Where Responses lacked necessary detail or indicated action would be taken at some future date, the Grand Jury sent follow-up letters requesting further information. Six such letters were mailed, and satisfactory responses were eventually received from all.

This Grand Jury has identified eight Recommendations from the 2001 Final Report that merit further follow-up in 2003. These are summarized below:

Report Topic	Recommendation	Respondent
Animal Services	1	Board of Supervisors
	1	City of Salinas
Foster Care	1	Board of Supervisors
	2	Board of Supervisors
Monterey County Workforce Hiring/Retention	5	Board of Supervisors
	6	Board of Supervisors
Inclusionary Housing	1	Board of Supervisors
	4	Board of Supervisors

For both those Responses that prompted a follow-up letter this year and those listed in the above table, the 2002 Grand Jury’s comments and follow-up are highlighted in the 2001 Responses Table that follows this report. It is this Grand Jury’s hope that the 2003 Grand Jury will continue to pursue the few outstanding items that remain, and, in turn, evaluate, comment, follow-up and report on the replies that are received in response to the 2002 Final Report. Continuing to shed light on those responsible for addressing problems once identified is a valuable means of assuring that solutions are ultimately implemented.

At the end of the Table of 2001 Responses, there is also an Index that lists responding entities in alphabetical order to help readers locate the report topics that applied to a particular responding entity.

The Grand Jury encourages those who would like greater detail regarding last year's Final Report and the responses received visit the Grand Jury's web site at www.co.monterey.ca.us/court/grand_jury_report_2002/index.html or to contact the Monterey County Superior Court office at 240 Church St., Salinas, CA 93901, telephone (831) 755-5060 (mailing address: Monterey County Courts, P.O. Box 1819, Salinas, CA 93902); or go to their local library.

NO RESPONSE REQUIRED

RESPONSES TO 2001 MONTEREY CIVIL GRAND JURY FINAL REPORT

Legend
HBI: Has been implemented: requires summary of action taken
WBI: Will be implemented: timeframe for implementation must be given
RFA: Requires further analysis: requires explanation, scope of analysis; max. timeframe 6 months
WNI: Will not implement: requires explanation
NCR: Nonconforming response: a free-form response was given

Report Topic	#	Finding / Recommendation by the 2001 Grand Jury	Respondent	On time?	Response	Comment / Follow-up by the 2002 Grand Jury
Health & Social Services						
Animal Services						
FINDINGS						
	1	Financial Costs vary from \$75 to \$100 to maintain an animal that will eventually be euthanized.	BOS	Y	Agree	
			Salinas	Y	NCR	
			Marina	Y	NCR	
	2	Since mid-2001, directors of animal shelters in Monterey County have held monthly collaborative meetings to discuss spay, neuter and public awareness education program needs.	BOS	Y	Agree	
			Salinas	Y	NCR	
			Marina	Y	NCR	
RECOMMENDATIONS						
	1	BOS, Salinas, Marina allocate funds for spay & neuter program w/ goal that by 2010 no adoptable animal is euthanized.	BOS	Y	WBI: New facility to open in early '03; new foundation, Friends of the Animal Services Center, "is submitting a grant request" to fund a 1-year project to conduct a study to ... develop a plan to end the problem.	Follow-up in early 2003 requesting status of facility construction and of grant request/study project
			Salinas	Y	NCR Making progress in the area, but will not implement recommendation. Has directed animal services program staff to develop alternatives- report is due by year end 2002.	Follow-up in early 2003 requesting report status, progress in developing alternatives
			Marina	Y	NCR Making progress in the area, but will not implement recommendation.	Treat as "will not implement" with explanation given
	2	BOS allocate funds for education program to increase public awareness of animal care and responsibility.	BOS	N	HBI. Says they already do -- also cites the new foundation's project	OK

RESPONSES TO 2001 MONTEREY CIVIL GRAND JURY FINAL REPORT

Legend
HBI: Has been implemented: requires summary of action taken
WBI: Will be implemented: timeframe for implementation must be given
RFA: Requires further analysis: requires explanation, scope of analysis; max. timeframe 6 months
WNI: Will not implement: requires explanation
NCR: Nonconforming response: a free-form response was given

Report #	Finding / Recommendation by the 2001 Grand Jury	Respon- dent	On time?	Response	Comment / Follow-up by the 2002 Grand Jury
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Monterey Bay Beaches (cont'd)

Marina	Y			Disagree: There is no city-owned or maintained public-serving portion of ocean frontage for which the city should exercise oversight responsibilities	
Monterey	Y			Agree; however, there have been numerous other ongoing public education measures.	
Pacific Grove	Y			Agree: PG was an initiator of that program and has also developed and funded a variety of other educational programs (detailed list given).	
Sand City	Y			Agree	
Seaside	Y			Agree	
BOS	Y			WBI: The EHD "is prepared to assist the cities in their community educ programs..." it's the cities' responsibility "to develop and implement schedule and content for the programs."	OK
Carmel	Y			WBI: The program elements will be included as part of the Regional Public Education and Outreach components of the NPDES permit, scheduled to be submitted to the EPA in Feb '03.	OK
Del Rey Oaks	Y			NCR: "The joint storm water task force has an educational component and has formed a subcommittee to develop a model for continuing education."	OK
Marina	Y			RFA: The matter is being comprehensively addressed by the Regional Storm Water Permit Participants Group, which includes all Monterey Peninsula Cities, the County and the Army. The NPDES Phase II Permit being prepared by this group includes an extensive public education program. Goal is to have the Permit submitted to state before the March 2003 deadline, with some BMPs initiated prior to that date.	OK

RECOMMENDATIONS

1 BOS direct Environmental Health Division (EHD) of the County Health Dept to share its expertise with Monterey Peninsula cities, support development of a community education program.

RESPONSES TO 2001 MONTEREY CIVIL GRAND JURY FINAL REPORT

Legend
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WB1: Will be implemented: timeframe for implementation must be given
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Report Topic	#	Finding / Recommendation by the 2001 Grand Jury	Respondent	On time?	Response	Comment / Follow-up by the 2002 Grand Jury
Monterey Bay Beaches (cont'd)						
			Monterey	Y	Discusses the same regional group, adding "through it is the county water resources agency and local public works departments who have been involved... the Co. EHD would be welcome to join in the development of the final program." AND: "The City of Monterey already has a public education program in place addressing 2 of the 4 issues enumerated by the G.J."	OK
			Pacific Grove	Y	PG is receptive to any assistance the Co EHD can give us in this area.	OK
			Sand City	Y	"Sand City's health officer is the Monterey Co. Director of Environmental Health." + Reference to the storm water task force educ program	OK
			Seaside	Y	"Would welcome the support of the Co. EHD in developing a community education program. Regarding the regional storm water group, the city adds: " Public education/ outreach and public participation are 2 of the 6 minimum control measures that will be implemented in the permit and corresponding storm water management program."	OK
Administration						
Foster Care						
FINDINGS						
1		Department of Social Services (DSS) lacks an adequately funded follow-up program to ensure the success of foster youth transitioning to adulthood	BOS	Y	Partially disagree: New funding for the independent living program has recently become available, but obstacles are still being overcome and there are no programs beyond age 21	
2		DSS lacks adequate staff and funds to gather data from which to evaluate the quality and effectiveness of the County's foster care program	BOS	Y	Agree	

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Foster Care (cont'd)						
RECOMMENDATIONS						
	1	DSS Foster Care program collaborate with other foster care and adoption programs such as the Kinship Center to identify after-emanicipation support, etc. to improve quality of support services for foster youth transitioning to adulthood	BOS	Y	WBI: "will continue to collaborate with community partners as it further develops the Independent Living Program, including development of transitional housing and California Youth Connections. Program stability should be achieved during FY 2002-2003." Also: SB 163 "wrap-around" program to be phased over 18 month period, but no start date given.	Follow up early 2003 to request status
	2	BOS allocate funds to staff comprehensive follow-up program, which should include collecting data on quality of publicly funded foster care programs and a system of case management, allowances and housing support designed to help transitioning youth become independent and successful.	BOS	Y	RFA: Need to analyze implem. of AB 427, which provides structure for such a program but needs local funding - "may require 6-9 months" to get community input.	Follow up early 2003 to request status
Monterey County Workforce Hiring/Retention						
FINDINGS						
	1	Although overall turnover and vacancy rates are not out of line, specific positions are a problem.	BOS	Y	Agree	
	2	There is a lack of consistency among departments concerning performance evaluation, absence tracking, and exit interviews	BOS	Y	Agree	
	3	The current salary step program is not based on merit but rather on time in position and an absence of negative performance	BOS	Y	Agree	
	4	The cost of employee benefits is a major County expenditure which is not clearly understood by employees	BOS	Y	Agree	
	5	Current policies and procedures remain an obstacle in the hiring process	BOS	Y	Disagree: Need specific examples to either agree or disagree, but there's always room for improvement	

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Monterey County Workforce Hiring/Retention (cont'd)

6		Audits of Personnel Services activities can be a valuable monitoring tool as well as a training device	BOS	Y	Agree	
7		Monterey County Leadership Institute has potential for a wide range of programs to train and educate, also to build teamwork and morale.	BOS	Y	Agree	
8		Some Personnel Analysts have insufficient clerical and administrative support to accomplish all their job requirements	BOS	Y	Agree	
RECOMMENDATIONS						
1		BOS direct HR to develop & implement a plan with specific solutions to prioritize and address high impact problem positions.	BOS	Y	WBI: "Specific action plans targeting identified positions will be developed and implemented on an ongoing basis. A sample set of guidelines will be developed by June 30, 2002."	Follow-up letter sent; BOS responded that the implementation is complete; specific examples were cited.
2		BOS direct Human Resources to work toward standardizing the county policies, procedures and practices.	BOS	Y	WBI: Done on an ongoing basis. In Jan 02, CAO realigned, w/ greater focus on systems development and on monitoring of compliance with policies, procedures and practices.	Follow up letter sent. Implementation ongoing. Departmental Personnel Analysts currently updating Personnel Services manual to revise and/or eliminate unnecessary policies and streamline processes while maintaining countywide consistency
3		BOS direct HR to study the introduction of the merit concept in pay for the various employee units.	BOS	Y	WBI: Details given indicating several steps have been taken	OK
4		BOS direct HR to develop and provide to each employee an annual personalized employee benefit report, spelling out the value of each benefit and total compensation value.	BOS	Y	WBI "in conjunction with the County's new payroll system (which is still being developed)."	Follow-up letter sent. A generic report appeared in the Aug 2002 Benefits Newsletter; personalized reports not yet feasible from a systems standpoint. New payroll system will not be in place until early 2004.
5		BOS direct HR to streamline &/or eliminate policies and procedures which are obstacles in the hiring process.	BOS	Y	WBI: A review will be conducted by June 30, 2002 "to identify further changes."	Follow-up letter sent. Cooperative Personnel Services has been hired to review HR decentralization process by 9/30/02. No indication if this is the review to have been completed by 6/30/02 or if this will indeed address the "obstacles to the hiring process." Check status again in early 2003

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Monterey County Workforce Hiring/Retention (cont'd)						
	6	BOS direct HR to develop an audit procedure to monitor and assure compliance with standardized policies, procedures and practices.	BOS	Y	WBI "by the summer of 2002"	Follow-up letter sent. Based on the above review, systems will be developed to establish effective auditing procedures to assure compliance with policies and procedures. (i.e., the recommendation has not yet been implemented.) <i>Check status in early 2003.</i>
	7	BOS continue strong budgetary support of the Monterey Co. Leadership Institute	BOS	Y	WBI: no details	Follow-up letter sent. Implementation is ongoing - current budget reflects strong support for the MCLI.
	8	BOS authorize addition of clerical support for Personnel Analysts, where necessary.	BOS	Y	HBI	OK

Inclusionary Housing in Monterey County

FINDINGS						
1		The current Inclusionary Housing Ordinance, Program and procedures are out-dated and no longer serve County residents as intended.	BOS	Y	Agree	
2		Monitoring of the Inclusionary Housing Ordinance has been insufficient.	BOS	Y	Agree	
3		The application and selection process of the Inclusionary Housing Program has been perceived by the public as being unfair and biased.	BOS	Y	Agree	
RECOMMENDATIONS						
1		BOS revise the Inclusionary Housing Ordinance, Program and procedures to better reflect the needs of County residents.	BOS	Y	WBI: evaluation and hearings have been conducted, recommendations made. Actions to implement (=amend Inclusionary Housing Ordinance) should be completed by June 2002	Follow-up letter sent. Recommendations adopted; implementing actions delayed due to need to coordinate revisions with the General Plan and Housing Element. Should be completed by Nov. 15, 2002. <i>Check status again in early 2003.</i>
2		BOS annually review the Inclusionary Housing Program for updating and compliance.	BOS	Y	WBI: in the 2002 Annual Housing Report. Draft was prepared Jan 30, 2002. No indication regarding timing of final version.	Follow-up letter sent. An annual review of the Inclusionary Housing program will be included in the Annual Housing Report, submitted to BOS in Jan. each year.
3		Redevelopment and Housing Division continue to maintain the records and administer the Program.	BOS	Y	HBI	OK

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Report Topic	#	Finding / Recommendation by the 2001 Grand Jury	Respondent	On time?	Response	Comment / Follow-up by the 2002 Grand Jury
Inclusionary Housing in Monterey County (cont'd)						
	4	Applicants be chosen by a lottery conducted by the Redevelopment and Housing Division.	BOS	Y	WBI: Selection system will be implemented as part of the new procedures manual to be completed by June 2002	Follow-up letter sent. Inclusionary Housing Program Procedure Manual will include the lottery process, but required implementing actions won't be completed until Jan 1, 2003. <i>Check status again in early 2003.</i>
Cities, Special Districts, JPAs						
Greenfield Professional Services Selection Process						
FINDINGS						
	1	The process used to replace the City Attorney and the City Engineer is contrary to the standards used by similar cities in Monterey County and leaves the Council open to the perception of impropriety	GCC	N	Disagree: City has a bid process in place, but under California law, Council is free to hire professional without using RFQ, citing case law to prove the point.	
	2	The process used to select a consultant to update the General Plan gives the appearance that the decision was not carefully considered. The Greenfield City Council rejected the staff recommendation. The Council also did not seek input from the Greenfield Planning Commission on the selection of the consultant for the GPU.	GCC	N	Disagree: RFQ was publicly circulated, council members, planning commissioners, city staff and the public had opportunity to interview; City Council is not bound to uphold staff's recommendation on any issue, but may make and act upon its own recommendation which it did in this case.	
RECOMMENDATIONS						
	1	Greenfield City Council (GCC) establish, adhere to a process for selection of contract professionals	GCC	N	WNI: Greenfield already has a process which is in compliance with Calif. state law	Each of these three responses is essentially, "will not implement because it already has been implemented."
	2	When RFQ circulated, state all requirements and selection criteria clearly. Inform all candidates of subsequent changes	GCC	N	WNI: Greenfield strives to ensure all selection criteria are included in the RFQ; changes are immediately communicated to respondents	See above
	3	Greenfield City Council seek input from Greenfield Planning Commission when considering updates to its General Plan and hiring a consultant	GCC	N	WNI: Planning Commission was involved, invited to participate in the interviews and selection; it is actively involved with the General Plan update	See above

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Report Topic	#	Finding / Recommendation by the 2001 Grand Jury	Respon- dent	On time?	Response	Comment / Follow-up by the 2002 Grand Jury
Greenfield Police Department						
FINDINGS						
	1	Greenfield PD lacked consistent leadership for 3 years, worked without full complement, without computers in an inadequate facility. Imperative that City Council provide continuing support	GCC	N	Agree	
	2	Frequent turnover of police chiefs in short time period led to continuing problems in the Dept.	GCC	N	Agree	
	3	Without full staff, Dept. was forced to be reactive, leading to potential drop in service to residents.	GCC	N	Agree	
	4	Currently there are no formal briefings before shifts.	GCC	N	Agree	
	5	Three of the 16 officers speak Spanish, while a large segment of Greenfield's population is Spanish.	GCC	N	Agree	
	6	The current police facility is inadequate for the needs of the Greenfield Police Department	GCC	N	Agree	
RECOMMENDATIONS						
	1	Greenfield PD cultivate an environment of trust with the residents by promoting programs such as ride-along	GCC	N	WBI: no specifics	Follow up letter sent; Ride-along program ongoing since 1996; new program: Citizens on Patrol [®] begun during 2002.
	2	Greenfield PD maintain a visible presence when children are walking to and from school	GCC	N	HBI: no specifics given	Follow up letter sent; Beginning in 2001, officers perform foot and vehicle patrols during school pedestrian traffic times
	3	GPD schedule formal briefings before each shift	GCC	N	WNI with reasons given	OK
	4	Greenfield City Council budget funds to provide police officers with classes in conversational Spanish	GCC	N	HBI, with specifics	OK
	5	Greenfield City Council budget funds to upgrade or replace the current police facility	GCC	N	HBI: no specifics given	Follow up letter sent; City has \$800,000 budgeted for a new police facility and hopes to have the remaining 4300,000 needed within 18 months.

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Report Topic	#	Finding / Recommendation by the 2001 Grand Jury	Respon- dent	On time?	Response	Comment / Follow-up by the 2002 Grand Jury
Education						
San Lucas Union School District						
FINDINGS						
	1	Community involvement in the governance of the San Lucas Union School District has been limited. San Lucas Union School District Board (SLUSD)	SLUSD	Y	Agree	
	2	Utilization of available school board training has also been limited. SLUSD	SLUSD	Y	Agree	
RECOMMENDATIONS						
	1	Develop and implement an outreach program to educate parents and community members about their roles in the governance of the District.	SLUSD	Y	WBI: Lists 4 activities that are being embarked upon, with implementation dates.	Follow-up letter sent. Various classes for parents will be offered during the '02/'03 school year.
	2	Offer student incentives and recognition for community involvement.	SLUSD	Y	WBI: "A detailed program will be developed and initiated during 2002/'3 school year"	Follow-up letter sent. They've met with Sheriff Dept campus liaison; student council to generate ideas; staff to discuss formal awards, extra credit, release time for community projects beginning Aug 19, '02.
	3	Establish a volunteer coordinator role to be assumed and developed by a School Board member.	SLUSD	Y	WBI: Don't agree that it will be a Board Member, but say it will be implemented in September 2002.	Follow-up letter sent. A classroom assistant has this position. She devotes each afternoon to this role.
	4	Offer appropriate recognition for community involvement on boards, councils and committees.	SLUSD	Y	WBI: List ideas, no dates	Follow-up letter sent. Will be done at monthly student body assemblies and Board meetings throughout the '02/'03 school year.
	5	Provide Spanish/English interpreters for all School Board meetings and translate Board agendas and meeting minutes into Spanish.	SLUSD	Y	HBI: Interpretation begun as of Feb '02; translation of minutes to be begun as of spring '02	Follow-up letter sent. Completed.
	6	Provide a budget for School Board training, to cover 6 topics listed...	SLUSD	Y	"A budget .. has been established." No details	Follow-up letter sent. \$2500 has been allocated for board training in the '02/'03 budget.
	7	Work with Monterey County Office of Education and/or Monterey County Leadership Institute to develop School Board Training.	SLUSD	Y	HBI: List activities being undertaken, program will begin Spring 2002.	Follow-up letter sent. Board generated a list of goals for the '02/'03 school year; monthly updates and assessment will be included in board meetings.
			M. Co. Superintendent of Schools	Y	HBI: "the Co. Sup't of Schools and members of the Bd of Educ. have provided the SLUSD's Board with training, guidance in boardsmanship, and their insights and experience in board operations and relations."	OK

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			BOS	Y	WBI: Leadership Institute has offerings...	OK
	8	Attend as many California School Board Association workshops as determined necessary.	SLUSD	Y	HBI: First step = attendance at CSBA's "Master's in Governance" conference in April or May 2002	Follow-up letter sent. Board members have committed to attend as many conferences and workshops as their calendars will allow. Budget presentations have been made more understandable, resulting in greater participation in budget planning by the board.

San Lucas Union School District (cont'd)

School Board Training

FINDINGS							
119	1	Not all school boards in Monterey County budget for or take advantage of available school board training					
		Alisal Union	Y	No opinion - Alisal SD does budget for training			
		Bradley Union	Y	Agree			
		Carmel Unified	Y	Agree			
		Chualar Union	Y	Agree			
		Gonzales Unified	Y	Agree			
		Graves	Y	Agree: don't know if all do or not; Graves does			
		Greenfield Union	Y	Agree			
		King City Joint Union	Y	Agree			
		King City Union	Y	Agree			
		Lagunita	Y	Disagree: Lagunita uses Monterey Office of Educ training and attends CSBA workshops			
		Mission Union	N	Agree			
		Monterey Peninsula Unified	Y	Agree			
		North Monterey County Unified	Y	Agree			
		Pacific Grove Unified	Y	Did not respond to Findings			
		Pacific Unified	Y	Agree			
		Salinas City Elementary	Y	NCR: "We encourage board members to attend training"			
		Salinas Union High School	Y	Agree			
		San Antonio Union	Y	Disagree: San Antonio Union SD does budget for and/or take advantage of available school board training			

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School Board Training (cont'd)

			San Ardo Union	Y	Disagree: The district does take advantage of available training	
			San Lucas Union	N	Did not respond, but similar Findings were made in the separate San Lucas Union S. D. report.	
			Santa Rita Union	Y	Disagree: The board gets the training it needs	
			Soledad Unified	Y	Disagree: Money is in the budget; some cannot attend	
			Spreckels Union	Y	Disagree: Money is in the budget; some cannot attend	
			Washington Union	Y	Disagree: Funding is available and board members determine their own need for training	
2		School boards have ultimate responsibility for school district resources and personnel, including the superintendent.				
			Alisal Union	Y	Agree	
			Bradley Union	Y	Agree	
			Carmel Unified	Y	Agree	
			Chualar Union	Y	Agree	
			Gonzales Unified	Y	Agree	
			Graves	Y	Agree	
			Greenfield Union	Y	Agree	
			King City Joint Union	Y	Agree	
			King City Union	Y	Agree	
			Lagunita	Y	Agree	
			Mission Union	N	Agree	
			Monterey Peninsula Unified	Y	Agree	
			North Monterey County Unified	Y	Agree	
			Pacific Grove Unified	Y	Did not respond to Findings	
			Pacific Unified	Y	Agree	
			Salinas City Elementary	Y	Agree	
			Salinas Union High School	Y	Agree	
			San Antonio Union	Y	Agree	

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School Board Training (cont'd)						
			San Ardo Union	Y	Agree	
			San Lucas Union	N	Did not respond, but similar Findings were made in the separate San Lucas Union S. D. report.	
			Santa Rita Union	Y	Agree	
			Soledad Unified	Y	Agree	
			Spreckels Union	Y	Agree	
			Washington Union	Y	Agree	
RECOMMENDATIONS						
121	1	Provide a budget for school board training.	Alisal Union	Y	HBI	OK
			Bradley Union	Y	HBI	OK
			Carmel Unified	Y	HBI, with good detail	OK
			Chualar Union	Y	HBI - good detail	OK, but same answer verbalim as Greenfield
			Gonzales Unified	Y	WBI	Follow-up letter sent. Budget was not mentioned specifically, but money is being spent on various board educational programs
			Graves	Y	HBI	OK
			Greenfield Union	Y	HBI	same answer verbalim as Chualar Union
			King City Joint Union	Y	WBI: Will create a separate training account	Almost same response as King City Union
			King City Union	Y	WBI	Almost same response as KCJU
			Lagunita	Y	HBI: existing budget includes such funds	OK
			Mission Union	N	HBI - no detail	Follow-up letter sent. \$500 is budgeted
			Monterey Peninsula Unified	Y	WBI - for next school year (\$1750 last year)	OK
			North Monterey County Unified	Y	HBI	OK
			Pacific Grove Unified	Y	Didn't follow format, but answer equivalent to HBI - gave details on budget	OK
			Pacific Unified	Y	WBI: In the '02/03 budget	OK
			Salinas City Elementary	Y	Budget is provided for conference and travel for board training.	OK
			Salinas Union High School	Y	HBI - figures given for recent expenses; \$15,000/year budgeted	OK
			San Antonio Union	Y	WNI: The district is too small, inadequate funds	OK
			San Ardo Union	Y	NCR: Will continue to do so	OK
			San Lucas Union	N	See Recomm. # 6 in the San Lucas SD Report	OK

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School Board Training (cont'd)					
2	Provide access to training, at a minimum in the following (6) areas...	Santa Rita Union Soledad Unified Spreckels Union Washington Union	Y Y Y Y	WNI HBI: current budget is \$5,000 HBI: Current budget is \$750 HBI: We have a budget for this.	Answer almost verbatim of San Antonio Union OK This IS a very small district! OK
		Alisal Union Bradley Union Carmel Unified Chualar Union Gonzales Unified	Y Y Y Y Y	HBI: participate in CSBA training HBI: working with the MCOE - ongoing HBI, with good detail HBI, excellent detail WBI - no detail at all	OK OK OK OK, but same answer verbatim as Greenfield Follow-up letter sent. They are taking CSBA courses - Dec of '02 and many will take the Masters in Governance series through the MCOE.
		Graves Greenfield Union King City Joint Union King City Union	Y Y Y Y	HBI, except for 1 area, to be discussed at next HBI WBI: good specifics in response WBI	Same answer verbatim as Chualar Union Almost same response as King City Union Almost same response as KCJU
		Lagunita Mission Union	Y N	HBI: board members "will continue to receive notification of CSBA workshops" HBI, no detail	Q. whether receiving notification is the same as "providing access" Follow up letter sent: Details provided as to how many Trustees had received training in each of the areas listed
		Monterey Peninsula Unified North Monterey County Unified	Y Y	HBI - ongoing - good detail HBI: no details given	OK Follow-up letter sent: details provided regarding recent training
		Pacific Grove Unified Pacific Unified	Y Y	Didn't follow format, but answer equivalent to HBI: with details on training received HBI and WBI - with reference to the questionnaire	OK OK
		Sallinas City Elementary	Y	HBI - "encouraged to attend CSBA" a annual conference; "given the opportunity to attend other workshops they deem valuable as a board member."	OK
		Sallinas Union High School San Antonio Union San Ardo Union	Y Y Y	HBI - with list of recent trainings attended HBI - they learn as they go along... HBI: an ongoing activity...	OK OK OK

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School Board Training (cont'd)						
			San Lucas Union	N	No response	Follow-up letter sent. Board members have committed to attend as many conferences and workshops as their calendars will allow. Presentations have been made regarding the budget and the Brown Act.
			Santa Rita Union	Y	HBI: on the job training (average board tenure is 10 yrs)	Answer almost verbatim of San Antonio Union
			Soledad Unified	Y	HBI: as members of CSBA they all get notices regarding training...	Q. whether getting notices is the same as "providing access"
			Spreckels Union	Y	HBI	same answer as Soledad Unified
			Washington Union	Y	HBI: Board participates in training offered by the CSBA, MCOE, and the district, also get printed materials from Superintendent on all the listed areas.	OK
	3	Work with Monterey County Office of Education to develop school board training.	Alisal Union	Y	RFA - up to the MCOE but will ask Supt to discuss at next Supt Council meeting	OK
			Bradley Union	Y	HBI	OK
			Carmel Unified	Y	HBI	OK
			Chualar Union	Y	HBI - good response	OK, but same answer verbatim as Greenfield
			Gonzales Unified	Y	WBI: no detail	Follow-up letter sent. B-H320board members will take the Masters in Governance series through the MCOE
			Graves	Y	HBI - attend MCOE training sessions	OK
			Greenfield Union	Y	HBI	same answer verbatim as Chualar Union
			King City Joint Union	Y	WBI: adequate response	Almost same response as King City Union
			King City Union	Y	WBI+G210	Almost same response as KCJU
			Lagunita	Y	WBI: "Will develop training w/ MCOE for the 02-03 school year"	
			Mission Union	N	HBI- no detail	Follow-up letter sent: "Trustees attend most of not all local trainings held in the evenings."
			Monterey Peninsula Unified	Y	HBI: working w/ Bill Barr	OK
			North Monterey County Unified	Y	WBI	OK
			Pacific Grove Unified	Y	Didn't follow format, but answer equivalent to HBI and WBI	OK

RESPONSES TO 2001 MONTEREY CIVIL GRAND JURY FINAL REPORT

Legend
HBI: Has been implemented: requires summary of action taken
WBI: Will be implemented: timeframe for implementation must be given
RFA: Requires further analysis: requires explanation, scope of analysis; max. timeframe 6 months
WNI: Will not implement: requires explanation
NCR: Nonconforming response: a free-form response was given

Report Topic #	Finding / Recommendation by the 2001 Grand Jury	Respondent	On time?	Response	Comment / Follow-up by the 2002 Grand Jury
School Board Training (cont'd)					
		Pacific Unified	Y	WBI - will attend whatever is available	OK
		Salinas City Elementary	Y	HBI: "will be a willing partner in trainings"	OK
		Salinas Union High School	Y	WBI -	OK
		San Antonio Union	Y	HBI - New board members attended MCOE training in December 2002; Barr is coming to do Brown Act training	2002 probably a typo - presume they meant Dec 2001
		San Ardo Union	Y	HBI and WBI in the future	OK
		San Lucas Union	N	See Recomm. # 7 in San Lucas SD Report	OK
		Santa Rita Union	Y	HBI - eg new board members attended the County's new board member training last December	OK
		Soledad Unified	Y	WBI: but up to the MCOE to coordinate...	"not our problem"
		Spreckels Union	Y	WBI	Same answer as Soledad Unified
		Washington Union	Y	HBI: MCOE provides training for new Board members and annual training for all board members	They just said they're aware that the training exists..
4	Attend as many California School Board Association workshops as determined necessary.				
		Alisal Union	Y	HBI	OK
		Bradley Union	Y	HBI: as much as they can afford..	OK
		Carmel Unified	Y	HBI	OK
		Chualar Union	Y	HBI, with detail	OK, but same answer verbatim as Greenfield
		Gonzales Unified	Y	WBI: no detail	Follow-up letter sent. Details indicate they are attending several CSBA programs
		Graves	Y	HBI	OK
		Greenfield Union	Y	HBI - same answer as Chualar	same answer verbatim as Chualar Union
		King City Joint Union	Y	WBI: adequate response	Almost same response as King City Union
		King City Union	Y	WBI	Almost same response as KCJU
		Lagunita	Y	RFA: Will determine by end of 01/02 school year how many workshops should be attended during a member's term of office	OK
		Mission Union	N	WBI: no detail	Follow-up letter sent: "Cost is prohibitive." One of their members is a member of the CSBA Small School District Committee - he presents information at the board meetings.
		Monterey Peninsula Unified	Y	WBI: in 02-03 school year	OK

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Report Topic	#	Finding / Recommendation by the 2001 Grand Jury	Respon- dent	On time?	Response	Comment / Follow-up by the 2002 Grand Jury
School Board Training (cont'd)						
		North Monterey County Unified		Y	HBI: "see above" - not particularly responsive	Follow-up letter sent: details provided regarding recent training
		Pacific Grove Unified		Y	Didn't follow format, but response was equivalent to "HBI"	OK
		Pacific Unified		Y	HBI/WBI	OK
		Salinas City Elementary		Y	HBI: "have attended annual CSBA Conferences, Presidents' workshops and legislative action day and any training(s) they believe is important to their position"	OK
		Salinas Union High School		Y	HBI - list of recent trainings attended	OK
		San Antonio Union		Y	WNI: Will attend more than just CSBA, especially if less expensive	OK
		San Ardo Union		Y	HBI and WBI, plus other training opportunities also	OK
		San Lucas Union		N	See Recomm. # 8 in San Lucas SD Report	OK
		Santa Rita Union		Y	WNI	OK
		Soledad Unified		Y	WBI "as each trustee deems necessary...no law mandating attendance at CSBA workshops.. money is in the budget, all trustees have access."	Answer almost verbatim of San Antonio Union. Actually a non-compliant answer, as no time frames given, but indication is they will not change their current policy regarding board training.
		Spreckels Union		Y	WBI	Same answer as Soledad Unified
		Washington Union		Y	HBI - "the board participates in training..."	OK