

LOS ANGELES COUNTY GRAND JURY 1977-78

*Disability
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FINAL REPORT



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Cover Photo:

The Los Angeles County Criminal Courts Building. Located on the corner of Temple and Springs Streets, in downtown Los Angeles, this building is the home of the Los Angeles County Grand Jury.

Back Cover Photo: Courthouse Hill

Called Telegraph Hill, Poundcake Hill, and probably several other names, this round little knoll at the foot of Bunker Hill-Fort Moore Hill ridges was flattened in order to erect Los Angeles High School, ca. 1872-73. It was moved to Fort Moore Hill about 1885-86, in order to make way for the new red sandstone courthouse. The courthouse itself was built 1888-1889, after the hill was nearly leveled to prepare the site. In 1935, after some damage by the 1933 earthquake, the courthouse was torn down and for years, some temporary buildings occupied the site.

Photos Below: Rendall Panorama

The panorama seen below depicts the main portion of Los Angeles in 1869. The photo was taken from the site where the Criminal Courts Building now stands. The steep-roofed structure in the left foreground is the First Episcopal Church in Los Angeles. Behind it and to the right is the Temple Block. The structure with the clock tower farther to the right is the Old Market Building, built by John Temple in 1858. Photos courtesy California Historical Society/Title Insurance and Trust Co., Los Angeles. Historical information provided by Bill Mason.





LOS ANGELES COUNTY GRAND JURY
FINAL REPORT 1977-78



This report is dedicated to the memory of Judge E. Talbot Callister, who acted as the judicial advisor of this Grand Jury in the early months of their term.

FOREMAN'S STATEMENT

The 1977-78 Los Angeles County Grand Jury presents to the Board of Supervisors and to the citizens of this County its Final Report. This report is the result of a year's intensive research which involved hundreds of interviews, visits to a variety of county and noncounty facilities, and hours of reading and discussions. While the recommendations are the result of committees, the Grand Jury as a whole considered and approved all that appears in this text.

Each Committee approached its task in a similar manner but the nature of the areas being studied led the committees to use different investigative tools and to form different types of recommendations. While some proposals are very specific, others are philosophical in nature.

The Grand Jury was assisted in both its civil and criminal functions by the guidance of Judge William Hogoboom, Presiding Judge of the Superior Court for Los Angeles County, by the counsel of Judge Paul Breckenridge, Presiding Judge of the Criminal Division, by the advice of Deputy District Attorney Francis Hourigan, by the three-month research of Tyrena Holley, USC graduate student, and by the day-to-day labors of the Grand Jury staff.

The Grand Jury determined to release interim reports as they were completed

rather than wait to make them public at the end of our term. The Grand Jury was more than satisfied by the responses that these reports received from the news media, county officials, and the Board of Supervisors. The news media was quick to respond and gave us an opportunity to communicate with the public directly. County departments were cooperative and willing to accept suggestions. While the Board of Supervisors did not always agree with our conclusions and recommendations, they did take immediate steps to implement those proposals with which they concurred.

There is a certain limited parallel that can be drawn between our efforts to produce this report and those of William Mulholland, the self-taught engineer who masterminded the Owens Valley Aqueduct, for which he was both commended and condemned. Like Mulholland, this Grand Jury is self-educated; there is no degree in Grand Jurymanship. We, too, learned on the job. Like Mulholland, we know that we will face both praise and criticism, but we are undaunted.

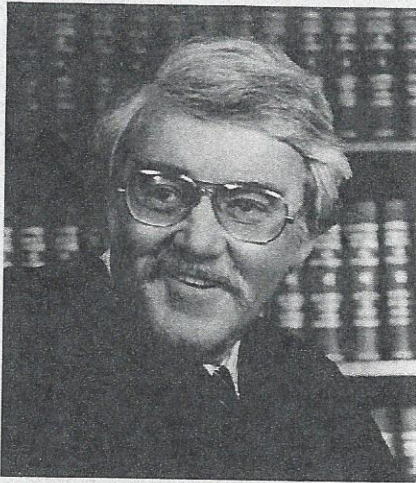
The Grand Jury believes that our effort must speak for itself. What happens to this Final Report will be the decision of the Board of Supervisors and the citizens of Los Angeles County. We say, as Mulholland said at the opening of the Cascades, "There it is—take it."

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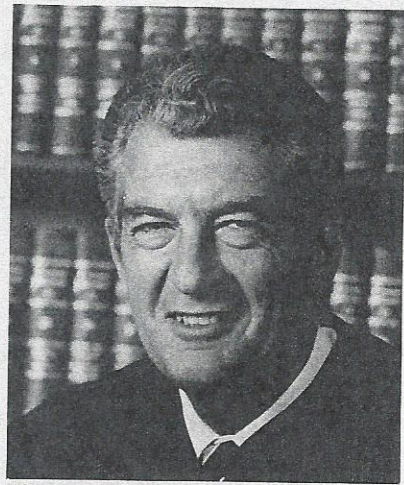
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Judge William P. Hogoboom
Presiding Judge of the Superior Court



Judge Paul C. Breckenridge, Jr.
Supervising Judge of the Criminal
Division



Judge E. Talbot Callister
Supervising Judge of the Criminal
Division (Deceased)



GRAND JURY STAFF

Standing: Jesse Gomez, Investi-
gator; Anita Williams, Bailiff;
Jack Hourigan, Legal Advisor
Seated: Marie Flahive; Joyce
Shannon, Staff Secretary; Penel-
ope Roberts, Legal Secretary.



LOS ANGELES COUNTY GRAND JURY

Seated: Waldo Taylor, Jr.; Lynne A. Spencer, Secretary; Dorothy V. Courtney, Foreman; Josephine Kelford, Sergeant-at-Arms; Rosalie Zalis, Foreman Pro Tem; Alvin G. Arnold

Middle Row: Anne F. Leeper, Jeanne W. Coulston, Nancy Warner Wheat, Marva A. Keyes, Pauline Buck, Dianne B. Herscher, Susan H. Wofford, Shirley R. Lertzman, Diane Casella Hines

Back Row: Harold G. Moodie, Jr., Fern McAda Genovese, Michael A. Boran, Daphne Lewis, Margaret I. Herniman, Walter V. May, Golden R. Larson, Lillyan M. Townsend.

1977-78

LOS ANGELES COUNTY GRAND JURY

Member	Residence	Nominating Judge
Alvin G. Arnold	Carson	Max F. Deutz
Michael A. Boran	Los Angeles	Sidney W. Kaufman
Pauline Buck	Los Angeles	Robert Weil
Jeanne W. Coulston	Manhattan Beach	George M. Dell
Dorothy V. Courtney	Hermosa Beach	Frank Baffa
Fern McAda Genovese	North Hollywood	William H. Rosenthal
Margaret I. Herniman	Inglewood	Richard L. Wells
Dianne B. Herscher	Studio City	Jack E. Goertzen
*Diane Casella Hines	Los Angeles	Howard J. Thelin
Josephine Kelford	Rolling Hills Estates	Arthur K. Marshall
Marva A. Keyes	Pasadena	William A. Ross
Golden R. Larson	North Hollywood	Richard A. Gadbois, Jr.
Anne F. Leeper	Palos Verdes	Vernon G. Foster
*Shirley R. Lertzman	Encino	S. S. Schwartz
Daphne Lewis	Beverly Hills	Joan Dempsey Klein
Walter V. May	San Dimas	Paul W. Egly
Harold G. Moodie, Jr.	Glendale	Howard J. Thelin
*Lynn A. Spencer	Los Angeles	Robert B. Lopez
Waldo Taylor, Jr.	Los Angeles	Peter E. Giannini
Lilyan M. Townsend	Los Angeles	John L. Donnellan
Nancy Warner Wheat	San Marino	Richard L. Wells
Susan H. Wofford	San Marino	Christian E. Markey
Rosalie Zalis	Van Nuys	Harry V. Peetris

*Volunteer

1977-78 LOS ANGELES COUNTY GRAND JURY

OFFICERS

Dorothy V. Courtney, Foreman
Rosalie Zalis, Foreman Pro Tem

Lynne A. Spencer, Secretary
Josephine Kelford, Sergeant-at-Arms

Diane Casella Hines, Editor: Final Report

COMMITTEES

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Pauline Buck
Jeanne W. Coulston
Fern McAada Genovese
Anne F. Leeper
Shirley R. Lertzman
Nancy Warner Wheat
Rosalie Zalis

AUDIT

Michael Boran, Chairman
Fern McAada Genovese
Golden R. Larson
Anne F. Leeper
Walter V. May

CRIMINAL COMPLAINTS

Pauline Buck, Chairman
Margaret I. Herniman
Diane C. Hines
Shirley R. Lertzman
Harold G. Moodie
Rosalie Zalis

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Nancy Warner Wheat

AD HOC COMMITTEE ON GRAND JURY REFORM

Harold G. Moodie, Chairman
Dianne B. Herscher
Anne F. Leeper
Shirley R. Lertzman
Nancy Warner Wheat

MINORITY REPORT ON INDEPENDENT LEGAL COUNSEL FOR THE GRAND JURY

Dianne B. Herscher, Chairman

ACCOUNTABILITY IN COUNTY GOVERNMENT

A REPORT OF THE GRAND JURY AS A COMMITTEE-OF-THE-WHOLE

The Los Angeles County Grand Jury recommends that the Board of Supervisors place on the November, 1978 ballot a proposition to amend the County Charter to provide for the election of a County Chief Executive who will serve no more than two four-year terms. This Chief Executive would appoint a professionally trained administrator. The powers and duties of both officers should be clearly defined in the Charter. The Elected Executive would replace the current county administrative position which has no charter definition or protections.

The Grand Jury proposed this recommendation as a result of reviews of county departments and interviews with numerous county employees, various city officials, and civic leaders. Studied were many subjects including deliverance of services, fiscal responsibilities, professional management, personnel problems, citizen complaints and inter-governmental relationships. The study focused not only on the performance of the departments and the county government but also on the dependence of department upon department, city upon county, and county upon state and Federal government. As the Grand Jury analyzed the problems of the county and the complexities of inter-governmental relations, they discovered one re-occurring weakness—the lack of accountability at all levels of county government.

The Grand Jury believes that this lack of accountability has led to citizen unrest. Witness the initiatives of the last decade. These initiatives underscore the public's demand for a more responsive government that provides better management and is fiscally responsible. The people are frustrated.

It is also apparent from county secession movements that the cities within the county are stymied by their inability to communicate with speed, efficiency and effectiveness with the county "beast".

Within the county system the Grand Jury has discovered problems both in individual departments and in the county system as a whole that demonstrate an overwhelming need for strong leadership. The county's mechanical department has for years been functioning with poor accounting techniques and without proper inventory control. Yet no action was taken to rectify these deficiencies until the Audit Committee of the present Grand Jury brought the matter to the public's attention. These same inadequacies are apparent in other departments. Thus, the weakness is not isolated and has county-wide ramifications.

The situation is further compounded by the current low morale of many county department heads and high echelon executives. While the department heads are offered little, if any, constructive leadership, they are often publicly criticized as individuals, or as a group, as though they were the natural enemy.

Every week, many department heads waste hours attending Board meetings and securing support from individual supervisors and their staffs for their departments' programs and policies. This is a consummate waste of time and energy. Instead, these department heads should be allowed to manage their departments more efficiently, thereby saving more tax dollars, rather than squandering their time on political maneuvers. The resignation of Morrison Chamberlain as the director of Health Services has dramatically brought this situation to the public's attention.

Finally, the Supervisors who must be both executives and legislators cannot optimally perform all of their functions. Each Supervisor must manage his own staff, pre-

pare for Board meetings, supervise assigned departments, be available for constituents, and serve on various regional commissions.

The Grand Jury is firmly convinced that the solution to these problems is to restructure county government. The creation of a County Chief Executive could be accomplished with a minimum of disabling confusion during transition. The Grand Jury realizes that its recommendation is not new or novel. The "County Executive" form of government already exists in 20% of the counties in the United States and has previously been presented to the electorate of this county. But, the Grand Jury believes that now is the time for the public to reconsider this recommendation.

The Charter Amendment offers the citizenry an opportunity to elect an executive who is accountable, not just to a district but to the entire county. The cities would benefit; one Executive would have consistent concern for their problems and would devise a plan for better communication. The department heads would benefit; one Executive would provide realistic single leadership to ensure that time is well utilized and that energies are not expended in five different directions. The Board of Supervisors would benefit; one Executive would free the Supervisors to establish policy and to provide long-range plans, more consistent with modern governmental concepts. The county would benefit; one Executive would provide more visibility to the people and to the state, Federal and regional governments.

The people demand political leaders who are willing to assert themselves, who are able to recognize situations before they mushroom into unsolvable problems, who are capable of long-term planning that will benefit the whole community rather than individual segments, and finally, who are willing to save the tax dollar by offering reasonable solutions to local needs.

The Grand Jury believes this county could reach these goals by re-organizing the executive-legislative structure. By separating these two functions, the Board could formulate policies more thoughtfully and the Executive could administer these policies more effectively than is now possible. Further, the system would provide essential checks and balances not available in the present county structure and insure the accountability that the system now lacks.

The Grand Jury strongly urges the Board to carefully evaluate this recommendation and to provide the citizens of this county the opportunity to vote for the proposed County Elected Executive Amendment.

AUDIT COMMITTEE

PURPOSE

Under the provisions of the California Penal Code, the Audit Committee is granted the authority to examine the fiscal records and management needs of all Los Angeles County officers and departments, joint powers agencies and special districts; the fiscal records and accounts of any incorporated city.

The Welfare and Institutions Code also requires an annual review of the Child Support and Collection Program by the Contract Auditor of the Grand Jury.

METHODS OF INVESTIGATION

In order for the Committee to carry out its responsibilities under the Penal Code, it relied upon the expertise and assistance of the following:

Members of the Audit Committee
John Fassio, Contract Auditor, Arthur Young & Co.
Francis J. Hourigan, Deputy District Attorney
Jesse Gomez, Grand Jury Investigator
Concerned Citizens

AREAS OF REVIEW

After careful survey of the areas which it is authorized by law to review, the Committee selected:

SPECIAL REPORT
PURCHASING AND STORES SYSTEM
AUDITOR-CONTROLLER: AUDIT DIVISION
CHIEF ADMINISTRATIVE OFFICE: MANAGEMENT AUDIT DIVISION
DEPARTMENT OF HEALTH SERVICES: ORGANIZATION AND MANAGEMENT
DEPARTMENT OF HEALTH SERVICES: FINANCIAL PRACTICES AND POLICIES
DISABILITY RETIREMENT SYSTEM
REGISTRAR-RECORDER
FLOOD CONTROL DISTRICT
DEPARTMENT OF COMMUNICATIONS
CHILD SUPPORT COLLECTION PROGRAM
REVIEW OF 1976-77 AUDIT COMMITTEE RECOMMENDATIONS
PROPOSED LEGISLATIVE AMENDMENTS

SPECIAL REPORT

What type of service is being delivered to the 7,000,000 citizens by the approximately 78,000 County employees? How is the multi-billion dollar budget being spent? Are the various County departments efficiently and economically delivering services to the people of Los Angeles County? Rumors about major, multiple problems in the operation of the County Mechanical Department, apparently neglected over the past ten years, came to the attention of the Grand Jury on July 5, 1977. The Audit Committee of the newly-impaneled Los Angeles County Grand Jury set out to study the validity of these allegations.

The Mechanical Department has the responsibility of maintaining and repairing County-owned and leased buildings, building equipment, automotive fleets, office machines and furniture. It also provides security guard services for the County facilities and operates public off-street parking lots for the County.

The delays mirrored in the following chronology concerning this one County department are reflections of the bureaucratic entanglements that hinder County government.

- July 18, 1977 Audit Report requested by the Board of Supervisors on the Mechanical Department "Inventory Control System" completed.
- July 25, 1977 More detailed Audit Report requested by the CAO's office on the Mechanical Department completed.
- October 5, 1977 The independent Contract Auditor for the Grand Jury determines that the Auditor-Controller's workpapers which were the basis for his reports did not comply with generally accepted accounting practices.
- The Audit Committee learns that the CAO had conducted an audit for two years of the Mechanical Department. The results were still not public.
- The Grand Jury requests the CAO report. First request denied. Second request denied. The Grand Jury considers use of subpoena to obtain report. CAO acquiesces.
- November 10, 1977 CAO Harry Hufford indicates to the Audit Committee that he has not read his own department's report on the Mechanical Department and states that "*the Department [Mechanical] should deliver the best service irrespective of cost.*"
- November 21, 1977 Audit Committee chairman meets with *Supervisor Hahn*, Board Chairman of the Mechanical Department for *twenty-five years*. Hahn states he has never seen the CAO audit.
- November 22, 1977 As a special item on the agenda at the regular meeting of the Board, Supervisor Hahn directs the CAO to finish its study on the Mechanical Department and report back immediately.
- November 29, 1977 Supervisor Hahn moves that the County have a "new step-up of security and notices sent to all County employees to treat property like it was their own . . ."
- December 5, 1977 The Grand Jury issues a press release to alert the citizens of the County to the scope of the problem in the Mechanical Department and to create pressure to force the immediate release of the CAO's study.
- December 15, 1977 Grand Jury conducts an investigative hearing concerning the ordering, receiving, and billing of materials. Vendors who contract with the County are questioned to determine the extent of the deviation from County purchasing policy.
- December 20, 1977 At Board of Supervisors meeting, Matthew Jacobs, Head of the Mechanical Department, states that although his department's records failed to establish theft of roofing paper, "there had been some *juggling* by our people to get the job done." He admits that materials had been substituted without changing invoices to reflect the substitutions.
- December 30, 1977 Chief Deputy District Attorney Stephen Trott issues an office memorandum, as instructed by the Board, outlining the need for increased security to curtail thefts. He states: "To call this a scandal is an exercise in pure understatement."
- February 14, 1978 Grand Jury informs H. E. Davis, Purchasing Agent, that substitution of goods by a specified Vendor raises serious questions as to whether or not the County, in fact, received the ordered merchandise.
- February 28, 1978 Vendor's contract cancelled.

County-wide problems apparent from this investigation are:

1. County employees fear of reporting the misappropriation of County property to their own department heads and to such bodies as the Grand Jury.
2. Inability to prosecute County employees because of poor inventory controls and because of department heads' desire to protect their own employees.
3. Political pressure on department directors.
4. Cronyism, nepotism, and in-bred sloppiness.
5. Major weaknesses of accounting practices in the County affecting the *validity* of any audit.
6. Security laxity throughout the County as a result of not having proper law enforcement personnel safeguarding County property.
7. County ineptitude in dealing with sophisticated equipment.
8. Major discrepancies in County procedure not reported when discovered.
9. Board of Supervisors' apathy creating lack of firm control over departments.
10. Board of Supervisors' action *only* as crisis intervention.

The Audit Committee selected certain problems to be analyzed by the Grand Jury's independent contract auditor. Established were the guidelines for conducting audits in the CAO's office (Management Audit Division), the Auditor-Controller's office (Audit Division), and in Purchasing and Stores.

CHIEF ADMINISTRATIVE OFFICE: Management Audit Division
AUDITOR-CONTROLLER: Audit Division

1. Determine the purpose of the agencies, the extent of written policies and procedures related to their audit function, and compliance with the above-mentioned purpose, policies, and procedures.
Determine the purpose for which the agencies were formed.
Read policy and procedure manuals.
Review selected engagements to determine compliance with the above-mentioned purposes, policies, and procedures.
Determine cost control utilized in conducting the selected engagements.
2. Determine the interrelationship of the various agencies.
3. Determine the methods utilized to establish priorities for examinations and the method employed in staffing for such engagements.
4. Review training, hiring, and promotion practices.

PURCHASING AND STORES

Review of the objectives and their attainment for the county-wide Purchasing and Stores Function:

- Research Charter, Ordinances, and Administration Code.
- Determine goals and objectives of each type of procurements method (Formal Purchase Order—P.O., Blanket P.O., Agreement) by discussion with P & S and user personnel.
- Determine the County-wide control over the purchasing function based on a review of procedure manuals, flow charting of system, and limited test of transactions.
- Determine the County-wide goals and objectives in connection with the warehousing function by discussion with P & S Department and user personnel.
- Determine the County-wide control over inventoried items by review of procedure manuals (P & S Department and user departments), flow charting ordering system, and a review of criteria used to determine items to be warehoused at both P & S Department and user department stores.

- Determine the extent to which inventory is held in more than one location and document why.
- Review control exercised over purchasing process and turn around on requisitions from stores.

The result of this portion of the study would be a broad reassessment of the roles of all county departments (as opposed to simply Purchasing and Stores Department) in the procurement and stocking of materials; and of the current procurement mechanisms with the County.

The Grand Jury believes that these audits are necessary because Los Angeles County government exceeds in expenditures, revenues and complexity the operation of many comparable companies in the private sector. The County cannot and should not operate like a country store. It cannot barter. It must list what is purchased and received. It operates twenty-four hours a day, 365 days a year. It cannot close the door to take inventory or to rearrange the merchandise on the shelves. Property taxes, inflation, and misappropriation of County property have increased in the last ten years. The residents of the County have become increasingly concerned about how and where the tax dollars are spent. County programs and operations are big business and absorb an ever-increasing share of local income.

The complexity of County government demands modern accounting systems, accurate inventory controls, in-depth revenue and expenditure analysis and sophisticated management techniques. It is imperative that major accounting and management problems besieging the County be immediately recognized and resolved.

PURCHASING AND STORES SYSTEM

The Purchasing and Stores Department (PSD) is responsible for the purchase of supplies, equipment, and services for all County departments. It manages cooperative purchasing contracts for the benefit of several local municipalities, operates a central store for distribution of supplies used by most County departments and institutions, reissues and sells surplus County property, and provides printing services to County departments.

This review concentrated on the purchasing function, the store-warehouse operation, certain support functions, and the role of procurement personnel in other departments. The Committee's attention focused on the objectives of the Purchasing and Stores function and their attainment, the degree of control exercised in the PSD purchasing and warehousing functions, and the purposes, needs, and advantages of the various methods of purchasing. In addition, a specific review was conducted of the control exercised over blanket purchase orders.

PURCHASING ACTIVITIES

County Procurement Methods

The acquisition of equipment services and supplies by the County is a two-step process: bidding and purchasing. The bidding process is used to ascertain commodity prices; the purchasing process acquires the commodities at the ascertained prices.

The Bidding Process

Equipment, services, and supplies needed by the County departments are normally acquired by the Purchasing Division through competitive bidding. However, there are circumstances in which competitive bidding procedures are not used, as in the case of monopolies (i.e., where it has been determined that there is only one possible supplier) or in the case of "minor" purchases (i.e., where it has been determined that the cost involved in bidding would be more than the saving that could be realized through competitive bidding). As a result of the bidding process, the County either issues a direct

purchase order for the goods at that time or enters into an agreement with the vendor to supply goods in the future at a specific price or at a discount from their standard prices.

Competitive bids are either issued formally or informally. Formal bidding is the preferred method and is also the most time consuming. Briefly the formal bid process entails:

- Preparation of detailed specifications concerning the commodities to be acquired.

- Preparation of a list of potential bidders. (A file of bidder by commodity group is maintained on the Department's computer system.)

- Preparation of the formal bid documents and mailing of them to the potential bidders.

- Reception of the bid responses and preparation of "bid abstractions" summarizing each bid.

- Analysis of the bids and award of the contract.

Informal bidding is less time-consuming, and is used if the commodity to be purchased is not expensive (usually less than \$1,100), if there are few bidders, if the bidders are not too far away, or if there is an urgent need for the commodity. The procedures followed for informal bidding are basically the same as for a formal bid except that normally only three potential bidders are contacted and the contact may be made by informal request for quotation, letter, quote, or telephone instead of using a formal bid request document.

A variation from this informal bid procedure is to purchase the goods from the previous supplier if prices have not changed. This method is referred to as "prior bid" or "last price."

There are few formal rules regarding when a formal bid, informal bid, County Counsel involvement, or other approach is required. This leaves an inordinate amount of judgment to the purchasing staff.

The Grand Jury recommends that the County review the cost-effectiveness of various purchasing mechanisms in terms of cost vs control, and develop specific amount ranges, adjustable by inflation, within which each mechanism should be utilized. In the meantime, require County Counsel approval or sign-off for all purchases in excess of \$50,000, and require the use of formal bid procedures for all purchases in excess of \$5,000 unless the use of informal bid procedures can be justified.

During the review of the bidding process, the Committee noted several instances where less than 20% of the vendors listed on the bid lists had responded to the requests for quotations; in some cases there were as many as fifty unanswered requests. Considering the cost involved in typing/printing, handling and mailing these documents, estimated to be between fifty cents and one dollar each (there are typically thirty bidders solicited per bid) and the fact that there are in excess of 2,000 formal bids issued each year, a considerable amount of time and money is wasted.

The Grand Jury recommends that the file of bidders by commodity group which is maintained on the computer system be expanded to include statistics as to the number of times: requests for quotations were sent; responses were received; and responses were lowest bids. These statistics could then be used as a basis to clear the files of nonrespondants, thus reducing typing/printing, handling and mailing costs, as well as saving computer storage space.

Another step in the process is the "paste up" of bid abstract documents. This process appeared to be cumbersome and wasteful of space. The procedure that is currently being used requires that each request for quotation received be pasted side-by-side, and

page-by-page with every other quotation received. To view the entire bid abstract sometimes requires several feet of table top or file area on which to lay out the folded "requests for quotation", unroll these several feet of paper to determine the awards made in order to type a purchase order or agreement. Compounding the awkward handling, filing, and storage of the "bid abstracts" is the fact that they are retained for fifteen years. Currently, two warehouse buildings and much of the available space in the main office buildings is used for document storage. Implementation of a bid abstract worksheet would eliminate the time spent on document pasting, reduce the storage space requirements, and make the documents easier to handle and file. The cost involved in preparing the bid abstract worksheet should be minimal compared to the pasting time now required.

The Grand Jury recommends that standard bid abstract worksheets be designed on which the pertinent information can be entered for subsequent analysis and that "request for quotations" be bound together for use as a supporting document.

When a bid is to result in an agreement, the Clerical Support unit types the agreement using information from the bid document together with contract information supplied by the buyer. While most of the contract information is fairly standard, it is retyped in original form for each agreement.

The Grand Jury recommends that standard contract clauses be reviewed for propriety by the County Counsel and be maintained on the word processing equipment for automatic typing onto agreements whenever appropriate.

THE PURCHASING PROCESS

Direct Purchase Orders

Direct purchase orders are issued by the buyers for the one-time procurement of equipment, services and supplies for the County departments and the Stores Division. The purchase orders are addressed to specific vendors and stipulate exact commodities, prices and delivery dates. Prior to being mailed to the vendors the orders are sent to the Auditor-Controller, who reviews them for propriety and then, if funds are available in the using department's expenditure budget and approves the purchase orders. Approximately one-third of all purchases are made by direct purchase.

Stores Purchase Orders

Agreements are used by the buyers as a basis to issue stores or blanket purchase orders. Stores purchase orders are prepared by the Procurement Aids from order cards sent from the Stores Division order-entry function. Whenever the goods are needed the purchase orders are sent to the vendor, who, in turn, delivers the goods to the warehouse. Approximately one-eighth of all purchases use this mechanism.

Blanket Purchase Orders

Blanket purchase orders, on the other hand, are basically internal documents used to encumber funds for future user department expenditures. Once an agreement is reached for gasoline, for example, each department planning to procure gasoline must issue a purchase order for its anticipated annual supply. There are currently five different types of blanket purchase orders being used, three of which result from agreements. These three are:

Various Vendor Agreement Blankets

In this method, the purchase order is not addressed to a particular vendor, or limited to a specific item or items, but rather procures goods from an agreement. Vendors are not listed because the number of agreements covering this type of goods (i.e., food) is too numerous. Actual orders are placed by telephone. Departments are not subject to a dollar limit per purchase because the best price has already been achieved by the agreement. To submit the transaction for payment, departments are required to prepare a

sub-order for each purchase. The sub-orders function primarily as a record that the goods were received. Sub-orders and the vendor invoices are matched in the user department and then sent to the buyers for review and approval. Finally, they are sent to the Auditor-Controller for payment.

Multi-vendor Specified Agreement Bankets

This type of purchase order is not addressed to a particular vendor, but the vendor's name and address and agreement number are included in the body of the purchase order. Departments are not subject to a dollar limit per purchase because prices have been determined by agreement. Actual orders are placed by telephone. To submit the purchase for payment, departments are required to prepare a goods received form for each purchase, and send the form and the vendor invoices directly to the Auditor-Controller for payment.

Vendor Specified Agreement Blankets

A purchase order is addressed and sent to a particular vendor. Departments are not subject to a dollar limit per purchase as prices have been determined by agreement. Orders are placed by telephone. Whenever a purchase is made, departments are only required to prepare a goods received form for each purchase and send the forms and the vendor invoices directly to the Auditor-Controller for payment.

The two other types of blanket purchase orders are essentially authorities for departments to procure whatever they want from whomever they want, up to a fixed maximum amount. These two types are:

Various Vendor Nonagreement Blankets

A "purchase order" is prepared which is really an authority to purchase and is not related to an agreement. These are basically an authorization to spend monies for miscellaneous supplies. Departments are subject to a \$500 limit per purchase. Departments are required to get a buyer's approval for expenditures in excess of \$250. Orders are placed by phone, and if over \$250 are obtained from buyer-suggested vendors. To obtain payment, departments are required to prepare a sub-order receipt for each purchase. The sub-orders and the vendor invoices are sent to the Auditor-Controller for payment. Some of these authorities to purchase have dollar limits for any given vendor (i.e., not to exceed \$10,000 with one vendor.) However, there is no current control to enforce such limits.

Vendor Specified Nonagreement Blankets

A purchase order is prepared and sent to a particular vendor, but is not related to an agreement. This approach is basically used for "monopoly" vendors (i.e., book publishers, helicopter parts vendors, etc.). Departments are not subject to a dollar limit per purchase because of the monopoly situation. To obtain payment, departments are required to prepare a sub-order receipt for each purchase. The sub-orders and the vendor invoices are sent to the buyers for review and approval, then sent to the Auditor-Controller for payment.

The County uses these blanket purchase orders as a mechanism to control departmental expenditures. The procedure used is as follows:

Prior to the beginning of the fiscal year, the individual departments prepare and submit requisitions to the Purchasing and Stores Department. In these they estimate the amount they plan to spend for various categories of goods and services that will be procured from agreement and nonagreement vendors. The prior year's blanket purchase orders and actual expenditures are used to prepare these estimates.

The buyers in the Purchasing Division review the requisitions to determine the types and volumes of goods and services for which they will need to obtain agreements. Blanket purchase orders are then prepared from the requisitions and sent to the Auditor-Controller.

The Auditor-Controller reviews the blanket purchase orders for propriety and then, if funds are available in the department's budget, encumbers the individual departments' expenditure budget that is entered on the purchase order.

Once the blanket purchase orders have been approved by the Auditor-Controller and the new year begins, the departments use the blanket purchase orders as a basis to acquire the goods and services that they need. In order to acquire the goods and services, the departments are required to prepare either a goods received form or a sub-order at the time the purchase is made. These documents are then sent to the Auditor-Controller for recording of the expenditure. (Sub-orders are sent to the buyers for approval before they go to the Auditor-Controller.)

If the total actual expenditures exceed the amount authorized per the blanket purchase order, the department prepares and submits a supplementary requisition to increase the authorized amount. This supplement is processed in the same manner as the original requisition.

Confirming Purchase Orders

Confirming purchase orders are used to acquire goods and services on short notice (emergency situations). The procedure used in an emergency situation is for the buyers to order the needed goods and services using the telephone or telex after they have determined that a prior bid or last price is still obtainable or after they have solicited three competitive bids. The confirming purchase orders are used after the fact to document the agreed upon commodities, quantities and prices. Less than 1% of all goods are procured in this manner.

Purchase Order Checks

The County uses Purchase Order Checks (POCs), which are a combined purchase order and check, for the ordering and payment of goods and services when prepayments are required. In many instances, the dollar value portion of the check is left blank for the vendor to fill in as the exact amount may be undeterminable at the time the POC is issued. To help insure that these POCs are not abused, the checks are imprinted with restrictions as to the maximum amount for which they may be issued. Separate series are used for under \$25, under \$100, under \$2,500 and unlimited (the unlimited check always has the amount typed in prior to sending to the vendor). Between 3% and 4% of all goods are procured in this way.

A review of the Purchase Order Check System revealed that POCs in the "under \$100 series" were being used to pay the Postmaster to refill stamp machines. Because these payments are normally for several thousand dollars, the County blocks out the restrictive clause (less than \$100) and enters the payment amount.

The Grand Jury recommends that the unlimited series be used for postmaster checks and that the procedure of "blocking out" the restrictive amount cease, as this effectively gives the bank authority to accept any POC check that has the restrictions "blocked out".

The new Financial Information and Resources Management (FIRM) system does not provide for the issuance of a single purchase order to purchase goods and services for more than one organizational unit. This is particularly bothersome as the buyers attempt to consolidate purchases of similar goods to take advantage of volume discounts whenever possible. This shortcoming requires the Purchasing Division to send several purchase orders to one supplier when the organizational units are in the same department.

The Grand Jury recommends that the procedures for preparing purchase orders involving multiple organizational units be changed to allow one form to be used for the purchase order while still showing the organization code, purchase order number, dollar amount, and shipping instructions for each organizational unit. The

Auditor-Controller should modify his keypunching instruction to allow acceptance of such a document.

Our assessment of the blanket purchase order system is that it is cumbersome and time-consuming. It is also both ineffective and unnecessary as a control mechanism.

The system is cumbersome in the sense that each purchase order normally has two pages of twelve copies each. The first page lists the amount and type of expenditures, while the second page lists standard procurement terms, shipping methods, expenditure limits, etc. These procurement standards should be included in the user departments' procurement manuals and not typed individually for each purchase.

The system is time-consuming in the sense that it requires at least one hour to prepare, type, review and process each of the more than 6,000 blanket purchase orders annually, not including supplements. Additionally, a considerable amount of time is spent by the buyer (as much as two hours per day) reviewing sub-orders (approximately 90,000 per year) and approving purchases on various vendor blankets in excess of \$50. Additionally, each time a department exceeds its initial authority, it must obtain a supplement which delays the procurement of goods. Also the Auditor-Controller's personnel must track each transaction against the encumbrances to insure that the total is not exceeded.

The system is ineffective as a method of control in the sense that neither the sub-orders nor the accompanying vendor invoices normally have sufficient descriptive detail to enable the buyers to identify what was actually purchased without the buyers having to refer to vendor agreements or other documents, which is not being done due to lack of time.

The system is unnecessary for control in the sense that the encumbrances, which for the most part are not technically encumbrances in accounting terms, artificially set aside a portion of the individual department's budget for future use. The amount of encumbrances may be increased or decreased as long as the department's budget is not exceeded. In short, the control should be on each department's line item allocation, not its individual purchase authorities.

Basically, the blanket purchase order system is resulting in a "make work" project that can be replaced by a much simpler, less costly, and less time-consuming system, without sacrificing any actual controls.

The Grand Jury recommends that blanket purchase orders only be used and encumbered for contract services, leases, rentals, etc., where there is a contracted obligation to pay a stipulated amount periodically.

To replace the blanket purchase order system, the individual departments should issue departmental purchase orders directly to agreement and nonagreement vendors. The orders to nonagreement vendors should still be subject to dollar limit controls. After January of each year, all departmental purchase orders in excess of \$250 should require prior approval by the Auditor-Controller.

The Purchasing Division should re-evaluate the dollar limit control points on non-agreement departmental purchases and establish a single dollar limit control point. For procurements under this limit the individual department should issue the purchase order. For larger procurements, the Purchasing Division should issue the purchase order, thereby eliminating the current process whereby departments call in for buyers approval, but order the goods themselves.

All purchasing documents prepared by the individual departments should be sent directly to the Auditor-Controller and the Auditor-Controller should amend its computer system to include certain basic audit checks, such as insuring that vendors actually have agreements with the County, and identifying total payments to each agreement and non-agreement vendor to insure that agreement limits and purchase "fragmentation" rules are being complied with.

As mentioned above, the buyers spend a considerable amount of their time reviewing departmental sub-orders placed against certain blanket purchase orders. The basic purpose of that review is to ascertain the propriety of the purchase. This includes determining whether the proper type of blanket was used, the proper vendor was selected, the prices were in accordance with an existing agreement or that they appear to be reasonable, and whether authorization was given for various vendor purchases over \$250.

In addition through this review the buyers are expected to monitor the individual department's overall purchasing activities, checking for such things as excessive amount of purchases from a single nonagreement vendor, and subdividing orders to stay under approval amount limits. They are also expected to keep track of the type of purchases from nonagreement vendors in order to determine if the volume usages indicate that agreements should be made.

From discussions with buyers and a review of their activities it appears that they do not have the time available to properly review each and every document, the means of collecting and calculating data by vendor or commodity, nor do they have the inclination to do this type of work, as they were employed to be purchasing agents. Furthermore, since this review is performed after the goods have actually been purchased and received by the departments, there is little that the buyers can do if they identify a problem except cause more paperwork to be generated.

If the County expects the buyers to function efficiently and effectively they must be supplied with certain necessary operational and statistical information, such as the value of purchases by vendor, agreements, commodities, and departments. Presently there is a complete void of operational and statistical information concerning the purchasing activities of the County. As an example, our estimate of the total annual value of purchase orders issued may be off as much as \$50 million dollars because this type of statistical information does not currently exist.

The Grand Jury recommends that systems and procedures be established to collect and report operational and statistical information related to the procurement activities of the County as an expansion to the FIRM system.

All purchasing documents prepared by the individual departments should be sent directly to the Auditor-Controller. The Auditor-Controller should amend the computer system to include certain basic audit checks such as ensuring that vendors actually have agreements with the County, and identifying total payments to each agreement and nonagreement vendor to insure that agreement limits and purchase "fragmentation" rules are being complied with.

STORES ACTIVITIES

In mid-1977 the PCD warehouse operations, including the stock on hand, were consolidated with those of the Probation Department and the Building Services Department and moved to their current location in the City of Commerce. This move and consolidation resulted in a number of problems from which the material function within the County has yet to recover.

A primary problem was the fact that the warehouse was not physically ready for the County at that time. A portion of the transferred stock could not be properly stored because locations within the warehouse had not been assigned. These goods were moved in and stored at one end of the warehouse until locations could be assigned.

A second problem was the conceptual design of the new warehouse system, which differed drastically from the system used in the old facility. In the old facility goods of a similar nature were stored together, while under the new warehousing concept goods are assigned to locations based upon the physical nature of the goods. This new concept allows stock to be stored wherever storage space is available. As storage requirements for merchandise change, additional locations can be assigned to the particular items. Thus, with respect to operations, goods received are physically placed anywhere

in the warehouse which fits their physical characteristics. These locations and the stock identification numbers are then entered into the computer system, which in turn provides warehouse personnel with both stock and location numbers to allow easy retrieval of goods when they are requisitioned.

With respect to physical layout, stock is only segregated due to physical handling requirements. Thus items requiring security, fire protection or refrigeration, for example, are stored in specialized locations. In addition, a separate area, "Repack," has been designated to segregate opened cases and to allow the picking of noncase items from a single area in the warehouse.

The implementation of a new computer system for inventory control and distribution processing occurred in November of 1977. Apparently the system was not fully tested or ready to be implemented at that time. Furthermore, no parallel processing was performed to validate the accurate functioning of the system prior to operational use.

The new system is designed primarily as a "pre-bill" system. Invoices are produced only if merchandise is available according to computer records. These invoices are then used as picking documents by warehouse personnel in filling requisitions. The system is also designed to handle only a small volume of "post-bill" entries (will calls and confirming orders).

Because of the early warehouse move and computer system implementation, the Stores Division was faced with location and quantity problems in the warehouse and computer errors. Portions of the system were not operational and without available information, purchasing of replenishment stock was halted for six weeks. The Division was also significantly understaffed at the time, with over ten positions unfilled.

As of April, 1978 the County is still suffering from the effects of the change in locations and warehousing systems. Overtime worked in March in the Store's Division exceeded 1,400 hours and personnel are working full time to place goods in their correct locations. The County is still in the process of finding and correcting programming errors. Portions of the system are still not operational and many management analysis reports, including inventory control reports, are unavailable for decision making and control.

Considering the current environment, it was not surprising to find a number of problems during our study of the Stores Division. Stores personnel were *extremely cooperative* and were aware of existing problems. They were faced with:

Significantly higher volumes of back orders (estimated at over three times last year's average volume).

Increased "will calls" and confirming orders (up to 80 per day), but steadily decreasing.

Abnormally long processing times.

The net result of these problems was that user departments could not rely on the Central Store to provide goods on a timely basis and began to purchase goods directly which previously had been purchased in bulk quantities by the Stores Division. This study of the Stores Division was focused on the effectiveness of current operations and procedures minimizing any investigation of existing computer problems of which Stores personnel were aware. Two major types of studies were conducted: reviews of processing times and follow-on reviews to determine potential causes of lengthy time elements in the process.

Processing Time—Related Problems

In the Stores Division, the time it takes to process requisitions from receipt to final delivery of merchandise is the key to providing good service to County departments. In order to determine the effectiveness of this process, processing times were calculated for selected samples of nonfood and nondrug requisitions during December, March and

April. Processing time was measured work days, from the receipt of requisitions, data entry of requisitions, printing of invoices and shipping of merchandise to the final delivery of merchandise.

The Grand Jury recommends the following:

Place all Stores orders on the telephone to expedite deliveries.

Begin immediate validation of the physical location of stock. This will require a new sort and list program on the computer by physical area of the warehouse (location number) and weekend audits by the Auditor-Controller team.

Consider modification of the computer system to add a "check digit"—preferably an alpha character—to the location code to avoid continuous errors in computer records of stock locations.

Issue the new Stores catalogue in modules as soon as possible to begin to update user departments as to what is available. If this cannot be completed by August 1, 1978, develop a formal notification program to cover changes since the last catalogue in Spring of 1977.

Use the "will call" form as a basis to move stock to computer-indicated locations when inaccurate locations are encountered. This will require adding the location code shown on the tab run on to the "will call" form.

Modify the computer programs to print secondary and tertiary locations as well as the primary location on all shipping documents. This will allow the warehouseman to find the stock if the location is incorrect.

Develop a formal program to keep primary locations restocked and move some daytime personnel to a graveyard shift to support a faster turn-around of items out-of-stock at the primary location. For large orders (more than the primary area "safety level") consider modifying the rules regarding disposition of picking orders on which an item is out of stock at the primary location. Specifically, instead of issuing a "snag" order, consider assigning such orders to a graveyard warehouseman assigned to continuously restock primary areas and fill such orders. (This should allow same day delivery of most orders whether the primary area is stocked or not, if stock is on hand somewhere within the store.)

Modify the computer program to print alternative delivery pays if the initial run is missed due to delays in the store.

On all store orders which will be placed on the telephone verify case sizes.

If currently stocked sizes differ from case sizes now being delivered by vendors, vendors must be required to notify the inventory control unit immediately to fill orders from current stock.

Modify the computer system to provide for substitute item numbers to be listed for all insufficient in-stock orders where identical items are available in different case sizes. Consider including a case conversion table to allow the computer to automatically fill orders in one case size to be filled partially or completely from substitute case sizes.

Develop a plan for implementing an effective "repack" system.

Once the Stores catalogue is reissued, reroute incoming requisitions directly to the data entry function and have order control personnel deal only with the rejects. (This will save several days of delay, same time in the Order Control Unit, but result in user departments receiving incorrect goods when they submit incorrect units of orders. However, this should cause users to improve their accuracy, resulting in less work for all involved parties and speedier delivery.)

If the County expects the buyers to function efficiently and effectively they must be supplied with certain necessary operational and statistical information, such as the value of purchases by vendors, agreements, commodities, and departments. Presently, there is a complete void of operational and statistical information concerning the purchasing activities of the County. As an example, the committee's estimate of the total annual value of purchase orders issued may be off as much as \$50 million dollars because this type of statistical information does not currently exist.

Other Problems

In our analysis of processing times, it appeared that some out-of-stock situations occurred because of nonreceipt of goods ordered by the Stores Division. Thus, a sample of purchase orders, indicating nonreceipt of goods ordered, were selected to determine if late deliveries were a primary cause of increased stock-out. The purchase orders selected were identified as not yet received for items back ordered on the Back Order Status Report. Our investigation revealed that the receipt of goods ordered does not appear to be abnormally late; actual delivery times were within reason of estimates. A programming error, now fixed, caused the majority of purchase orders to appear as unfilled on the Back Order Status Report. However, no current reports are prepared to assist in the follow-up of late purchase orders. Thus, until this segment of the new system is operational, the control over such purchase orders is completely a manual process. For example, an invoice for four screwdrivers, for a total price of over \$3,000, was one of the errors brought to our attention.

The Grand Jury recommends.

The computer system be modified to stop producing negative prices, quantities and totals on invoices, as well as incorrect positive figures.

Test and implement reports be designed to provide Order Control personnel with management data on usage, outstanding purchase orders, etc. This should assist in speeding up ordering and minimizing out-of-stock conditions.

The CAO, Purchasing and Stores, and EDP should review the viability of the warehousing concept, the computer system, and the ability of the equipment and hardware to handle existing and future growth requirements. This review should include a determination of whether the computer system should be modified or replaced and develop a plan to do this.

Further consolidation of warehousing be delayed until the problems are corrected and the ability of the warehouse and the computer system to handle higher volumes is assessed. In addition, the use of mini-warehouses at major office buildings should also be delayed.

Security Considerations

Several times during the review of the Stores Division the guard post at the entrance to the facility was unattended. Discussions with the security personnel revealed that there is only one guard on duty at any one time, and that he must vacate the post for approximately one hour each work day to open and close the Purchasing Division building which is located nearby.

The main duty of the security guard is to ensure that merchandise does not leave the premises without proper authorization. To assist him in carrying out his duties, he uses a close circuit video monitoring system. The video system has three monitors, two of which are in the Purchasing Division building and are used to monitor the hallways. The third video monitors a back door of the warehouse. The main problems with the monitoring system are that (1) it has to be left unattended whenever the security guard needs to attend to a visitor to the premises or when he has to handle a security problem; and (2) the monitors are not located where they would be most useful; e.g., at all re-

mote access points of the warehouse facility. Security is especially important now because the inventory control systems are in such bad shape.

The Grand Jury recommends overlapping work shifts of the security guards so that the facility is not left unguarded at any time, relocating the two monitors, which are presently within the Purchasing Division building to cover remote access points, and replacing them with an alarm.

VARIOUS VENDOR BLANKET PURCHASE ORDER STUDY

In order to perform this study, copies were obtained of various vendor nonagreement blanket purchase orders that were issued through mid-February. There were approximately 760 blanket issued with a total value of approximately \$13 million. The documents were analyzed on a department-by-department basis in order to determine where the most money was spent and consequently where our in-depth review would be conducted. For each of the departments, several of the larger blanket purchase orders were selected and then examined with the sub-orders that had been issued against them. The examination included a verification as to whether:

Proper approval had been obtained for all purchases.

Items purchased could have been obtained from the Stores Division or an agreement vendor.

Departments. were circumventing the control limits by fragmenting orders to vendors.

Adequate control procedures were used.

Excessive amounts of purchases were made from a single vendor.

Lack of Standards

There are instances where departments find it difficult to locate documents supporting the issuance of sub-orders, file each type of document (requisitions, sub-order, vendor invoice, receiving report and payment voucher) separately, file by voucher number; and departments where only 20% of the supporting documents could be found. **The Grand Jury recommends that the Auditor-Controller establish standard policies and procedures for the retention and filing of purchase support documentation.**

Departmental Circumventing Standard Purchases to Avoid Delays

There are numerous examples where the incorrect blanket purchase order was being used, agreement items were charged to nonagreement blankets and Stores stock items were being purchased on sub-orders.

These were not "clerical errors" but were done intentionally by the departments. The reasons given by the departments for circumventing the system were that:

Funds had run out on the proper blanket purchase orders and supplements were slow in being processed.

Goods could not be obtained from the Stores Division on a timely basis.

Studies conducted on these processing times indicated that it took on the average twenty-six days to process a supplement and forty-six days to receive goods from the warehouse. These processing delays are excessive. However, this only means that the departments should have started processing the paperwork sooner.

The Grand Jury recommends that the Purchasing and Stores Department should inform the departments of the lead time required for processing documents and ordering goods.

Standard procedures should be instituted in all departments to monitor the amount of purchases against each blanket purchase order until such time as limits on blankets are eliminated.

Receiving of Goods Poorly Verified

When goods are received by the departments, the person receiving this goods, or their supervisor, is supposed to sign on the sub-orders that the goods have been received.

These sub-orders and the vendors' invoices are then used by the Auditor-Controller as documentation to issue warrants. A breakdown was found in this system at one of the departments. A clerk was signing the receiving statement on the sub-orders without verifying that the receiving documents (packing slips, etc.) were in order. Coupling this with the lack of standard documentation procedure mentioned above sheds doubt on the reliability of the sub-order as a receiving document.

The Grand Jury recommends that receiving documents be included as part of the package sent to the Auditor-Controller or the documentation system be improved and standardized for follow-up by the Internal Auditor.

Difficulties in Verifying Conformance with Agreements

Because several agreement purchases were made using the nonagreement blankets, an attempt was made to verify that the County was receiving agreement prices. While it appears that they were, many instances were noted where the vendors' invoices and the sub-orders only listed part numbers and net prices. Without complete description of the commodities and discount amounts, it is almost impossible for the departments or Purchasing and Stores buyers to determine if the goods were covered by the agreements and if the prices were correct.

The Grand Jury recommends that Purchasing and Stores Department in conjunction with the Auditor-Controller issue new rules to ensure that vendors provide sufficient detailed information on their invoices to enable the departments and buyers to properly review them.

In some instances there were several purchases from one vendor that would probably justify having entered into an agreement with the vendors. The problem seems to be that the buyers do not have a system to monitor the frequency of purchases from vendors.

The Auditor-Controller is modifying an existing report to include dollar value and purchases by vendors. The Grand Jury recommends that Purchasing and Stores investigate the feasibility of using a copy of these reports until a proper information system is developed.

The Purchasing and Stores Department is supposed to furnish some type of listing of agreement vendors, agreement items and Stores stock items to all departments. At least one department visited had not been receiving these listings and as a result they have been buying agreement items from nonagreement vendors. Additionally, these listings are not provided in such a manner that anyone can readily find the proper vendor(s) for such a commodity which is on an agreement.

The Grand Jury recommends that Purchasing and Stores require positive notification quarterly from each County department as to whether it is receiving updates on agreement vendors, agreement items, and Stores stock.

The Purchasing and Stores Department create a looseleaf listing in commodity order of items on agreement. Similar to the Stores catalogue, this 'catalogue' should list items, vendor contract information, prices, limits (if any) and expiration date.

OTHER PURCHASING AND STORES DEPARTMENT ACTIVITIES

The policies and procedures for the procurement of equipment, services and supplies by the County is contained in a two-volume Standard Operating Procedure Manual. Part 1 of that manual describes the procedure to be used by the Purchasing and Stores Department and Part 2 describes the procedures to be used by the operating departments.

Part 1 was issued in 1972 and Part 2 was issued in 1974. There has been a significant number of changes to the procedures since they were issued, but because they are bound documents, the up-dates can not be included as part of the manual. Up-dates to the procedures are consequently made in the form of "Procedure Bulletins", "Purchasing and Stores Bulletins" and "Purchasing Division Procedures." In addition, several specialized policy and procedure manuals and guides have been issued. All of this leads to a great deal of confusion when someone needs to know what the current policies and procedures are.

During 1976, a considerable number of procedures were rewritten in a new standard format and compiled in a new manual. The looseleaf contents of this manual remain in draft form and are now also in need of revision. **The Grand Jury recommends that the Department develop a uniform system for maintaining written policies and procedures, utilizing a loose-leaf manual prepared in modular form.**

Currently only about one-third of the requisitions for printing services are handled by the Printing Division. The remaining two-thirds is contracted to outside vendors. The Printing Division has the machinery to increase their capacity, but because of budget constraint does not have the personnel to operate the machinery. **The Grand Jury recommends an in-depth study of the County's printing requirements be undertaken to determine if it would be more cost-effective for the County to do more of its own printing, and to what extent.**

AUDITOR-CONTROLLER: AUDIT DIVISION

The primary functions of the Audit Division are to audit the accounts and records of County departments and agencies, to make cost studies as required, to conduct audits of special districts, judicial districts and other funds and accounts in accordance with specific provisions of State law and to perform other specialized financial assignments when requested to do so by the Board of Supervisors, the Chief Administrative Officer, the County Grand Jury. In addition, the Audit Division is responsible for audits of entities who contract with the County such as revenue sharing agents, food stamp issuance agencies, boarding homes and institutions, operators, and numerous other entities who contract with the County.

Secondary functions of the Audit Division include (1) the collection and verification of revenue from franchises, concessions and rental of County property, (2) the computation of interest earned on funds deposited by the County Treasurer in local banks and distribution of the interest to special districts and other governmental agencies, and (3) processing the County's claims for insurance reimbursement of losses sustained through burglary, mysterious disappearance or defalcation.

AUDIT PLANNING AND DOCUMENTATION

Audit Plan

On large audits, an audit survey is performed whereby senior members of the audit team familiarize themselves with the operation of the organization being audited. Upon completion of the audit survey, the Senior Accountant-Auditor normally prepared audit programs to be used in the audit. No documentation was found which summarized the finding of the survey phase and explained the approach taken to the audit as evidenced by the audit programs.

The Grand Jury recommends that on all audits except for limited engagements, an audit plan should be prepared prior to the preparation of audit programs. The audit plan should include, at a minimum the following information:

A description of the organization.

A description of significant accounting principles and methods.

A description of the accounting system.

A description of the scope of the audit, including a discussion of (1) Electronic Data Processing auditing, (2) statistical sampling and other mathematical techniques, (3) weaknesses in the system of internal controls known from previous audits or determined through preliminary inquiry and the effect of the weaknesses on audit procedures and (4) special information required for reports.

Sensitive areas; i.e., areas which are technically difficult or areas involving a great deal of subjective judgment.

Significant accounting and auditing problems, including proposed solutions.

Audit Programs

Audit programs, approved by the Senior and Principal Accountant-Auditors, are required for each audit. On some engagements it was not feasible to determine whether the audit programs had been approved by the Senior and Principal Accountant-Auditors prior to the commencement of field work as the programs were not initiated and dated.

The Grand Jury recommends that audit programs be prepared and approved prior to the commencement of field work by principal and Senior Accountant-Auditors, evidenced by signatures and dates affixed to the audit programs.

Audit Budgets

Audit budgets by area are required for each audit. Budgets provide a valuable tool in evaluating the scope and progress of the audit, as well as providing historical information for planning subsequent audits. **The Grand Jury recommends that the Audit Division policy requiring budgets by audit must be enforced on all audits.**

Statements on Auditing Standards (SAS)

Statements on Auditing Standards, issued by the American Institute of Certified Public Accountants refer to the auditor's responsibilities regarding (No. 6) related party transactions, (No. 16) the auditor's responsibility for the detection of errors or irregularities and (No. 17) illegal acts. The Division is aware of the requirements imposed by these SAS's. However, compliance is not documented in the working papers. **Audit programs must contain specific procedures to evidence compliance with Statements on Auditing Standards No. 6, No. 16, and No. 17.**

Audit Time Savings

Significant time is spent in preparing routine audit schedules which could have been prepared by personnel in the organization being audited. **The Grand Jury recommends that for each financial audit, the Principal Accountant-Auditor approve guidelines related to materiality to minimize audit time being spent investigating immaterial items; on each audit, Division personnel must explore the possibility of using personnel from the organization being audited to assist in the preparation of audit schedules.**

AUDIT TESTING

An auditor usually expects to place some degree of reliance on the system of internal accounting controls (unless controls are weak or nonexistent, as they are at the Mechanical Department).

The auditor usually performs tests to become satisfied that there has been satisfactory compliance with internal controls during the period being examined. Tests of compliance with internal controls allow the auditor to decide how much reliance he is justified in placing on particular elements of the system of internal controls and to determine the

nature, extent and timing of the other auditing procedures. The extent of compliance testing should be based on (1) the auditor's preliminary evaluation of the elements of internal accounting controls applicable to a particular phase of the audit and (2) the degree of reliance he intends to place on these elements.

The preliminary evaluation of the system is generally accomplished by a review of previous testing results and a limited test of the system and related internal controls in effect during the period being tested. The Audit Division performed systems reviews on the engagements where internal controls were tested. However, overall evaluations of the systems were not documented to support the type and degree of testing being performed.

The Grand Jury recommends that on each audit of internal controls, the overall evaluation of each system be documented in the working papers.

The intended degree of reliance the auditor desired to place on the system was not documented and, therefore, it was not possible to determine if considered. In developing the testing approach, the auditor considers the degree of reliance to be placed on the system, and the determination should be documented in the workpapers. **The Grand Jury recommends that the intended degree of reliance an auditor intends to place on a system of internal controls be documented in the workpapers.**

Another area for the consideration is the need to establish an appropriate correlation between the impact of internal control compliance tests and tests of specific account balances. In situations where significant reliance is placed on a system of internal controls, certain account balance testing may appropriately be reduced. This correlation between the degree of reliance on a system of internal controls and the resulting impact on the account balance testing should be documented in the workpapers. **The Grand Jury recommends that the correlation between the degree of reliance on a system of internal controls and the resulting impact on the nature, extent and timing of account balance testing must be documented in the workpapers.**

Statistical Sampling

The Audit Division utilizes statistical sampling techniques on several of the Division's larger audits. The Senior Accountant-Auditor normally prepares the parameters for the statistical testing, which includes the following:

- Desired confidence level
- Expected error rate
- Desired precision level
- Maximum tolerable error rate
- Definition of errors for the testwork

It is the responsibility of the Principal Accountant-Auditor in charge of the audit to approve the testing method and criteria.

The statistical approach to a test and the techniques to be employed are determined by the objective of the test. It is important that the objective be well defined. Once the objective is established, the auditor will be in a position to define the universe and the sampling unit and to determine what should be considered an error or difference. A clear, concise objective of the test must be determined and documented in the workpapers.

There are numerous approaches to applying statistical sampling techniques. However, in each sampling application, the auditor must determine (1) the degree of reliance to be placed on the system being tested, (2) the precision the auditor believes he must achieve in his testing results in order to rely on the system and, (3) the degree of risk the auditor is willing to accept that his conclusion regarding the system is not valid. In general, the more reliance the auditor intends to place on the system, the tighter the precision he will require and the higher the confidence level he will use.

The Audit Division permits the Principal Accountant-Auditor on each engagement to approve the sampling parameters. Varied approaches were observed in the selection and use of statistical sampling techniques. While the use of individual judgment will always be required in the application of statistical sampling, general guidelines should be developed for use by the Audit Division covering such areas as (1) method of sample selection, (2) precision levels and (3) confidence levels. **The Grand Jury recommends that the Audit Division establish guidelines in the use of statistical sampling parameters covering such areas as (1) method of sample selection, (2) precision levels and (3) confidence levels. Such guidelines would help provide a more uniform approach within the Division in the application of statistical sampling techniques.**

While the selection of sampling parameters are matters of individual judgment, these parameters, once established, must not be revised after testing has commenced. **The Grand Jury recommends that statistical sampling procedures, such as precision, confidence level and "maximum tolerable error rate" must be carefully considered and selected prior to testing. If the results of the sample test do not satisfy the testing parameters, the extent of reliance which can be placed on the system should be reevaluated rather than changing the sampling parameters to accommodate the sampling results obtained.**

Informal Testing

The Audit Division uses informal testing in many situations where the use of statistical sampling is not practical (usually because a valid random sample cannot be obtained) or where limited reliance is to be placed on a system. In general, however, the reasons for using informal sampling as well as the determination of the number of items to be tested were not documented in the working papers. **The Grand Jury recommends that the reasons for selecting the use of an informal sampling approach be documented. The intended degree of reliance on the system should be documented and cited as the support for the number of items to be tested.**

Conclusions should be drawn from the results of informal testing. While the conclusion cannot be precisely stated in numerical terms, as in the use of statistical sampling, judgmental conclusions can and should be made. Any errors discovered in the testing should be considered in the judgmental evaluation of the system. **The Grand Jury recommends that to determine the reliance which can appropriately be placed on the system, the effect of errors discovered in the testing must be documented.**

ELECTRONIC DATA PROCESSING (EDP)

The Audit Division has developed a group of auditors trained in the areas of reviewing and evaluating EDP controls and in the use of computer assisted audit procedures. This group performs operational audits of EDP operations and assists other audit teams in developing and employing computer assisted audit procedures.

Statement on Auditing Standards (SAS) No. 3

In financial audits where examinations are performed in accordance with generally accepted auditing standards, SAS No. 3 requires the auditor to determine whether EDP is used in significant accounting applications and, if it is used, to consider EDP in the study and evaluation of accounting controls.

The Committee found that the Audit Division generally audits "around the computer", i.e., EDP controls are generally not reviewed and evaluated. The reason for this situation appears to be the lack of personnel qualified to evaluate controls in an EDP environment. While the Division has a group possessing EDP expertise, the group is not large enough to support financial audit teams in their review of internal controls in addition to the group's other responsibilities. For example, the EDP group is currently involved in a full-time special assignment to reprogram and supervise the inventory control system of the Mechanical Department. This assignment with the Mechanical Department

is expected to continue for several more months. **The Grand Jury recommends that a study and evaluation of EDP accounting controls be made (in accordance with SAS No. 3) on each audit performed in accordance with Generally Accepted Auditing Standards. Sufficient expertise should be developed with the division to permit personnel trained in evaluation of EDP controls to be assigned to each audit where such an evaluation is required by SAS No. 3.**

Computer-Assisted Audit Procedures

The Audit Division utilizes computer-assisted audit procedures on certain audits. These procedures range from the computerized stratification and selection of receivable balances to be confirmed to the testing of a department's computer program by developing the Division's own computer program to duplicate and, therefore, test the department's programs.

Coordination between the audit team and EDP personnel involved in computer assisted auditing procedures is not adequate. These situations have resulted in one instances in more audit work being performed than should have been required and, in a second instance, of unsupported audit conclusions being reached based upon the results of a computer assisted audit technique. **The Grand Jury recommends that computer-assisted audit procedures be designed jointly by the regular audit team and EDP personnel implementing the application. The audit team should clearly understand the objectives and limitations of the testing application and be able to evaluate the results of the application.**

OTHER FINDINGS

The Grand Jury recommends the following:

Final audit reports be crossreferenced to audit workpapers.

Exit interviews between the audit engagement supervisor and studied organizations supervisor be documented in a written memorandum in the workpapers.

The Audit Division's Operating Procedures Manual be updated on a regular basis for new accounting and accounting developments.

CHIEF ADMINISTRATIVE OFFICE: MANAGEMENT AUDIT DIVISION

The Management Audit Division of the CAO (Chief Administrative Officer) is charged with the responsibility of performing management audits of County departments and functions as directed by the Board of Supervisors. In practice, the Division performs not only full-scope management audits, but also more limited-scope special studies with specific objectives, as well as providing coordination for certain interdepartmental County efforts.

The Divisional 1977-78 budget is \$354,000, consisting primarily of salary costs for fifteen professionals and secretarial support. The Division presently consists of nineteen professionals, who are organized into five management audit teams, each headed by a team leader, and one special environmental team.

Management audits have primarily been conducted at Board request or at the request of a County department head often with CAO input as to need. Management audits involve not only the Division and the audited department, but other County resources as well.

Audit teams frequently include analysts from the Department of Personnel. Coordinated studies are often performed by the Auditor-Controller and the Management Systems Division (industrial engineering function) of the CAO, and less frequently by the Data Processing Department. The County Counsel also provides support where requested.

Audit reports are normally submitted to the Board for approval. Departments are then requested to submit quarterly reports to the Board detailing progress in implementing audit recommendations.

AUDIT SCOPE AND EMPHASIS

The Division's primary objective in the management audit process has been to assist department heads to more effectively manage their department, while evaluating existing program and identifying significant cost savings have been secondary objectives.

The Program Evaluation Division is charged with the responsibility of evaluating programs, but, because of the short-term intensive nature of the budget process, must primarily consider immediate budget concerns rather than large-scope policy questions.

The Committee believes that in the present political environment, and given the Board's stated objective of the past few years of reducing the number of County employees, it would be appropriate for the audit teams to place further emphasis on the following issues:

Cost-effectiveness and evaluation of existing programs.

Essentiality of existing services.

Overall appropriateness of present staffing and budget levels.

Because of the Management Audit Division's independence from the budget process and ability to concentrate significant resources on a specific area for a reasonable period of time, the management audit appears to be the most appropriate vehicle for addressing these issues. **The Grand Jury recommends that the Board of Supervisors direct the Division place greater emphasis on cost-effectiveness, programmatic evaluation, examination of service essentiality and evaluation of present staffing and budget levels in all management audits.**

Audit Techniques

Audit teams rely heavily upon the interview process and existing departmental documentation in conducting the audit. The teams occasionally compare costs of operations they review with costs of other counties, historical costs to do the same job, and private industry costs. However, this information is not included in audit reports. **The Grand Jury recommends that audit techniques include, where relevant, quantitative methods and comparisons with other operations to a greater extent. The audit report should include quantitative support for recommendations made.**

MANAGEMENT IMPROVEMENT PROGRAM

Goals and objectives should be established for all divisions and communicated to all divisional employees.

The position of (departmental) administrative deputy should be created. Departmental "staff" functions should be centralized and consolidated under this individual.

Similar functions should be consolidated in the organizational structure.

A personnel manual should be developed (or updated) and its guidelines should be complied with.

An operational procedures manual should be developed (or updated) and its guidelines complied with.

Overtime reporting should be improved. Overtime should be more effectively controlled.

Employee training programs should be established (or improved).

Attempts should be made through periodic staff meetings or other means to improve communication within the department.

Duties of individuals performing tasks for which no budgeting items exist should be reappraised to determine if the positions are necessary.

Use of sick leave should be more closely controlled, the progress of employees on disability status should be more carefully monitored to insure their return to work at the earliest possible date.

Management information systems should be expanded to include workload and backlog statistics to facilitate management of work flow and productivity.

Based on the frequency with which these recommendations were made it would appear that many recommendations have broad applicability to most County departments. A program of standardizing and disseminating these management policies to the departments could be of great value in summarizing the experience gained through the management audit process, alerting departments to the centralized management services available, and facilitating future management audits by correcting some basic deficiencies before the audit team arrives. This program could be implemented in a variety of ways, including:

Incorporation into the budget process.

Establishment of a County-wide managerial training program, particularly for department executives.

Development and implementation of a departmental management policies manual.

Establishment of a management evaluation and improvement team.

The most effective means of implementing such a program would combine a variety of these approaches.

The Grand Jury recommends that the CAO define and develop a Management Improvement Program incorporating relevant aspects of recent management audits for application to all appropriate departments.

ELECTED OFFICIAL AUDITS

The Committee believe that political considerations dictate that the Chief Administrative Office through its Management Audits Division not perform audits of the departments headed by elected officials unless so requested by them (Sheriff, Board of Supervisors, Assessor, District Attorney). Additionally, independent considerations would indicate that the Division not audit departments involved in the audit process itself (CAO, Personnel, Auditor-Controller). Management audits of such involved departments may more appropriately be performed by the Grand Jury or outside consulting firms as has generally been proposed in the following ten-year plan. Elected officials should be given a choice of using the CAO audit team or outside consultants hired by the Board and operating under contract to the CAO. If the Grand Jury conducts a management audit near the time such a Department is scheduled for a CAO audit, this should eliminate the need for a CAO or consultant audit. **The Grand Jury recommends that the Board of Supervisors direct departments headed by an elected official or directly involved in the audit process to notify the CAO the year preceding their scheduled review whether they wish to be audited by the CAO audit team or a consultant hired by the Board and operating under the contract management of the CAO.**

Ten-Year Management Audit Plan

The Board has adopted a Ten-Year Management Audit Plan under which all County departments will undergo management audits once every ten years. Two to five audits per year will be performed by the Division, while the remainder are scheduled to be performed by outside consultants.

The Committee strongly supports the concept of scheduled management audits every ten years. An analysis of management audit activity over the last ten years indicated that budget units comprising 23% of the present County budget management audits, units comprising 19% underwent partial audits, while units totaling 58% were not audited at

all. The plan is an important commitment in ensuring full County management audit coverage in the future. Additionally, the Plan provides a mandate for the CAO to perform audits on a rotational basis, thus avoiding the investigatory atmosphere which is occasionally associated with individual Board-ordered audits. **The Grand Jury recommends that the Board of Supervisors give high priority to the implementation of the Ten-Year Management Audit Plan. The CAO should work to curtail the non-audit functions of the Division to the extent necessary or provide additional staffing to ensure attainment of the Plan.**

Coordination with the County Grand Jury

The CAO has a formal quarterly follow-up report for CAO management audits. The Division would be an appropriate location for formal follow-up on Grand Jury management audit recommendations as well. **The Grand Jury recommends that the Management Audit Division include in its management audit of a given department a review of progress in implementing recommendations made in any recent County Grand Jury audit of that particular department.**

Coordination with the CAO Budget Division

The Committee noted that on occasion Management Audit Division audit teams would be in the process of performing service improvement-oriented audits while their Program Evaluation counterparts were working toward implementation of Board-mandated budget cuts. Coordination of these sometimes opposing objectives has both benefits and problems. Clearly closer coordination could provide the budget analyst with greater assistance in accomplishing budgetary objectives. However, complete separation would help the management audit team to maintain its "independence". The heads of audited departments stated that the greatest problem with the audit team was its perceived lack of "independence" from other Board and CAO objectives.

The County's overall purposes would be better served if the budget analyst's concerns were incorporated into the initial work plan. **The Grand Jury recommends that the management audit work plan more fully incorporate the immediate concerns of the budget analyst. The audit team should keep the budget analyst informed of budget progress. Consideration should be given to including the budget analyst on the audit team where his understanding of conditions in the department can contribute to accomplishment of audit improvements in the organization being evaluated.**

MANAGEMENT CONTROL OF THE AUDIT PROCESS

Budget and Schedule Control

The Grand Jury recommends the following:

Audits should be budgeted in terms of staff hours required.

Audit workplans should be more standardized in format and level of detail, and better tied to study objectives.

Hours expended should be more accurately accumulated and reported by audit for budgetary control purposes.

Standardized workplan formats including specific study objectives, staff hour budget by task and scheduled audit milestones

More accurate accumulation of hours expended by task and audit, including project charge numbers which specifically distinguish full-scope audits, partial audits, audit follow-up, special studies, Countywide coordination and other activities

Individual staff load forecasting to identify potential schedule problems, assignment of new projects and over and under utilization of staff

Improved periodic progress reporting to include budgeted hours; actual hours to date; estimates to complete; specific workplan items accomplished or in progress within or outside of schedule; and changes in audit emphasis, workplan or scope.

Controls over management audit planing, scheduling and expenditure of staff time should be improved.

The Audit Report

The Grand Jury recommends the following to improve readability and usefulness of audit reports:

The inclusion of an executive summary stating study objectives, a brief description of the department mission, overall budget and workload statistics, and a summary of key recommendations.

The addition of a summary of recommendations in matrix form, indicating priorities, recommended timing of implementation (short term long term), organization responsible for implementation and projected quantifiable benefits were applicable.

The addition of a summary of all budget changes resulting from recommended staffing changes, reorganizations, and other fiscal impact items.

The possible exclusion of less important recommendations and commentary from larger audit reports, to be conveyed to the department separately by letter.

Distribution of detailed findings should be continued, despite better summarization. The format of the Audit reports should be further improved and standardized to include an executive summary, a summary of recommendations and a summary of budget changes. This report format is now under development.

Follow-up

At present, the Division is charged with the responsibility for ensuring that audit recommendations are subsequently implemented by the department. A vehicle which has been used in this process is the quarterly progress report, submitted by the department to the Board for a year's duration after the end of the audit. The audit project team leader then monitors implementation through the progress reporting system.

In practice, implementation of audit recommendations can take years. Because of personnel turnover and time constraints, the team leader is often not available to effectively monitor the department's post-audit progress. The Program Evaluation Division, which could provide effective support in this process, is only nominally involved. When follow-up is performed, it is usually informal and is performed in an on-call basis for the department or as time is available.

It is believed that effective follow-up is vital to the management audit process, particularly with respect to the CAO, who is in a unique position to ensure compliance with audit recommendations. Formalized follow-up procedures, including maintenance of records of the current status of each recommendation, would contribute to the overall effectiveness of the program. **The Grand Jury recommends that a formal follow-up system be developed to ensure that all recommendations are implemented or otherwise dealt with. The Program Evaluation Division should be more effectively integrated into the follow-up process.**

DEPARTMENT OF HEALTH SERVICES: ORGANIZATION AND MANAGEMENT STRUCTURE

The County Department of Health Services (DHS) is the largest unit of County government, with a budget approaching one billion dollars per year and approximately 24,000 employees. Its primary responsibilities are in the operation of County hospitals, mental health programs, and community health (public health) programs, with the hospitals portion accounting for about 75% of the Department's total budget and employees.

During the period from 1965 when the Medicare/Medi-Cal laws became operative up to the present, the responsibility of the County for provision of health services has expanded significantly. Its clientele has greater service expectations and is demanding higher quality and availability of health care services. Since about 1970, the financial resources of health programs available to the County have been cut back by State and Federal sources who are, themselves, seeking to reduce health care expenses.

During this period of turmoil, since 1970, DHS has faced continuing crises which have made it subject to pressures for better services, management controls, coordination, safety and cost containment. An effect of this extended turmoil has been high personnel turnover at top levels, low *esprit de corps* at all levels, and insecurity as to what may happen next.

The DHS has been, for the past five years, the most highly criticized unit of County government. It is the largest department operated by the Board of Supervisors, the most complex in terms of the varied services that it seeks to provide, and employs more people with diverse occupations and special interests than any other department.

In terms of size alone, the DHS is one of the largest enterprises operating in the Los Angeles basin, as shown by the following employment figures:

	Approximate* Number of Employees
Rockwell International	40,000
Lockheed Corporation	37,200
Carter, Hawley, Hale Stores	27,600
DHS	24,000
Walt Disney Productions	17,500
General Telephone	17,300
Northrop Corporation	15,510
Southern California Edison Company	12,290

*Source: Los Angeles Chamber of Commerce, 1978.

The present organization structure of County health care services was formed in 1970. This formation consolidated the departments of Public Health, Hospitals, Mental Health, and Veterinarian. The resultant health care unit is DHS. The primary purposes for the consolidation of the four former departments into a single present department were: economics of shared services, improved coordination of health services, better planning and evaluation, and creation of a single, central authority for overall management.

The stated mission of the Department is to help individuals who live in Los Angeles County achieve and maintain optimal status by providing a comprehensive, coordinated and community based system of health promotion, protection and restoration which is reflective of community needs. Within the framework of this general purpose, the Department has responsibilities derived from various State and local legislative directives, such as the State Health and Safety Code, the Welfare and Institutions Code, the Administrative and Government Codes, the Los Angeles Public Health Code, as well as local ordinances, administrative orders and Federal contractual obligations. Accordingly, the Department is mandated to perform the following functions:

Provide care for indigent persons, medically and indigent persons, Medicare and Medi-Cal patients, and "for pay" patients in cases where such persons cannot get adequate care in other facilities.

Provide care for all persons in emergency situations and quarantine or disaster situations

Provide care to all persons requiring psychiatric evaluation

Fulfill the hospital inspection and enforcement function specified in the Health and Safety Code

Provide care for clients of the Bureau of Adoptions

Investigate and inspect environmental conditions in a broad number of program areas covering food and consumer protection.

The Department operates seven hospitals, fifty-eight health centers, one comprehensive ambulatory health center, and twenty-two mental health centers. In addition, DHS administers nearly 850 grants and contracts valued at approximately \$175 million annually. It has ten primary program emphases, as follows:

Emergency Medicine
Preventive Public Health
Substances Abuse
Mental Health
Dental Health

Maternal Health
Adolescent and Child Health
Primary/Acute Disorders
Intermediate and Long-term Disorders
Health Manpower Development

During the conduct of this study, the Committee found that DHS has been criticized by other units of government and the public for a variety of reasons, such as:

"It is too big."

"It is poorly managed."

"Many facilities are old and run-down."

"It is a collection of unrelated units that don't work together."

"Its top managers are not cost conscious."

"It is too decentralized."

"Many of their top people have quit in the last five years."

It was also apparent during the course of this study that DHS has had its defenders, who suggest in the following quotations that:

"The Board of Supervisors gets too involved in internal Department operations."

"Some supervisors' aides think they know more about running the Department than top managers within the Department."

"The CAO's office dictates arbitrary and uninformed policies to the Department, often by junior level people with little experience."

"The CAO's office controls all the major resources but has none of the final responsibility for health Care."

"The County Counsel's office acts as a delaying roadblock, often holding up progress."

The County Personnel Department is inflexible, unresponsive, and not service-oriented."

"It is impossible to recruit top quality management people at current compensation levels."

"The CAO's office treats Department managers like felons rather than responsible administrators."

"There are no County provisions for continuing education and participation in professional associations and societies for top-level managers."

Although several of these comments, both pro and con, are extreme, many of the issues raised have legitimate basis which are symptoms of problems which will require attention before the operating effectiveness of DHS can be maximized.

Independent Functioning for County Health Services

In many other counties in the United States, the operation of health services has been separated from the county or city governing board and placed under a separate unit whose only responsibility is health care services. County hospitals in Chicago are under the direction of a separate hospital commission which has an independent budget, personnel and purchasing policies, legal departments, and related responsibilities. This arrangement has been most effective.

The Chicago Example

In 1969 the Illinois Legislature created the Health and Hospitals Government Commission of Cook County as an independent, nonpolitical body to operate the County's three hospitals. The Commission is comprised of nine members who are selected by a committee made up of representatives of the County Board, the State Health Department, and several deans of local medical schools. In practice, it has proven to be a good working commission with loyalty only to itself. It is financed by a County property tax which can only be used for the operation of County hospital services.

The major strength of the new Commission is that it has its own personnel system (except pension plan), purchasing, finance and budget, legal, computer, engineering and other departments which are independent of centralized County bureaucracy.

Other Examples

There are other examples and models of organization, such as Denver, Houston, Portland, Miami, and Minneapolis which offer alternatives that can be useful in isolating possible directions for the future. It is likely that none will be exactly right for Los Angeles, but each may offer some guidance.

In Los Angeles County, the Department of Health Services has great difficulty in fulfilling its objectives due to two major reasons: (1) it is large and complex and (2) it is excessively bound up by County bureaucracy and political interests. It was clear during the course of this review that, regardless of who occupies the position of Director of the Department, it will be impossible to carry out its obligations under the current complex organizational arrangements. Specifically, the Department must be more independent and self sufficient, moving away from the checks and cross-checks from other units of County government which delay and impede its activities.

The Grand Jury recommends that present organization of the Department must not be altered and a special, nonpolitical study group of leading health care professionals should be named by the Board of Supervisors to consider the cost/benefit of an independent health commission to run County health services.

Operating Service Contracts

Significant opportunities exist for cost savings and improved quality of services by entering into special management contracts with outside firms who specialize in the management of hospitals. Many counties in California and throughout the United States have studied the pros and cons of having an outside specialty management firm assume total responsibility for the day-to-day management of their hospital facilities, and many have reacted positively.

These contracts, usually for a set fee based on percentages of gross revenue (seven percent of gross, for example), provide that the company will employ the chief executive officer and key staff support for the hospital and will use their prior experience to improve the management of the hospital. In some cases, the results have been spec-

tacular and, in some cases, unsatisfactory. The size of hospitals under contract to these firms has ranged from small (50 beds) to large (over 400 beds).

In addition to contracts for the management of entire hospitals, several other alternatives are available for outside contracts, such as health centers, mental health centers, dietary, housekeeping, inhalation therapy, pharmacy, personnel recruitment, billing and collections, and others. Under certain circumstances, specialty firms can provide expertise and experience not otherwise available, and could allow the County to avoid the cost of personnel hiring, training, sick leave, retirement and other employee-related costs. At the present time, the Department of Health Services appears to have an operating philosophy which is not amenable to contracting for large service or divisions, and has not studied the cost/benefit adequately.

The Grand Jury recommends that the top management leaders in the Department meet with representatives of service contract firms to discuss the cost/benefit of contracting out for hospital and specific division management contracts, and obtain bids for services.

Ineffective Advisory Boards

The large number of advisory boards and commissions who become involved in special areas of Department policy and operations are uneven in their value and unpredictable in their actions. Several of the advisory groups have been inactive because the Board of Supervisors has not made the appointments which would provide enough members for a quorum at their meetings. Other advisory groups have been used as lobbying tools by special interests within the Department whose policy positions have been rejected through normal channels, and who see the advisory boards as vehicles for their special interests.

Although the intent of the seven advisory groups to provide public participation in the policy-making and management process is admirable, in practice their duties responsibilities and overall value to the Department have not been taken seriously by the Department or by several of the advisory groups themselves.

The Grand Jury recommends that a special committee of Department and CAO representatives critically assess both the role and value of the advisory boards and commissions which deal with the Department of Health Services, and should take appropriate action to strengthen those that have real value and eliminate those that do not, to the degree that legislative requirements will allow.

CENTRALIZED VS. DECENTRALIZED STRUCTURE

It is a basic fallacy that an organization must be entirely centralized or entirely decentralized throughout its total structure. Many successful organizations are centralized in parts of their structure and decentralized in other parts. The Department of Health Services is, at the present time, a combination of both types, but definitely leans to a more decentralized structure overall. It is, for example, more closely comparable to the independent, loosely-held together structure of a large decentralized university than it is comparable to the tightly-knit controlled structure of a centralized military organization.

If the Department is going to effectively carry out its programs and responsibilities at the community level, it will be necessary to have a highly *decentralized program structure* that is responsive to the needs of the neighborhoods where services are actually provided. Conversely, in order to fulfill its administrative and managerial responsibilities, it will be necessary to have a highly *centralized administrative* structure that can provide the coordinated financial, personnel, and material support that any large organization must have.

The Department must, in effect, be a combination of both decentralized program focus and centralized management focus in order to fulfill its multiple goals.

Centralized Administration

Administrative support within the Department, at the headquarters level, has not been as strong as necessary. The central management functions of revenue management, expense control, financial forecasting, staffing and budget analysis, contract management and other centralized administrative activities have been regularly criticized by other departments of County government with whom they have come in contact. Much of the reason for this has been indecisiveness in recent years in the Director's office, and a general nonmanagement of orientation among top level people within the Department. Some recent improvements have occurred in the area of revenue enhancement by central headquarters staff who have established new practices and Department-wide guidelines. It will be necessary for the next Director to place a heavier emphasis on central administrative controls and accountability among top management staff. However, it is also apparent that the Director's own support staff must be enlarged to include experienced fiscal and systems oriented professionals who can supply the management skills necessary to run an organization as large as this Department.

The Grand Jury recommends that the Department increase its centralized administrative control with an expanded top management staff in the Director's office. Within six months the Department should submit a plan to the CAO to implement this recommendation.

Decentralized "Regional" Organization

A decentralized arrangement to support local community health care programs and services will be most effective in getting day-to-day services to the County's citizens. The present regional concept offers the most potential to integrate mental health, public health and hospital services at the community level, although there still are people within the Department who are not supportive of integrated mental health, public health programs. It may be necessary to provide incentives (positive and negative) to promote the concept of integrated, decentralized programs at the local level, among key professionals within the Department.

The Grand Jury recommends that the development and management of the Department's health care programs and services continue to be decentralized to emphasize community participation.

DEPARTMENT OF HEALTH SERVICES: FINANCIAL PRACTICES AND POLICIES

The review of the selected financial practices and policies of the Department of Health services related to the following specific areas.

“Billable” vs. Non-billable” services in selected clinics.

All-inclusive rates contrasted with itemized billing in the outpatient clinics.

The benefit of the special effort by the Department of Health Services to increase revenue.

At the present time there are numerous tasks being conducted by the Department of Health Services Administration Section that relate to improving the overall financial practices and policies within the Department. Currently, the Financial Management Group has implemented a Comprehensive Revenue Improvement Master Plan (CRIMP) in an effort to improve the revenue, billing, and collection practices of the Department.

ANALYSIS OF THE PROBLEM OF “BILLABLE” vs. “NON-BILLABLE” SERVICES IN SELECTED CLINICS

In February 1970, the Los Angeles County Board of Supervisors adopted the following recommendations:

That the Health/Hospital/Mental Health department merge into one service—to be called the Department of Health Services.

That the County adopt a personal health care delivery system utilizing both public and private resources.

That ambulatory neighborhood health centers be established, each providing diagnostic and primary care, and be linked to the back-up services of a hospital base.

That the County contract with private physicians and dentists to compensate for manpower shortages.

That census tracts be adopted to improve health service districting policies.

The adoption of these recommendations created special billing problems because services being provided at the neighborhood health centers had been rendered free of charge under the previous organizational structures. However, the new organizational structure linked the health center to a hospital, and, as a result, some services which had been historically chargeable items at the hospital clinics were provided on a no-charge basis at the health centers under the old health services department structure. Therefore, under current conditions a patient may visit a health center and receive a service free, whereas, if that same patient visited a hospital-based clinic and received the identical service the patient would be charged for that service.

Department of Health Services Action on the Problem

In response to this problem, the Special Projects Unit in conjunction with efforts of Revenue management within the Administration section of the Department of Health Services was assigned the task of evaluating the feasibility of implementing a billing system within the health centers. In conjunction with this evaluation, the Unit was also assigned the task of developing the billable vs. non-billable policies for the health centers.

In order to assess the feasibility of billing for health center services, the special Unit conducted a study on the potential cost effectiveness. The approach to the study included the identification of clinic-visits by class-of-payer-by-clinic. The billable units of service were multiplied by the billing rates to arrive at a gross revenue amount. The gross revenue was adjusted for estimated payment to arrive at the estimated cash that would be generated by billing these services. The adjustment for payments was based upon the Schedule of Maximum Allowances for Medi-Cal payers, the current interim reimbursement rate of 70% for Medicare payers, and the John Wesley collection percentage of 4% for self-pay payers.

Currently, there are fifty-three health care centers and approximately another fifty satellites of the centers that are located within the five designated health services regions within Los Angeles County. For the fiscal year ended June 30, 1977, there were 94,049 clinic sessions which treated 1,876,639 patients for an average of twenty patients per clinic session. There is an uneven distribution of the patient load among these clinics and their satellites. Criteria for establishing a new health care center or satellite are often in response to external forces rather than any overall long-range plan that had been developed based upon proper demographic and financial considerations.

The Grand Jury recommends that the Department of Health Services develop an overall long-range plan for providing ambulatory neighborhood health services. Statistics indicate that such a plan would reduce the number of health centers and satellites without sacrificing the quality of care being provided and would also result in additional financial savings.

The Department has conducted a special study on the potential cost effectiveness of billing for health center services that have been identified as billable. The study indicates that the net billable revenue would amount to approximately \$27 million; however, the Department estimated that only \$6 million of this potential revenue could be realized

in cash. **The Grand Jury believes that the development and implementation of strong billing and collection procedures would generate substantially more cash than the Department has estimated. A plan for implementing such a billing system would include:**

Developing written policies as to what is billable versus what is not billable. The Department has already done much of this work.

Immediate action by the Board of Supervisors on these recommended written policies. Delays in the decision making process could jeopardize the Department's efforts to make improvements in the billing system.

Communicating the policies to the appropriate people. Policies are of no value unless they are communicated properly to those who must implement them. This communication process would also include a public relations task of educating the public on these policy changes.

Developing written procedures on how the billing process is to be done. The billing system that is developed should attempt to minimize the amount of required paperwork. Our review at selected facilities indicates that the current "required" paperwork has become too cumbersome and much of it does not serve any real purpose.

Implementing the billing procedures first at those health care centers that the Department knows would still be in existence if and when a long range plan is developed. There is no economic justification to implement a billing system in a center that may not exist in future long range plans.

Billing procedures should also encourage adequate screening processes. Site visits revealed that there were signs encouraging patients to enroll in the Medi-Cal program; however, there did not appear to be much physical effort to screen patients for eligibility determinations.

A stronger screening process would reduce the current self-pay category of these centers and their satellites.

Designating individuals who would be held responsible for the billing production at the centers. However, no individual should be placed in a position of being held responsible, unless they are first provided with the necessary "tools" to work with. These "tools" would include well documented billing policies and a procedures manual, a billing system, appropriate staff, necessary training, and proper management information reports to assist them in their assigned duties.

ALL-INCLUSIVE RATES CONTRASTED WITH ITEMIZED BILLING IN THE OUTPATIENT CLINICS

The Department of Health Services is currently in the process of implementing an all inclusive rate setting and reimbursement system for establishing as many as twenty-five all-inclusive rates for various levels of care in all its clinics to replace the former flat rate per diem system. This action is in response to a special study that was conducted by Contract Consultants in 1971 and 1972.

In 1974 the Master Project proposal supported the concept of inclusive rates and included it as one of the major goals of the project. The system was designed to allow each facility to set as many different rates as could be supported from the financial and statistical supporting systems. The system's rates-setting process allows the facility to set rates which will recover all of the facility's cost.

The information the hospitals use to set rates comes from two data-gathering systems within the McDonnell Douglas System (MCAUTO) itself. HFC-1 is an automated fiscal system which records historical accounting transactions and provides report in-

formation for budgeting and control of County funds. HFC-2 records the statistical data necessary to determine the users of service by payer class.

As previously stated, Master Project implementation of the new all-inclusive rate structure is in process. The project is at a stage where hospital areas, such as billing, accounts receivable, and general accounting, can be converted to either the all-inclusive or itemized system. Conversion to the itemized system would include system design modifications and major operational changes.

There are some groups who are affected by the Department's decision of the charge methodology who have expressed a preference for conversion to itemized billing. Most of these groups object to the inclusive rate billing because of equitability of charging based on average rather than services actually received; and, because of the lack of conformity and comparability to accepted practices of other health care institutions in the community.

Department of Health Services Action on the Problem

The Health Services Administration central fiscal staff has spent a great amount of time evaluating the pros and cons of the two methodologies. To date, some of the factors that have been given serious consideration are as follows:

Acceptability of Billing System. Since the inclusive rate methodology differs from the national standard practice of charging on an itemized basis, its use requires a continuing education process both internally and externally for similar understanding and acceptance.

Documentation Requirements for Ancillary Charges. With the inclusive rate, separate charges are not made for each ancillary service rendered; therefore, it is not necessary to have an individual charge slip for each instance of service incurred in order to generate a bill.

Rate Review and Rate-Setting. With itemized billing, several thousand rates are used and the rate review process becomes complex and time-consuming. An inclusive rate system deals with only a few rates and makes the rate review and rate-setting process simpler.

Central Supply and Inpatient Planning. County hospitals currently issue central supplies and inpatient pharmaceuticals as ward or clinic stock rather than to individual patients. A change to itemized billing would mandate major operational changes in this practice.

Claims Procedures. Currently, outpatient billing is done monthly to all payers, with Medicare and Medi-Cal claims submitted with a single generalized diagnosis for all services that month. A review was done by the Department of the Contra Costa County billing system, which is currently converting its outpatient clinics from an itemized billing to an all-inclusive billing. The review indicated major problems with itemized outpatient billing, in that multiple claims must be provided during a particular month because the ancillary services must be related to a particular visit and diagnosis. These problems include matching visits and ancillaries, obtaining proper diagnosis codes, and producing multiple claims. Contra Costa County plans a conversion to inclusive rates to minimize these problems by being able to use a monthly claim with a diagnosis since it will charge only for clinics.

Accuracy on Ancillary Slips and Logs. Experience with stratified rates and HFC-2 detail ancillary data collection Stats 1 have indicated severe problems with completeness, legibility, and accuracy of ancillary data. A minimal error rate is essential for itemized billing in order to avoid lost charges. A higher degree of inaccuracy can be tolerated with inclusive rates which are dependent upon statistical averages. Establishment and maintenance of the discipline and controls necessary for itemized billing appears to be a major stumbling block in conversion at this time.

Evaluation

The basic premise in rate-setting is that a hospital or clinic must obtain sufficient funds to cover its total financial requirements. Financial requirements for DHS hospitals and clinics would include:

- Operating expenses.
- Increased working capital requirements.
- Fixed asset acquisitions.
- Debt service.

The overall rate-setting process includes:

- Establishing goals and objectives, converting these goals and objectives into a plan.
- Determining budgetary objectives.
- Developing operating budgets.
- Compiling and receiving operating budgets.
- Identifying other financial requirements.
- Allocating operating expenses and other financial requirements to the appropriate revenue centers established for the hospital or clinic.
- Developing rate schedules.

The above mentioned approach to rate-setting assumes a rate structure in which all payers contribute their fair share. However, many outside constraining factors in the reimbursement mechanism itself prevent hospitals and clinics from fully applying these principles, the result being a highly fragmented and often inequitable method of payment for services. External forces continue to influence the rate-setting mechanisms. To date, there are twenty-six states that have imposed either a voluntary or mandatory rate-setting/rate review process which has emphasized the cost justification of price increases from an incurred cost increase basis to a budgeted cost increase basis. This has placed considerable emphasis on a degree of budgetary accuracy and sophistication which has been relatively uncommon among health care providers. This prospective basis of reimbursement is and will continue to be the trend, in some of these programs, government hospitals are exempt from the rate review process; in others they are not. With the current concern and national interest in the rising cost of our health care delivery system, it can be anticipated that any future rate-setting/rate review program will most probably include the government sector as well.

In reviewing the feasibility of converting the existing outpatient inclusive rate to an itemized billing rate, the Committee noted the following problems that affect the decision as to which rate structure is most suitable for DHS outpatient operations:

There are fundamental problems with the overall goals and objectives of the Department. Many of these issues were addressed in our Report on Department of Health Services: Organization and Management Structure.

In attempting to gather data for evaluation, some basic communication problems were detected between the faculty operations and the Department's central staff.

Currently, there are problems with the accumulation and accessibility of the Administrative Services group.

Similar problems also existed with statistical data.

The Department has established a timetable to convert from the MCAUTO system to the County's own data processing system. The initial phase of this conversion has begun, in spite of the fact that the conversion process to MCAUTO itself is already eighteen months behind schedule.

To address these problems the Grand Jury recommends the following:

It would be untimely at this point to convert to an itemized billing system for outpatient services. Because of the nature of the delivery of the ancillary services converting only outpatient services to an itemized rate would further compound the problems. It would be more beneficial for the Department to perfect and correct the problems with the existing revenue system.

Goals and objectives need to be established by the Board of Supervisors. These goals should be expressed in quantifiable terms, be practical and attainable, thoroughly understood by those responsible for their attainment, and formulated into a workable plan.

There is need for development of more positive helpful attitudes and basic lines of communications between facility operations and the Department's central staff.

An effective management control and reporting system should be implemented to satisfy management information needs. The MCAUTO system has such reporting capability. However, the reports are often not disseminated to proper levels of management, or are disseminated but not always as a management tool.

Steps must be taken to correct the problems with the HFC-1 statistical system. In addition, the HFC-2 system should be perfected and implemented as soon as possible. Further delays in this area may jeopardize the Department's Medicare and Medi-Cal Reimbursement.

THE BENEFIT OF THE SPECIAL EFFORT BY THE DEPARTMENT OF HEALTH SERVICES TO INCREASE REVENUE

The Department has experienced difficulty in the past with its revenue, billing and accounts receivable functions. Problems in these areas had caused the County to lose a substantial sum of reimbursement from the Medicare and Medi-Cal programs due to the application of Section 233 of Public Law 92-603 which limits reimbursement from these programs to the lower of cost or charges. The deficiencies in recording the revenue contributed to this problem as did the delinquency in submitting billable claims. This billing delinquency further contributed to an increase in the number of days' revenue in accounts receivable.

Department of Health Services Action on the Problem

In an effort to improve the situation, the Board of Supervisors authorized the employment of an additional 275 employees to work solely on the revenue generation phase of a "Revenue Action Plan" beginning July 1, 1977. One hundred and ninety positions were authorized for the facilities and another eighty-five were assigned to the Department's headquarters. In addition to the day-to-day tasks, the Headquarters group was charged with the responsibility of implementing the recommendations made by the Auditor-Controller's office and the prior year's Grand Jury Auditors. As a part of the overall effort to improve the Department's collection effort a portion of the collection function was delegated to the County's Department of Collections.

The entire revenue generation and collection effort is directed by the Deputy Director of Administration who is responsible for:

- Headquarters Administrative Services
- Contract Management
- Financial Management
- Personnel Management
- Legislative and Governmental Management

To assess the cost effectiveness of this special billing effort, the eighteen month period being evaluated was divided into three six-month periods:

June, 1976	—	December, 1976
January, 1977	—	June, 1977
July, 1977	—	December, 1977

The first period was identified as the base period and did not include any special billing efforts. The Committee first determined the percentage of collection in terms of absolute dollars for each of the three periods and found that collections had improved from an overall average of 49% of billings in the first period to 61% in the second and third periods. In absolute dollar amounts collections improved from \$100 million in the first period to \$144 million in the third period. The receivables at October 31, 1977 were approximately \$328 million.

The totals included those receivables with the Department of Health Services and those with Department of Collections. The balance was divided as follows:

Department of Collections	\$169.3 million
Revenue Management	158.7 million
	<hr/>
	\$328.0 million
	<hr/>

This balance includes an adjustment to delete \$90.8 million dollars which included old billed, and uncollected accounts of \$31.9 million and other adjustments of \$58.9 million.

These other adjustments included reductions for such reasons as administrative adjustments, statute of limitations, County costs, Public Health, and teaching and research.

To further evaluate the special billing effort, two overall reasonableness tests were performed. The first employed the use of an overall average to compare dollars collected per dollar spent in collection efforts. The second test employed the use of the incremental concept. The evaluation was done using both absolute dollar amounts and Period I base amounts. This means charges and costs in Period II and III were adjusted to eliminate price, wage and inflation increases that occurred since Period I.

In terms of absolute dollars there has been substantial improvement in the collection process and rates at the hospitals have been increased in an effort to correct the lower of costor charges problem with the Medicare/Medi-Cal programs. The data indicates, however that there has been a slight decline in productivity in Period III compared with Period II. The vast majority of the problem is attributable to the decline in collections at the Medical Center. Substantial progress has been made by the Department in its collection efforts and results have been realized. These efforts must be continued at all facilities and particularly at the Medical Center and Olive View Hospital. The revenue management group has implemented measures to investigate the problems at the Medical Center.

The Grand Jury recommends that the County evaluate the situation on June 30, 1978 and again on December 31, 1978 to ensure maximum returns for the collection effort. By then there should be enough data available to determine whether there is an improvement trend or whether the initial improvement is a one-time situation due primarily to a catch-up in back-log billings.

DISABILITY RETIREMENT SYSTEM

The Los Angeles Employee's Retirement Association is administered through the office of the County Treasurer, who also serves as Secretary to the Board of Retirement and as a voting member of the Board. The Board of Retirement is a separate entity from the Board of Investment which manages the portfolio of the retirement association.

In 1937 the Legislature of the State of California enacted the County Employees' Retirement Law. This law may be adopted in any County either by a vote of the people or a four-fifths vote of the County Board of Supervisors. The latter option was taken in Los Angeles County. The law creates a Retirement Association which includes all permanent county employees as members and defines a Retirement Board to make decisions for the membership. The structure of the Board is prescribed by law to include nine members plus one alternate—which were held in the original law as follows: Position one is to be held by the County Treasurer. Positions two and three are to be held by members of the Retirement Association elected by the general membership. Positions four, five, six and nine are to be residents of the County selected by the Board of Supervisors. Position seven is to be occupied by a safety member elected through the Retirement Association and position eight is to be held by a retired member of the Retirement Association also elected by the membership.

The Board is responsible for deciding all retirement awards—which totalled 2213 in 1977—yet none of the members hold positions where they can devote significant time to Retirement Board functions. The Board may be served in the following advisory capabilities as prescribed under the following Government Code Section numbers:

31529: "The District Attorney, or the County Counsel if there is one, is the attorney for the Board."

31530: "The County Health Officer shall advise the Board on medical matters and, if requested by the Board, shall attend its meetings."

31533: "Whenever, in order to make a determination, it is necessary to hold a hearing the Board may appoint either one of its members or a member of the State Bar of California to serve as a referee."

31732: "The Board shall secure such medical, investigatory and other services and advice as is necessary to carry out the purpose of this article."

Decision-Making Process

Retirement Services Division staff estimated that 80% of claimants initially go to Workers Compensation with their service-related injury claim. Often at this stage they have no thought of retirement but only believe that they may obtain some remuneration for their injury. However, the Workers Compensation definition of injury may include work restrictions placed on the individual in order to avoid any possibility of recurrence.

It is possible, therefore, that an individual seeking some relief for a service-related injury may be forced into full disability retirement. Since the County does not want to be liable at this point and most supervisors would prefer a fully capable employee to one with job restrictions, the individual may not be able to resume his job. Then he or she is almost forced to pursue disability retirement and the Board generally will grant it if the County will not allow the employee to return to the same job with limited work restrictions.

The Grand Jury recommends that the Personnel Department determine whether injured employees are accepted back to work as soon as possible with every consideration given to accommodating any residual effects and accompanying work restrictions.

One of the greatest problems in the Retirement Law is that it specifically prohibits re-assignment or transfer in lieu of a disability retirement allowance (section 31725.5) if an employee is unable to go back to his or her previous position. This is contrary to most private disability insurance which will reimburse initially only if the individual is unable to perform a substantial portion or all of his *normal responsibilities*. Then after a period of time, generally one to two years, the requirement changes and to receive compensation the individual must be unable to perform *any* occupation for which he is fitted by job training or education. In other words, he cannot refuse any employment.

The following points explain why the employee has such great incentives to attempt to obtain disability retirement.

There is no requirement to accept any other position in the County.

There is no coordination of benefits with social security or other employment that may be obtained.

Rarely is any subsequent physical review required.

Safety members with heart trouble after five years of employment can use the presumption clause 31720.5 "such heart trouble . . . shall be presumed to arise out of and in the course of employment."

Increasingly court judgments have supported claims based on the "stress-strain" of employment.

Benefits pass through to family members on the employee's death.

The Grand Jury recommends that substantial revisions be made in the retirement plan based upon clearly defined objectives. Specifically in relation to disability retirement the following changes are recommended:

Full disability compensation should only cover an initial period after which the employee should receive benefits only if no other appropriate County position is available, or he/she is completely unable to work.

All cases that do not have a terminal diagnosis should be subject to periodic physical re-examination.

If an employee on disability receives Social Security, other employment compensation, or other benefits, the total benefits should be integrated and should not exceed normal income so there is no economic incentive to remain on disability.

It should be clarified as to whether or not the presumptive clause applies when a physician specifically states that the condition is not job-related.

It should be clarified as to what conditions come under the definition of "heart trouble" and therefore are included under the presumptive clause.

To receive a disability retirement award the individual first obtains, completes and files the necessary forms in the Retirement Division. The Division then gathers all related information from:

The Personnel Department

Worker's Compensation

Physicians who have treated the individual

Prior to June, 1977, all records were sent to the County Health Officers serving the Retirement Board. They reviewed all the information, requested an additional examination if they believed it was necessary and wrote an extensive report with a recommendation to the Retirement Board. In May 1977, the County Treasurer indicated to the Board his belief that, due to the heavy backlog, delays occurring in the time records were being held by the County Health Officers and proposed that the Board make greater utilization of outside physicians.

Beginning in June, the procedure was changed as follows:

For safety members claiming the presumptive clause with adequate medical backup or if a nonservice connected disability retirement is requested and a serious diagnosis such as cancer or degenerative disease has been established, the records go directly to the Board with a staff recommendation for approval.

If the staff review a claim with medical reports and feels it is invalid, the records might also go directly to the Board with a recommendation for denial.

All other applicants are requested to schedule appointments for examination with physicians appointed by the Board to serve as "panel doctors." The records along with the panel doctors' findings are returned to the staff and then forwarded to the Board with the staff's recommendations.

The Board members receive all case information approximately one week prior to the Board meeting along with a recommendation for a service award, a nonservice award, or denial. At the Board meeting cases are considered in very rapid succession in order to handle the volume. For this type of Board action the staff recommendations should be very reliable. Present staffing levels along with the lack of policy direction and administrative skill make this unrealistic. Additional problems involve the multiplicity of judgment that must be made using minimal criteria for awards. At times there are conflicting medical reports and at other times the mere claim of injury and inability to work are compared to the employee's work requirements and seem as unreasonable no matter what the medical reports say.

The Grand Jury recommends that criteria for awards be better defined and a consistent format summarizing relevant factors be adopted. The medical judgment debate has obscured the fact that additional considerations are important and their relevance should be part of the decision-making process. These include:

Pre-existing conditions.

Credibility of the injury account.

Job requirements and possibilities of working with physical restrictions.

Prognosis.

Often in reports and in Board consideration the attitude came through, i.e., "It won't matter if we do deny the case, they will just appeal it and win anyway." The staff estimates that of the cases denied any benefits, approximately 85% appeal. If service connected benefits are requested and only nonservice benefits are granted, approximately 50% appeal.

These percentages are only estimates and unfortunately the facts are not known. Prior to May, 1977, no statistical summaries were kept on an ongoing basis and the format now being used is rudimentary. This lack of management information contributes significantly to the lack of accountability of the Board's advisory staff and frustrates its own decision making, as totals and trends cannot be analyzed. It is evidence of the lack of an appropriate administrative structure and leadership necessary to the functioning of the Board.

The Grand Jury recommends that a strong, capable individual with appropriate expertise be put in a position to provide administrative leadership and serve the Board in resolving policy and procedural issues with adequate staff to perform needed investigatory functions. The Board should reconsider the option of funding its own staff as provided for the sections 31522.1 and 31580.2 of the Retirement Law.

The flow of the decision-making process proceeds after an appeal with a hearing before a referee. The referees are members of the California Bar appointed by the Board to review all evidence on hand and any additional information the claimant or his attorney wish to present. The referee then conveys to the Board his findings and recommendation. The Board may under Government Code section 31534:

Adopt the proposed findings and recommendations of the referee.

Read the transcript of the hearing before the referee, consider all other evidence received by the referee, and decide the matter.

Refer the matter back to the referee for further proceedings with or without instructions.

Set the matter for hearing before itself.

For the final phase of the claim procedure, if the claimant is still denied or will not accept a nonservice connected award, he/she may seek and obtain a writ of mandate. If it is issued, the Board must comply or appeal. The appeal process takes approximately two years.

Personnel Division Issues

The Personnel Division for Los Angeles County has the tremendous task of finding, maintaining and administering the employment of almost 70,000 people. All are required to have pre-employment physicals and to meet the physical requirements of the job classification they fall into with either light, moderate or arduous physical standards. Safety members are in the arduous category. The Director of Personnel believes that less than 1% get by without a pre-employment physical. If anything, there is increasing pressure at the State and national levels to drop physical requirements as they represent barriers to employment for the handicapped and this is viewed as another form of discrimination. Hence, increasing emphasis in this area will probably not be practical.

Another pre-employment issue is the falsification of application records. Many feel that denial of a previous condition should negate the retirement association's benefit obligations but County Counsel has given an informal opinion that this is not true. Once an employee is in the system he cannot be denied benefits. The head of County Counsel does agree that any falsification should be discouraged and would be willing to prosecute if a case can be verified. He does not believe that an appropriate case has come to light to date.

Another suggestion was that there be a procedure so that high risk potential employees including people already on disability retirement from other systems be asked to waive any rights to additional disability retirement benefits. Again, this agreement would probably not prevent an applicant from later proving that the County was legally liable. The department believes the approach is to "select employees who are free of any significant medical problems, particularly progressive diseases, and then to protect our investment in our employees and minimize the costs of our benefit problems by providing specialized preventive health programs for employees in high-risk occupations." This approach should be vigorously supported as it has proven very effective in industry.

A review of the Occupational Injury and Illness Recordkeeping Requirements reveals that an elaborate system has been developed but perhaps more emphasis could be placed on verifying what takes place at the time of injury and using this as a basis for education and prevention. It is notable that the report itself is specifically inadmissible in the worker's compensation review. One would think that if an individual claimed an on-the-job injury the first question asked would be: Did the individual file a report at the time of the injury? Such a report in and of itself could be a prime requirement for supporting a job-related disability claim.

There should be increased formal communication between the Retirement Division and Personnel Department for the purposes of:

- Assuring that "new hires" meet physical requirements.
- Improving safety programming.
- Preventing recurring accidents which cause disability.
- Prosecuting cases where employment records are falsified.

Medical Practice Issues

Initially, the medical practice issues seemed to center on the number of retirement disability cases processed per month by the Health Officers. Reportedly, the previous doctor processed thirty-five cases a month. The current Health Officer assigned reportedly was only able to complete twenty reports per month and requested that additional medical manpower be retained. A second Health Officer was hired half time and then

placed on full time but the number of reports did not significantly increase. The Board's dissatisfaction was communicated to the County Health Officer, but changes were not made. The Health Officers have been involved in hearings which are very time-consuming, speeches, and other efforts related to physical disability; however, this has not been satisfactory to the Board as they believe the physicians' jobs should be to keep current on their review of disability cases. A Board member reported at the April, 1977 Board meeting that each medical advisor handled average of twenty-seven disability retirement cases over the last three months, or nine cases each month.

In May, 1977 the treasurer distributed to the Board members an outline of an alternative procedure for claims processing incorporating a panel of examining physicians in various Board certified specialties. Under this procedure the applicant is actually examined by a physician for the purpose of specifically defining the extent of disability and extent of its job relatedness.

Within one week of the treasurer's letter, the acting Director of Health Services asked an opinion of County Counsel: "May the Board of Retirement legally establish a panel of private physicians to examine applicants for disability retirement, review their medical records and advise the Board as to whether such persons are disabled, and if so, whether any such disability is service connected?" Counsel's opinion was as follows:

"Pursuant to Section 31732 of the Government Code, the Board of Retirement may establish a panel of private physicians to examine disability applicants, review their records and advise the Board as to their medical condition." Counsel explained at length that the provisions of the law as quoted previously in this report provide that the County Health Officer shall advise the Board at the Board's request but that the Board also has the power to secure such medical service and advice as is necessary to carry out its responsibilities and to pay for such service outside of those provided by the County Health Officer.

The question is raised whether safety members claiming heart trouble disability can be certified by a doctor of their choice, have their application reviewed by lay members of the treasurer's staff, who then submit it directly to the Board of Retirement, bypassing the County Health Officer and his medical advisors. It is stated by County Counsel memo that this procedure substitutes lay judgment for the statutory mandate of section 31530. However, this is not correct because the procedure states that the heart trouble must be certified by a doctor. This means that the condition has been verified by a doctor.

The Health Officers themselves have noted in case reports that although they may not believe that a heart trouble claim for a safety member represents a true disability they recommended approval, because of the presumptive clause. On a specific case considered at the December, 1977 Board meeting the independent physician stated specifically that he did not believe the heart presumption claim was justified. The question arose as to whether the presumptive claim was conclusive and even with medical and legal counsel present the issue was not resolved but a service connected award was made.

The next question seems to be the manner in which the panel physicians were selected and the quality of their medical expertise. The treasurer's original letter stated:

"The examining physician panel as determined by my staff and submitted to the personnel department, worker's compensation division and to the law firms representing the applicants was found to be acceptable. The panel was also submitted to the health officer for determining of the physicians' specialty board certification. As time passes we will recommend that you add or delete physicians as circumstances warrant."

The Chairman of the Board made independent inquiry as to the qualification of the panel doctors proposed and determined that some probably were not of the highest caliber and that perhaps a better method could have been followed in the selection of the physicians. However, he believed that he personally did not have time to pursue this

question and that it was an administrative issue up to the Retirement Division staff. In the process of working with the panel unsatisfactory physicians have been dropped.

Use of the panel doctors does have the advantage that applicants are examined by a Board-certified specialty doctor who also examines the background medical information and employment information. Since more of them can be called upon they can diminish the backlog of cases and reduce the County's expenditures for sick leave and worker's compensation with the early settlement of claims.

In the process of defending their previous position vis-a-vis the retirement board, the County Health Officers appear to be engaging in a power struggle which is very detrimental to the Board's functioning. At the December, 1977 Board meeting, several specific questions were directed to the County Health Officers in their capacity as medical advisors and they refused to cooperate on the grounds that (1) they had not received the material in time; (2) they did not approve of the writer of the medical report they were asked to comment on; or (3) they believed that the report added nothing and hence refused to comment on it.

There are problems apparent with both the old and the new system; however, it would appear that the new system can be improved, whereas the County Health Officers seem to be at an impasse in terms of constructive functioning in relation to the Board. The fact is that the old system was not processing applications on a timely basis while the new system will enable the Board to do this and can be optimally effective if:

Quality Board-certified professionals are used.

They are given adequate policy direction and guidance.

They are held accountable for producing clear, comprehensive report that address issues at reasonable cost.

Their reports are integrated with the other criteria for award by responsible experienced staff.

Presently it has been up to the retirement staff to limit the use of panel doctors whose reports are not definitive.

A County Health Officer should continue to be available to advise the Board of Retirement on medical questions and to integrate conflicting medical information when it occurs. Also the County's physician may be in a better position in some cases to understand the specific requirements of a certain position in order to determine whether or not an employee's physical condition would be too limiting to continue to perform his or her regular duties. The medical advisor's current position description should be appropriately evaluated and revised to truly reflect the requirements of the Retirement Board. The Board has previously asked that the physicians limit their reviews somewhat so that more cases could be handled. They refused to do this on the basis that a full medical review was required. However, many of their reports seem unduly extensive and they appear to focus on the human interest elements of cases which are not germane to the ultimate medical decision as to whether a disability exists and whether or not it is job-related.

The Grand Jury recommends that the physician panel procedure be continued. The list of participants should continually be reviewed by competent medical staff to assure adequacy of performance.

That the position description for the Health Officers serving the Board be updated and that if the current advisors cannot assume a more constructive stance in relation to the Board that alternative approaches to provide this advisory service be explored.

County Counsel Issues

The allegations regarding County Counsel were that they were not (1) responsive to requests for opinions; (2) pursuing fraud cases; and (3) placing an adequate priority on the investigation of disability retirement questions.

In regard to the first question of issuing legal opinions, Counsel has formulated a procedure which has been adopted by the departments stipulating that requests should be coordinated by the department chief or director. Apparently this has been a source of misunderstanding between the County Health Officers and County Counsel because the County Health Officers have indicated numerous times that they believe a given case should be referred to County Counsel or that County Counsel should give an opinion on a given subject but this notation has not been translated into a formal departmental request either by the Department of Health Services or by the Chairman of the Retirement Board. Counsel does respond to oral requests for advice with memos to file but even these are generally directed back to the respective department heads.

In pursuing fraud cases, County Counsel was queried in regard to several specific cases. County Counsel is of the opinion at this point that there has not been a good test case. The third issue is the question of the priorities placed by County Counsel on disability retirement questions. There is conflicting evidence in this area. In April 1976, County Counsel communicated in writing to the Board of Retirement that it was not normally involved in reviewing applications unless a decision was appealed. County Counsel offered at this time to review all cases in the belief that this would make the Board's determination more supportable and would reduce the number of appeals. This offer was not pursued. A representative of County Counsel is present at the Board meetings and responds to specific questions but most inquiries must be taken under advisement and subjected to formal inquiries. The representative is not generally an individual with rank or experience, due to Counsel's priority system. Overall, County Counsel is most willing to cooperate in any manner deemed desirable. Again, it is a question of their being provided with administrative direction and being held accountable for their functioning in response to the Board. To date this has not occurred, which tends to indicate more about the functioning of the Board and its staff than it does about County Counsel. Another concern regarding the function of the County Counsel is their involvement in medical decision making. It was alleged that in one instance, which could not be verified, at the worker's compensation hearing the representative of Counsel stated that the applicant was considered to be medically disabled. Once this statement was made referring to medical condition, worker's compensation made its settlement and the Retirement Board was forced to concur and make an award, since it could not disagree with its own counsel.

The Grand Jury recommends that County Counsel clarify and make known to all concerned the procedures that should be followed in both formal and informal opinion requests. All members of County Counsel and referees should be aware of the distinction between medical and legal opinions, as should physicians who are involved, and these distinctions should be respected.

REGISTRAR-RECORDER'S OFFICE

The Registrar-Recorder (R-R) is responsible for County-wide registration of voters and conduct of Federal, State and County-wide elections. R-R also conducts elections for local jurisdictions within the County when consolidated with County-wide elections or when otherwise requested. The Registrar-Recorder is also responsible for maintenance of vital records and recording of deeds and other documents (the Recorder function). The Contract Auditor's study focused exclusively on the elections function.

Perspective

Beginning with the Primary Election of 1978, Los Angeles County computerized its voting system. During the primary election in June, 1970, R-R experienced problems that generated review by the Board of Supervisors, which ultimately led to major changes and improvements in the overall process. Over the last seven years, R-R has developed and maintained a nationwide reputation of excellence in administering elections effectively and competently. R-R has become a statewide leader in proposing leg-

islative changes to improve the efficiency and to decrease the cost of administering elections. The Committee endorses this effort, and believes that input and involvement in the legislative process by R-R and other County Registrars can result in decreases in cost without affecting the level of services provided.

Within the last five years an increased burden has been placed upon R-R for various reasons. Recent legislative mandates have created additional staffing needs to (1) provide bilingual ballot capability; (2) implement more complex voter cancellation procedures; (3) operate under more time-constraining voter registration deadlines; (4) provide for registration by mail; (5) administer campaign financial reporting of candidates; and (6) check petitions submitted in lieu of filing fees. Additionally R-R has for the past three years been in the process of implementing a number of major automated systems for voter registration and election tallying. These include (1) a new card-to-tape system for ballots; (2) a new voter registration and election processing system; and (3) a new election tally system. Two other developments in process are: a computerized system of typesetting ballots and election materials scheduled for completion in 1978, and automated ballot layout to be implemented by 1980. These developments have consumed management and staff resources at the same time that the involved personnel were also carrying out their responsibilities for conducting elections. The impact of these additional requirements and activities is reflected in the rise in costs of election functions over the last several years. The Contract Auditor performed an historical cost analysis of R-R expenditures adjusted for inflation and fluctuations in numbers of registered voters. Comparing the presidential primary and presidential general years, the analysis indicates that the last two fiscal years reflect about a three million dollar increase compared to the historical average. Based on Department budget estimates, over three-fourths of that increase can be ascribed to five major program areas: voter registration and election processing system development, campaign reporting, bilingual ballots, special elections and exceptional petition processing.

Long-Range Study of Future Management and Staffing Requirements

The major focus of the Contract Auditor's study was the general level of the Registrar-Recorder Department's staffing and costs. Based upon data available, it is believed that there are opportunities for improvement in the future control of costs. Some reduction in staff should occur as a matter of course in the next several years as (1) implementation efforts for automated systems are completed, (2) the full benefits of automation are achieved; (3) efficiencies from new legislation, such as reduced absent voter requirements, are realized; and (4) the County-wide re-precincting effort presently underway is completed. The additional reduction in cost will be possible through: (1) reduction in permanent staff not required in low activity periods; (2) improvements in employee productivity; (3) further automation of presently manual activities; and, possibly, through (4) a change in County policy to eliminate the need for maintain original affidavits in precinct order. Although some improvements may be achievable in the near future, the greatest effects will be evident in the long term.

The Grand Jury recommends that Registrar-Recorder implement a long-range cost control program with the following components, in order of priority:

1. **Implementation of a comprehensive management information system including job cost accounting and labor distribution related to workload volume.**
2. **Increased use of workload forecasting and productivity measurement techniques based upon the information system to project and justify staffing needs.**
3. **Study and evaluation of present methods, procedures and programs.**
4. **Modifications to the R-R organization to decrease specialization and increase productivity.**
5. **Expansion of the present productivity improvement program to cover all measurable employees.**

FLOOD CONTROL DISTRICT

The Flood Control District (FCD) was established to provide for control and conservation of the flood, storm and other waste waters of the district, to conserve such waters for beneficial and useful purposes, and to protect the harbors, waterways, public highways and property in the district from damage from this water.

The FCD has been in a transition situation in recent years. With the majority of the flood control system constructed, emphasis has shifted toward operations, maintenance, and system improvements. This, plus the imposition of new reporting and approval system (such as the Environmental Impact Report process) has increased the pressures for application of sound management techniques. The Committee believes that the FCD has, in general, responded well to these demands. The recommendations that follow should be considered in this context. They represent our views of opportunities for additional action to respond to recent developments.

Benchmarks Used in the Budget Development Process; Comparison of Actual Bids with Estimated Project Costs

The FCD has a reasonably complete set of estimating procedures and benchmarks which are used in the budget development process. During the past two years, however, the budget appropriation estimates prepared by FCD have been about 45% higher, on the average, than the low bids received. Therefore, about one-third of the budgeted construction funds have been available for additional projects, which are added from the backlog of work. The variance for individual projects between the budget estimates and actual low bid has been as high as 200% of the low bid received. This consistent over-estimation of project cost has the following possible effects:

The wide range of estimating inaccuracy could lead to inappropriate ranking of projects from cost-benefit analysis.

The planning of capital requirements (and possible financing needs) could be overstated.

Although the projects added to the work program during the year are approved by the Chief Administrative Officer and the Board of Supervisors as they are added to the program, there is less opportunity for review than for projects approved through the regular budget cycle.

Review of the District's estimating techniques indicates that they are conservative and include factors and allowances in budget appropriation estimates that do not appear warranted. Almost all the cost tables used for estimating were developed prior to 1970.

An inflation factor is now being used to update the cost tables. Production rate charts have not been revised since 1965 (FCD reviewed the production rate charts in 1970 and concluded they were still reasonable at that time.) There is a strong possibility that some portions of the tables and charts are outdated due to technological changes, method improvements and cost structure changes.

FCD has not felt, in view of its declining construction program and the cost of updating estimating tables, that a significant effort in this area would be cost-beneficial.

The Grand Jury recommends that there exists opportunity to improve accuracy of estimates, and that FCD should re-evaluate this position.

Long-term Capital Budgeting Program

FCD has a well-defined project planning and selection process, which is systematically used in developing budget requests. With the exception of the following comments on the estimating techniques, the annual budget process appears to be well linked to the long-range project-planning process.

The process of presenting information for budget discussions involves listing and summarizing proposed construction activity, divided by supervisorial districts. As the flood control facility network matures, fewer and fewer high priority projects will appear in the more developed supervisorial district; other districts will experience more needs as development of their areas occurs. Therefore, it is possible that the most worthy projects will be concentrated in three or fewer supervisorial districts. Because FCD's budget is approved by the Board of Supervisors, external influences could exist to include low priority projects from the other supervisorial districts.

Cash Management of FCD; Size and Use of Available Reserves for Future Construction.

It was found that FCD, working with the County Treasurer's office, maintains an active and effective program of cash management. In particular, over the past five fiscal years FCD has considerably reduced the surplus in its General Fund, as shown below:

Fiscal year ended June 30	Surplus, including reserve	* Reserves	Net surplus
1973	\$18,611,715	\$6,600,000	\$12,011,715
1974	18,935,503	6,950,000	11,985,503
1975	12,031,377	6,800,000	5,231,377
1976	10,453,866	7,000,000	3,453,866
1977	7,620,104	7,300,000	320,104

* Reserves are maintained to cover fire insurance, contingencies, and emergencies. These appear to be determined on a reasonable basis.

DEPARTMENT OF COMMUNICATIONS

The Department of Communications (DOC) is responsible for a wide spectrum of communications activities. Their responsibility is to ensure that other County departments obtain all required communications systems in the most expeditious and efficient manner possible. DOC also maintains and modifies existing radio and microwave systems and coordinates the maintenance and modification of telephone systems.

There are four significant policy issues which require decisions from County as well as DOC management. These are outlined below:

Institute County-Wide Interagency Radio Frequency Planning

The public safety agencies throughout the County are running out of frequencies for station to car communications as population and number of incidents increase while the frequencies assigned to those agencies remain static.

The channels within the frequency ranges used by police departments are already allocated. However, if transmitter locations and frequency assignments are well coordinated, frequency re-use on a non-interfering basis is possible. Therefore, a county-wide coordinated planning effort is essential to achieve proper channel allocations.

Single Emergency Number Project (9-1-1)

Citizens wishing to obtain an emergency service currently must select one of over 100 emergency telephone numbers to call the service they need from the jurisdiction serving them. To simplify the citizens' decision-making process in an emergency situation, the Legislature, in 1974, passed Assembly Bill 515. This bill requires establishments of a single emergency numbers, 9-1-1, by 1984, to be financed from State funding. As the State faced up to the necessity to pay for 9-1-1 costs, the definition of the mandated operating criteria which the safety agencies would have had to meet was constantly changed and weakened. Currently, the law requires very little other than the basic fact that a single emergency number must be implemented by 1984.

The legislation places upon the emergency agencies the problem of establishing a system to sort out the specific type of emergency service and corresponding jurisdiction required by the caller. In a County as complex as Los Angeles, such a system is a massive undertaking. DOC, the Sheriff's Department, the Fire Department, and the Chief Administrative Office have all been involved in preparing for compliance with the law.

All the planning schedules appear to us to have been worked backwards from the desired completion date and the telephone company ordering requirements. Since the City of Los Angeles plans to implement "9-1-1" in January, 1981, and because the telephone companies require a two-year order time, the County must order the equipment by December, 1978. Whether it is technically possible or desirable to engineer the system in the next twelve months three months of which will probably be taken up with the review process) does not appear to have been probed in any depth.

Switch from Renting to Purchase of Telephone Equipment

A third significant opportunity for improvement exists in the procurement of telephones and switching equipment. Historically, the County has obtained these from the telephone companies on a monthly rental basis. An analysis of one large location indicates that costs might be reduced 10-20% by purchasing the equipment rather than renting it. Should further analysis confirm this finding, and should this be typical of other County locations, major savings would be possible. DOC is ready to pursue this opportunity with the support of the Board of Supervisors.

Expand User and Chief Administrative Office Involvement in Communications Planning and Policy

Currently, no vehicle exists for integrated planning of communication needs. The large users require better independent technical advice than they can currently obtain, and they should be performing increased long-range planning. Frequency changes could cost several million dollars and so will the establishment of 9-1-1. Digital communications or frequency trunking could also cost several million dollars, as could microwave system expansion. With costs of this magnitude involved, improved planning is essential. Aside from the costs involved, we believe that improved user knowledge of technical requirements and DOC knowledge of long-range user needs would minimize disagreement among all concerned.

We found a department with a history of ineffective management, which has made tremendous progress in the last three to four years. However, opportunities still exist for further improvement. The major users and the Chief Administrative Office seem to support this assessment and acknowledge that additional time will be required to further improve the Department's operations.

The Contract Auditor's report contains a total of thirty recommendations. Eight of the recommendations contained in the report require concurrence and/or action by other agencies than DOC. These include the replacement of certain rented telephone equipment with purchased equipment (Board of Supervisors approval); radio frequency planning (multi-agency action); 9-1-1 planning users (possibly State legislature); and recommendations involving improved CAO and user technical planning capability (Board of Supervisors approval). These recommendations account for nearly all of the increased cost items and three-fourths of the potential for cost savings. Implementation will require a one-time expenditure of additional resources, reallocation of staff priorities, and possibly limited outside assistance. It will also require substantial work on the part of the DOC's existing management personnel to implement these recommendations. However, potential savings the first year should offset any increased costs with substantial recurring annual savings thereafter. Additionally, there should be some significant procedural, control, and planning benefits to which no dollar value can be assigned at this time.

The remaining recommendations found in the Contract Auditor's report represent significant improvements which can be made independently by DOC. Implementation will provide for savings in cost and improved procedures and controls.

CHILD SUPPORT COLLECTION PROGRAM

The purpose of the Child Support Collection Program is to secure financial support from noncustodial parents for their minor children. The program was established under the authority of Title IV, Section D of the Social Security Act and State legislation effective as of October 1, 1975. The District Attorney is responsible for administration of the program in Los Angeles County, including legal actions, enforcement of local child support court orders, payment processing, accounting and disbursements, delinquency identification and processing. Approximately 90% of the payments collected from the noncustodial parents are distributed to the Department of Public Social Services, and thus represent a reduction in overall welfare costs.

Operations Analysis; Cost Effectiveness of the Program

Statistics indicate that the number of active child support cases being processed has shown a marked increase during the past four years, due to the requirement that case files be opened for all children receiving support through the Aid to Families with Dependent Children program. Cost of the Child Support Collection Program has increased 135% since 1973-74, while collections have increased only 17%. There has been no significant change during the past four years in the average monthly number of cases on which payments are being received.

After the Bureau of Child Support Operations has completed compliance with Title IV-D regulations, a return to the level of collections per dollar spent in 1973-74 should be expected. If this is not accomplished in 1978, an in-depth examination of the Program's efficiency and effectiveness by the Chief Administrative Office is warranted.

The Grand Jury recommends that a pilot program be undertaken at one or more regional offices to determine whether the caseload method would be more cost effective than the functional method now being employed by the Bureau of Child Support Operations.

Backlogs and Staffing Levels

Significant backlogs were noted in the areas of processing of mail, action in cases received from regional offices, prosecution of delinquent accounts and conversion of existing cases to the court trustee system. These backlogs have a direct impact upon the amount of the County's child support collections. **The Grand Jury recommends that staffing levels be increased to an adequate level to handle the caseload and to comply with the requirements of Title IV-D.**

All legal staff are currently located in the Central Office, with the result that many cases requiring only a legal approval or minor legal work must be sent to the Central Office before being processed through the Municipal Court.

The Grand Jury recommends that the Bureau of Child Support Operations and Chief Administrative Office should review the cost effectiveness of assigning legal or paralegal staff to regional offices for the purpose of making the processing more efficient, and for the early identification and correction of minor legal problems at the regional level.

Automation Efforts; Data Processing System

The Automated Child Support Enforcement System (ACSES) is designed to replace the present data processing system in providing information for payment control and data retrieval.

The feasibility of adding control and tracking functions, as specified by the Contract Auditors, to the proposed system, in order to increase its usefulness to the Bureau, should be explored. The system should be designed to monitor cases and prepare and address form letters, many of which are currently being prepared manually.

Since the existing system is quickly becoming inadequate to meet the needs of the Bureau, the Grand Jury recommends that the ACSES project be completed as rapidly as possible.

Payment Processing; Department of Collections: Court Trustee

The Court Trustee has responsibility for establishing and maintaining case files, accounting for support payments received and disbursements made, and for delinquency identification. It has been observed by the Contract Auditor that some checks, received by the Court Trustee without the proper case identification numbers, are held for a period of two or more weeks, until they are thoroughly researched to determine the case to which they apply.

The Grand Jury recommends that all checks be deposited promptly when received. This could be done if pertinent information was extracted from those checks not having accurate payor case numbers.

The Contract Auditor has also observed that although not all court orders for child support payments include a 2% service fee as part of the judgment, this fee is being deducted from all payments received by the Court Trustee.

The Grand Jury recommends that additional controls be instituted to ensure that all checks are properly batched on the day of receipt.

The Court Trustee is not promptly complying with requests for affidavits necessary to proceed against cases on the prosecute listing. At the date of the Auditor's review, the Bureau's records indicated approximately 1,600 cases had been submitted to the Court Trustees to obtain affidavits, whereas the Court Trustee's records showed only 1,000 such requests had been received.

The Grand Jury recommends that procedures be implemented to ensure prompt processing of such requests for affidavits, since these cases represent funds to which the County is entitled, and which become more difficult to collect as the delay is prolonged. It is further recommended that control procedures should be instituted to ensure that all future requests from the Bureau are properly accounted for and processed by the Court Trustee.

Statistical Information

The regional offices collect and report certain statistical information pertaining to case load level, types of cases (welfare versus non-welfare) and case category according to the files. The information reported is often inaccurate because there is no standard format, and no clear definition of the various categories by which cases are to be classified for reporting purposes.

The Grand Jury recommends that the Bureau of Child Support operations should standardize the compilation of, and format for, statistical information in order to improve its reliability.

REVIEW OF 1976-77 AUDIT COMMITTEE RECOMMENDATIONS

The purpose of this report was to review the status of last year's Grand Jury recommendations. Recommendation involving the Child Support Collection Program and the Health Department are included in the reports of the Audit Committee relating to those departments and the report of the Health Committee. This summarizes the status of recommendations developed in last year's studies of the Budget Process, Personnel function, and Data Processing function.

1976-77 STUDY: COUNTY BUDGETARY PROCESS

Last year's Contract Auditor reviewed the Chief Administrative Officer's efforts to control costs through the budgeting process and through more intensive analyses of management audits and work measurement programs. He generated 18 specific recommendations, half of which dealt with the budget process. These were based upon a review of the 1976-77 budget process.

In general, the Chief Administrative Officer's response is that the budget process has changed so radically from the process in use in 1967-77 that most of the specific recommendation do not relate of current processes. The Chief Administrative Officer has utilized a process for the last two budget preparation efforts which is designed to insure that the Board of Supervisors' goal of reducing the number of County employees is met.

This process has required the elimination of some programs and of personnel considered not essential to the efficient delivery of County services. The Chief Administrative Officer's general position has been that the reductions required to date could be achieved with very little reduction in County Services. **The Grand Jury believes that the new process complies with the general intent of last year's recommendations, and it is effectively assisting the Board in achieving the desired staff reductions.**

1976-77 STUDY: PERSONNEL ORGANIZATION, POLICIES AND PRACTICES

The scope of this review encompassed an assessment of the progress made by the County staff in acting upon the twenty recommendations contained in the 1976-77 Grand Jury report.

The Department of Personnel has taken some actions in response to the 1976-77 Contract Auditor's recommendations. However, the Grand Jury believes that the Department of Personnel has not fully addressed itself to some of the more significant recommendations, such as:

- Appointment of a permanent full-time Director for the Department of Personnel.

- An in-depth review of the examination process for prospective employees.

- A review of the need for so many (2,900) classes of jobs.

- A critical review of performance evaluation systems.

- Implementation of a Merit Pay Plan.

- Evaluation of the potential benefit associated with the utilization of outside labor relations experts.

- The need for substantial modifications to the Retirement Plan.

1976-77 STUDY: DATA PROCESSING DEPARTMENT (DPD)

The prior year's Contract Auditor made thirteen recommendations with respect to this department. These generally dealt with three areas. Six dealt with the subject of post-implementation audits of data processing projects. Five dealt with problems within the Data Processing Department. Two dealt with policy issues: the use of outside personnel to augment County resources for system development; and the need for establishment of priorities in scheduling maintenance of existing systems.

Data Processing Department developed a workplan in October of 1977 addressing the five recommendations it perceived to be totally within its scope of authority.

Need to Maintain Software Inventory

Data Processing Department plans to conduct an inventory of County data processing software, but only in the context of further centralization of Electronic Data Processing functions. The Grand Jury concurs with this general approach, but believes that steps must be taken to assure that the inventory, once established, will be maintained on a current basis.

The Grand Jury recommends that the Data Processing Workplan concerning the implementation of this recommendation be updated to include a mechanism for maintaining the inventory on an on-going basis.

Post-Implementation Audits

The prior year's Contract Auditor recommended that after-the-fact reviews of major computer projects be conducted. The Chief Administrative Officer agreed, but none have been done because of "lack of resources".

The Grand Jury recommends that each new systems project or major existing improvement include a specific timetable and budget for post-implementation audit. Those funds should be aggregated for the budget year and sufficient staffing provided in the appropriate organizations to carry them out.

Control of System "Maintenance" Resources

Last year's Recommendation implied that a significant share of Data Processing Department's resources was being expended up "Maintenance" projects which were not subject to prior review by the Electronic Data Processing Advisory Committee. The Chief Administrative Officer responded that the Electronic Data Processing Advisory Committee does establish general guidelines for each user department's maintenance effort. The Grand Jury believes that although the users should retain some flexibility in maintenance expenditure, improved control over such projects is clearly needed.

The Grand Jury recommends that a set of criteria be developed by the Electronic Data Processing for determining whether a proposed maintenance activity should be subject to Committee approval prior to initiation.

Post-Implementation Audits of "Maintenance" Projects

Last year's Recommendation involved the need for after-the-fact reviews of maintenance projects. The Chief Administrative Officer responded that in these areas the costs may outweigh the benefits.

The Grand Jury believes that post-implementation audit be applied to all "major" maintenance projects as defined by the criteria developed under the above recommendation.

Utilization of Contract Personnel for Systems Development

Last year's Recommendation suggested that the Director of the Data Processing Department be instructed to obtain cost estimates for and consider the use of outside services under certain conditions. The response by the County was that the Director of Data Processing Department has that authority.

The problem addressed in the previous auditor's report is not a question of authority and responsibility, but rather one of decision process. There are limited resources within both the County and the total dollar budget with which to accomplish all of the system development tasks desired by user departments. In the last few years many of the departments have been engaging in the development of major systems to support their

on-going operations. Important projects such as management information systems have tended to be given lower priorities and have been assigned limited, if any, resources for development and implementation. This problem is only solvable through the application of cost-benefit techniques. If a project can demonstrate cost savings to the County over and above the expenditure of development costs through outside services, then the decision-making process should enable such projects to receive full exposure and analysis.

Based upon the existing authority of the Director of the Data Processing Department, the Grand Jury recommends that the Electronic Data Processing Advisory Committee and the Director utilize private contractors for systems development when County resources are not available for worthwhile projects.

PROPOSED LEGISLATIVE AMENDMENTS

The areas or functions within the County which the Audit Committee, and its Contract Auditor, may investigate are mandated and controlled by State legislation. Specifically, the Welfare and Institutions Code presently requires that the Contract Auditor perform a review of the child support collection program on an annual basis. The provisions of the Penal Code give the Grand Jury the right to examine accounts and records of all officers of the county, the books and records of any incorporated city or joint powers agency within the county, and the management needs of such joint powers agencies.

In surveying the various subdivisions providing services within the County, the Audit Committee determined that the time and resources of future Grand Juries might be more effectively spent if State legislation were amended as to the requirements and limitations on its areas of inquiry. The Child Support Collection Program is nearing substantial compliance with the requirements of the Federal regulations under which it was initiated in 1974, and therefore no longer appears to require annual audits of its operations. Further the Grand Jury should, in order to carry out one of its primary functions, have the right to inquire into the fiscal and management practices of community development, educational, rehabilitative and other social programs in which large amounts of money are currently being expended, sometimes without adequate controls or accountability.

Accordingly, on January 24, 1978, a letter addressed to the Board of Supervisors recommended that section 10602.5 of the Welfare and Institutions Code be amended to provide for an audit of the child support collection program at least once every four years, rather than annually as now required.

By letter dated March 2, 1978, the Grand Jury recommended to the Supervisors that Penal Code section 925(a) be amended to allow inquiry into fiscal and management matters pertaining to any community redeveloping agency, and into the use of public funds received by any person, corporation or entity for the purpose of conducting community action or community service programs.

Both of these proposed changes have received the approval of the Board of Supervisors and will be forwarded to the State legislature with the recommendation that the existing law be amended to conform with these suggestions.

Michael Boran, Chairman
Fern McAda Genovese
Golden R. Larson
Anne F. Leeper
Walter V. May

CRIMINAL COMPLAINTS COMMITTEE

PURPOSE

The Criminal Complaints Committee has two primary functions. The first is to determine which cases presented by the District Attorney or Attorney General will be heard by the entire Grand Jury for possible indictment. This process offers a measure of autonomy unique to the Los Angeles County Grand Jury. The second function is to review and respond to correspondence from the public concerning criminal matters. Additionally, the Committee may examine the County's Criminal Justice System.

AREAS OF REVIEW

This year the Committee directed its attention to the following areas:

- Screening of Cases for Grand Jury Hearings

- Review of Correspondence

- Court Structure:

 - Unification of the Trial Courts: Fiscal Impact

 - Night Small Claims Court: Permanent Funding

- Towing Fees: Sheriff's Policy

- Los Angeles Police Department Firearms Policy

- Victim-Witness Advocate Unit

- Penal Code Amendment

SCREENING OF CASES

The Criminal Complaints Committee is selective when screening cases for presentation to the entire Grand Jury. The Committee used the following criteria to make its selections: high publicity crimes; possible misconduct of public officials; cases of unusual complexity; cases involving the transportation of witnesses from out-of-state or out-of-county; cases in which not all suspects are not in custody; cases involving multiple suspects and/or documents; cases that offer procedural advantages, such as tolling the Statute of Limitations; and cases requiring the protection of witnesses from potential intimidation and physical harm.

During the first ten months of its term the Committee accepted 35 cases and declined to hear 3 for presentation to the entire Grand Jury. Indictments were sought by the District Attorney or Attorney General in 35 cases involving 81 suspects, 781 witnesses and 3880 exhibits. Indictments were returned in 32 cases against 71 suspects.

One request from the District Attorney for an investigative hearing was accepted and subsequently conducted by the Grand Jury. No indictment was returned. The Grand Jury devoted 80 days to hearings.

REVIEW OF CORRESPONDENCE

The Committee gives careful consideration to all correspondence received. These letters are held in strictest confidence. Every effort is made to respond to each letter as soon as the matter in question can be adequately reviewed. The investigator for the Grand Jury, assigned by the Office of the District Attorney, helps to facilitate inquiries into the charges outlined in these letters. When appropriate, the committee can request a

County agency or law enforcement agency to initiate or re-open an investigation. During the past ten months the Criminal Complaints Committee received and reviewed 62 letters alleging criminal conduct. Based upon these letters, the Committee ordered 31 formal investigations, 28 letters concerned peace officers and public officials.

UNIFICATION OF THE TRIAL COURTS

The Los Angeles County Grand Jury believes that the trial courts should be unified into a single-tier court of general jurisdiction. The Grand Jury, therefore, recommends that the Board of Supervisors urge the State Legislature to order a study to determine the fiscal impact of court unification on the citizens of Los Angeles and other counties.

The Grand Jury is cognizant of the overall skills of the judges of the trial courts in Los Angeles County. It understands the need for additional manpower to accommodate the ever-increasing caseload burdening the courts. Congestion within the courts is increasing in direct proportion to both the County's population and to the increased use of litigation to resolve disputes. While any court system must consider expansion to keep pace with growing demands, that system must also consider alternative solutions to assure efficient and fiscally responsible delivery of justice.

This Committee has intensively studied the question of court unification and has consulted with knowledgeable opponents and proponents of unification. We examined the many different proposals developed during the past twenty-five years by academic and judicial studies and commissions, including the 1967 Report of the President's Commission on Law Enforcement and the Administration of Justice, and the 1974 American Bar Association's paper advocating a unified trial court. We have followed the progress of the El Cajon Municipal Court/San Diego Superior Court pilot project which allows municipal court judges to handle felonies and family court matters under the provisions of SB 1134. The Committee has evaluated the thoughtful comments compiled from a Grand Jury questionnaire sent to judges of the Municipal and Superior Courts of Los Angeles County to officers of County bar associations, and to a random selection of trial attorneys and court clerks. The various unification proposals studied differ in specific methods of implementation; however, they share the following basic concepts and goals with which the Grand Jury agrees:

1. A single class of judges qualified to hear all cases would create greater flexibility and efficiency in judicial manpower assignments and could reduce the rate of increase in the number of judges necessary for the trial courts.
2. One judge could handle arraignments, bail motions and many other matters that presently must be heard by two judges—one in Municipal and one in Superior court.
3. Ancillary court personnel would be unified, allowing more assignment flexibility.
4. A statewide network of judicial districts would be established.
5. In each district, an "executive officer" trained in court management techniques would provide management assistance to the presiding judge.
6. Operational costs of the courts, including the salaries of judges and court support personnel, would be entirely state funded.
7. A single budget would make reorganization of court resources more possible.

In 1975 the Advisory Commission to the Joint Committee on the Structure of the Judiciary (Cobey Report) issued a comprehensive unification study, but this Commission did not have sufficient resources to produce an in-depth report of the fiscal impact of unification on the individual counties. Two bills, SB 1313 and SCA 52, have been introduced by State Senator Alfred Song that would establish a statewide, single-tier court

divided into districts under presiding judges. We concur with Chief Administrative Officer Harry Hufford that these bills do not adequately address the aspects of court financing. The State Legislature, with its existing resources and statewide representation, has the fiscal ability to institute a definitive study, permitting an intelligent assessment of the possible efficiency and economy that unification could bring. The Grand Jury believes that the future of the State's judicial system will depend upon the quality of informed and far-sighted planning that takes place today.

NIGHT SMALL CLAIMS COURT

The Grand Jury recommends that the Board of Supervisors establish permanent funding to continue the operation of Night Small Claims Court.

In an effort to make the Small Claims Court more accessible to the average citizen, the Los Angeles Municipal Court in April, 1977, initiated an experimental Night Small Claims Court. This court is in session every Thursday evening at the Traffic Courts Building in downtown Los Angeles. Like its daytime counterpart, Night Small Claims Court offers litigants a forum, before a Judge, for resolving minor grievances and for recovery damages up to \$750. Because litigants cannot be represented by attorneys, this court is accessible to citizens who are prevented from filing their complaints in Municipal or Superior Court because they cannot afford to be represented by counsel, or to lose wages by taking time off from work during the day.

The Criminal Complaints Committee has conducted a review of this experimental program by attending Night Small Claims Court and by interviewing and polling judges, court personnel and litigants who have participated in the program. The consensus of those interviewed was that Night Small Claims Court has been successful.

Night Small Claims Court has been implemented with minimal costs to the taxpayer. Contributing to the program's overall success and its minimal cost are the creative use of existing facilities, the volunteer services of many Municipal and Superior Court judges, and the support of members of the Los Angeles County Bar Association.

Opening court facilities at night can be costly, due in part to required security. Night Small Claims Court is economically feasible where an existing facility is already in use at night. The Traffic Court building in downtown Los Angeles is open every Thursday evening, and its design enables security to be maintained with a minimum of expense. Thus, Small Claims Court has been able to utilize some court rooms in that building to conduct its Thursday evening sessions. *This Committee believes that future court buildings should be designed so that portions can be sealed off, and therefore easily secured, enabling these areas to be economically utilized after regular court hours. Adequate and well-lighted parking facilities are also necessary. Innovative planning must consider the multiple use of County buildings if County expenditures are going to be kept within reasonable limits and adequate public services are going to be maintained.*

The success of Night Small Claims Court can be directly attributed to the many judges who have volunteered their services to the Court. Of the 165 judges who responded to a Grand Jury poll on Night Court, 52% stated that they would be willing to serve in Night Small Claims Court on a regular, rotating basis. Of the 87 judges who had already served in Night Small Claims Court, 80% answered that they would be willing to serve again. These percentages suggest that there would be a sufficient large pool of judges willing to serve, so that no one judge would be called upon more than one or two nights during the year.

The Los Angeles County Bar Association has offered operational help through attorney-volunteers who have acted as Settlement Officers to assist both plaintiffs and defendants. The Settlement Officer brings the litigants together and helps them to air their feelings and narrow the issues prior to their appearance before a judge. This procedure lessens the court time needed to resolve the dispute.

Night Small Claims Court has won approval from the litigants who have used it. A survey of such litigants, conducted during the first thirteen weeks of the program, (Conner; *Night Small Claims Court*) shows that 97% of the plaintiffs and 78% of the defendants said that Night Court was more convenient than day court; 13% of those polled indicated that it was the only means by which they could afford to seek justice in a court of law. During the first year of its operation, forty to fifty cases were handled each week in this court. These cases involved over 3,886 litigants. As of April, 1978, this court has been able to handle up to sixty cases per week. The use of Small Claims Court has remained high, and the quality of justice dispensed has been preserved because the exact procedures of its daytime counterpart, with the addition of Settlement Officers, have been transferred to the night court.

Night Small Claims Court is an important adjunct to the judicial system in this County. However, without permanent funding, this project cannot continue. In August, 1977, the County Clerk estimated the cost of a permanent Night Small Claims Court to be only \$150.53 per week, because the Traffic Courts Building is already open at night. This figure includes the wages of two clerks and a bailiff, based on roughly four hours of overtime pay. This means that if judges will continue to volunteer their time and legal talents, the Los Angeles Judicial District could provide weekly Night Small Claims Court to Central Los Angeles for less than \$8,000 per year.

An additional Night Claims Court was opened in Van Nuys on May 2, 1978. The existence of the Van Nuys courthouse, presently open one night a week, made this expansion of Night Small Claims Court economically viable. The estimated operating costs for this court are similar to those incurred in downtown Los Angeles.

The Grand Jury believes the additional expenditure is unquestionably justified by the services Night Small Claims court provides. This court makes the justice system more responsive and available to the citizens of the County and should be encouraged, expanded and permanently funded.

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METHODS OF PAYMENT FOR TOWING FEES

The Grand Jury recommends that the Sheriff's Department establish a department policy directing patrol station commanders to award contracts only to those tow truck operators willing to accept credit cards, as well as cash, for services rendered.

The Criminal Complaints Committee has received complaints against Sheriff's deputies who were called by tow truck operators to intervene in altercations between these operators and irate citizens whose vehicles had been impounded by the County. These arguments usually stem from the inflexible practice of most towing contractors who accept only cash for the retrieval of vehicles. Many people do not carry enough cash to pay these fees. Since citizens often perceive officers as the "villains" who have ordered the impound, contact with law enforcement during this process can lead to hostility. If contractors would accept credit cards, guaranteed by issuing companies, such altercations could be avoided, peace officers would not be involved, time would be saved, and unnecessary frustration would be eliminated.

In Los Angeles, each Patrol Station Commander independently contracts with tow truck companies. Each company must comply with the provisions of the California vehicle code and County ordinances. Fees are established for Los Angeles Sheriff's Department tow services according to an approved fee schedule. However, each tow truck contractor is permitted to determine his own method of collection.

The Executive Director of the California Tow Truck Operators' Association, Mr. Rick Chappell, met with the Committee to discuss possible solutions to this problem. As a result of this meeting, the Association passed a resolution urging the membership to allow the public the use of a major credit card as payment for towing and storage fees. The Grand Jury supports this resolution and believes that the Sheriff's Department should implement a new contract awards system with the Association's support and cooperation.

LOS ANGELES POLICE DEPARTMENT FIREARMS POLICY

During 1977, public attention and concern were focused on the increase over the previous year of Los Angeles Police Department officer-involved shootings. This committee heard public testimony at Police Commission meetings, interviewed representatives from the office of the city attorney, the Sheriff's Investigation Department and

the Internal Investigation Department of the LAPD. These departments investigate the actions of officers involved in shootings to determine if their actions were in accordance with the department's own policies and the State's Penal Code. In addition, the firearms policies, high-speed chase policies and officer-training programs of the California Highway Patrol, Los Angeles Police and Sheriff's Departments were compared.

In September of 1977, following a State Appellate Court decision, the Los Angeles Police Commission reviewed the firearms policy of the Los Angeles Police Department. A revised policy was adopted which delineated the reasons for the use of firearms and the circumstances under which an officer would be permitted to draw, exhibit, or fire a weapon.

The Committee visited the police academy and observed that the revised firearms policy was incorporated into its training programs. This policy has been in operation for approximately seven months. At this time, it would be premature to draw conclusions as to its effectiveness. The Criminal Complaints Committee urges future Grand Juries to evaluate the impact of this revised policy on the attitudes and safety of the police and the public.

VICTIM-WITNESS ADVOCATE UNIT

Until recently the criminal justice system in this County has focused its attention and resources on the perpetrators of crime. In October, 1977, in an effort to shift attention to the victims and witnesses of violent crimes, the District Attorney began a pilot program to establish a Victim-Witness Advocate Unit. The Criminal Complaints Committee has carefully followed the evolution of this pilot program and has actively supported its implementation and funding.

If the criminal justice system is to function properly, there must be active citizen participation. Yet, in Los Angeles County 34% of all cases that reach the preliminary hearing stage are dismissed because of witness unavailability. The Victim-Witness Advocate Unit would mitigate the circumstances that prevent witnesses from appearing in court.

The Victim-Witness Advocate Unit will receive its cases from both the Complaint Division of the District Attorney's office and from referrals made by outside agencies.

Although the State of California has a fund to compensate victims for medical costs, lost income and rehabilitation expenses, few victims are aware of its existence. Also, the application process that this fund requires is too complex for most victims to handle without assistance. Volunteers who will work as advocates within the unit will provide information about this fund, help victims with the application process, and refer them to appropriate County agencies.

Training for the volunteer-advocates will be provided by a full-time staff of two professionals who will hear the unit. The volunteer-advocates will be recruited from the paralegal programs of local colleges and universities, as well as from graduate-level programs in the social services, gerontology and foreign languages. These advocates will make a commitment to work in the Victim-Witness Advocate program for not less than twelve weeks.

The Committee's study indicates that this program could also benefit law enforcement. The Sheriff's Department has shown an interest in establishing a similar program, within its own department, in cooperation with the staff of the Victim-Witness Advocate Unit. This staff could provide training for Sheriff Department CETA employees, who could then aid victims of violent crimes who do not fall within the jurisdiction of the Office of the District Attorney.

On April 4, 1978, the Los Angeles Board of Supervisors adopted a resolution approving the acceptance of a grant award of \$47,700 from the State Office of Criminal

Justice Planning. This grant will fund the Victim-Witness Advocate Unit for seven months, at a cost to the County of \$2,385 in matching funds.

The Criminal Complaints Committee commends the efforts of the Office of the District Attorney to provide a mechanism by which victims and witnesses of violent crimes can obtain emotional support and financial restitution. This unit should be carefully and periodically evaluated to ascertain its success in utilizing both the professional and volunteer staff to deliver the needed services this pilot program will provide.

PENAL CODE AMENDMENT

The Grand Jury recommends that the State Penal Code be amended to permit a bailiff to be present during Grand Jury hearings at the request of a Grand Jury.

The section of the California State Penal Code (934 through 938) relating to the Grand Jury does not provide for the presence of a bailiff in the hearing room during Grand Jury proceedings. The law does provide for the presence of the District Attorney, Attorney General, Court Reporter, and an interpreter. The requirements of confidentiality that apply to these individuals would also apply to a bailiff called into a hearing room at the discretion of the Grand Jury.

In those situations where Grand Jurors have good reason to believe that a witness may threaten their security and well-being during a hearing, they should be given the option to have a bailiff present to keep order. This is in keeping with the status of the Grand Jury as a quasi-judicial body. The presence of a bailiff in the hearing room would mitigate those circumstances in which a Grand Jury might be reluctant to invite a suspect or subpoena a witness to appear because of concern for the safety of the grand jurors. This Committee believes that Grand Juries should have the opportunity to hear all evidence that would bear upon their indictment decisions. This purpose should not be circumvented by a defect in legal procedure that can be easily corrected.

Pauline Buck, Chairman
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THE EDUCATION AND LIBRARY COMMITTEE

PURPOSE

Various problems current in the education of children in Los Angeles County were studied. Hopefully some meaningful observations, suggestions and recommendations result which are the subject of this Report.

Learning to read and elementary school education are the subjects of the first part of the Report. The second part is concerned with other aspects of schools and education. Libraries and particularly their use by elementary school students are the concern of the last part of the Report.

METHODS OF INVESTIGATION

In each section of the Report the methods of investigation used are mentioned, which vary according to the subjects being studied.

AREAS OF REVIEW

- The Teaching of Reading
 - Preparation of Teachers
 - Accountability
- Aspects of Education:
 - Staff Development
 - Student Motivation
 - Observations
 - Head Start Administration
 - Juvenile Hall Schools (see Joint Recommendation, p. 00)
- Public Libraries and Elementary Schools
- Children's Librarians
- Chinatown Library

READING

The Teaching of Reading

The teaching of reading in public schools has been a concern of the Committee since the revelation in November, 1977, of an apparent decline in Los Angeles area students' reading test scores. Convinced of the significance of adequate reading ability to all academic achievement and to successful adjustment to life in this complex society, the Committee has looked into various aspects of reading education in Los Angeles County.

Educators from southern California colleges and universities have been consulted regarding the preparation of elementary school teachers to teach reading specifically, and regarding many educational programs which teach reading techniques. Public school administrators, teachers and reading specialists from many school districts have met with the Committee as well as directors of reading clinics, authors and reading experts.

Committee members have visited elementary school classrooms, reading clinics and a computer assisted learning laboratory in which pupils are drilled in reading by means of computer terminals programmed to develop reading skill. Each student at a computer terminal works at lessons designed for his learning needs.

With due regard for the impact of cultural disadvantages and negative influences in the lives of some children, all children do want to learn to read. When a combination of reading skills are taught to young children in small groups, learning does take place. Most successful reading programs observed encompass a balance of beginning skills, word configuration, phonics, writing, comprehension, testing and self instruction. Each separate skill supports and augments the others when all are part of the reading instruction.

Reading specialists should be consulted by teachers and available to assist students and teachers. Many reading specialists find that involving the parent of a student is helpful in some cases. Early identification by the classroom teacher of students with reading difficulties is important; remediation can be more effective when students receive extra help before damage to the self-image occurs.

Preparation of Teachers

The Committee found that elementary school teachers are required to have only one course in teaching reading before becoming certificated teachers with this responsibility. Because of less than satisfactory results in some schools, and after reviewing the subject with educators, the Committee suggests that more than one course in techniques of teaching reading be required before certification. These courses should include closely supervised experience in transmitting reading sub-skills to students and in learning to monitor student progress. This intensive classroom application of reading techniques and skills would precede the usual practice teaching period which gives experience in all elements of teaching. Thus would teachers acquire sufficient expertise and confidence to undertake the responsibility of teaching reading in their own classrooms.

Accountability

It is imperative that only well-qualified teachers of reading be placed in primary grades. Failure of students to learn or progress in reading should weigh heavily in teachers' year-end evaluations. Reading failures of students in elementary schools should also be considered in evaluations of Principals.

ASPECTS OF EDUCATION

Staff Development

Staff development should be available to all teachers in order for them to keep abreast of new methods and techniques. Principals should be aware of the various in-service training programs and encourage teachers to participate in worthwhile programs relative to their needs, deficiencies and interests—with appropriate credit given. Many school districts have staff development programs. Valuable exchange of information can take place also within the school itself among teachers in workshops organized for this purpose. The content of different in-services courses can thus be shared by all teachers following their individual participation in various programs elsewhere.

Student Motivation

The PUSH FOR EXCELLENCE Program, introduced into the Los Angeles Unified School District by the Rev. Jesse L. Jackson, although yet in the experimental stage, warrants close observation, study and evaluation. There is conspicuously missing a fundamental and indispensable ingredient which must be associated and coordinated with all of the vital factors which have been suggested by many people in many places to offer a solution to some children's school problems. That ingredient is "Motivation". There must be developed within the young student himself or herself an awareness of the necessity for a personal and individual commitment to Excellence, an unquenchable desire for achievement and an increased sense of personal responsibility to settle for nothing less than the highest competitive capabilities in his or her educational development.

This idealistic goal, moreover, cannot be attained by the student alone, however great may be his individual aspirations. Nor can it be achieved by any separate individual school. Any hope for solution must inevitably be found in the equally participating combination of home, school, church, state and our total society.

On the part of parents, teachers, administrators and their staffs, and a participating community leadership there must be developed an awareness of their respective roles and their separate and collective responsibilities in stimulating and indoctrinating a commitment to Excellence among all of the students.

This is the substantive message contained in the PUSH FOR EXCELLENCE Program which the Education Committee endorses. Further, the Committee suggests that similar community based programs be established in other school districts.

Observations

In the course of observing many schools and reading programs, the Committee commends the learning taking place at two schools visited. The University Elementary School, an adjunct of the UCLA Graduate School of Education, is a completely non-graded, team-taught school for over 500 students in which a child's progress through the school is not based on age, number of years in school or scores on standardized tests, but is based on attainment of a series of objectives. Through constant surveillance of the learning process, independent learning is monitored and guided in the individual students.

Robert Hill Lane, a public elementary school in East Los Angeles, is modelled on the same principles of non-graded, team-taught classes. The students are 94% minorities—Hispanic, Asian and black. In the seven years during which the school has gradually changed from traditional structure to non-graded classes and team teaching, the sixth grade Comprehension Test of Basic Skills scores have shown remarkable improvement and the school's score is significantly higher.

Staff development has fostered the recent successful teaching methods used at this school. The Principal and teachers have participated in regular in-service programs, on-going consultation and workshops with the staff of the University Elementary School. Currently the Robert Hill staff conduct their own workshops. Students move through the school at the pace that is right for each individual and impressive learning is taking place. Noteworthy are the happy relaxed atmosphere and the dedication to learning of teachers, Principal and students.

The Committee suggests that school boards and administrators throughout the County observe these schools with a view to implementing their successful methods in other schools.

Head Start Administration

Since the Los Angeles City Council has acted to terminate the Joint Powers Agreement with the County under which the Greater Los Angeles Community Action Agency has operated, the Board of Supervisors will need to formulate plans to implement the administration of Head Start/State Pre-School fourteen Delegate Agencies operating under GLACAA.

The Grand Jury recommends that the Board of Supervisors move to prevent disruption of Head Start programs during the transition period by immediately requesting HEW Administration for Children, Youth and Families to name the Child Development Foundation, Inc. as recipient of an interim grant award. This non-profit single purpose agency could responsibly administer and monitor Head Start/State Pre-School Delegate Agencies as grantee until permanent selection of the Head Start Grantee can take place according to HEW/ACYF guidelines. A costly, unfortunate interruption in Head Start programs, as occurred in San Francisco from June of 1974 to July of 1975, would thus be avoided.

Child Development Foundation, Inc. is composed of professionally qualified, experienced people in early childhood education with the expertise to administer effectively Head Start/State Pre-School projects. Child Development Foundation, Inc. understands the requirements of Head Start and would monitor the programs and provide consultants for technical assistance when and where needed. This organization arose out of the needs and difficulties of Head Start's operating under GLACAA and is incorporated for the sole purpose of administering these children's programs. Funds could not be hidden in this single purpose grantee.

The Education Committee of the Grand Jury, in assessing the Child Development Foundation, Inc., has consulted with its officers and directors, all of whom serve in a volunteer capacity, as well as with Head Start Project Directors and with the Parent Council Officers.

The Grand Jury, convinced of the importance of Head Start, wishes to insure that the programs will operate under favorable administration and without interruption. Through participation in Head Start, young children learn to adjust to people and to their environment; parents come to understand and practice beneficial child-rearing roles, —all of immeasurable value to families and to society.

PUBLIC LIBRARIES AND ELEMENTARY SCHOOLS

The Grand Jury recommends increased involvement of public libraries with elementary schools in order to enhance the reading experiences of children.

Greater interaction between libraries and the elementary schools could bring to many more children a library's world of information and knowledge, as well as the joy of reading books for fun.

The Committee has visited many public libraries and has conducted a survey by questionnaire of the use of County public libraries by local elementary schools. Some schools recording the lowest reading scores in November, 1977, are in areas with the least degree of use of local public libraries by elementary students, it was found. This illustrates the need for more cooperative programs between school and library to acquaint those students with use of the library's collection of books. There should be more opportunities for children to browse among books, find some of interest to take home and gradually to up-grade reading habits.

To this end, it was found that many public libraries welcome and indeed encourage visits of school classes who walk regularly to the library. Conversely, it was found that very little activity exists between other libraries and nearby schools with low reading achievement according to test scores. Cultural disadvantage in some areas needs to be eased by better planning of complementary programs between library and school staffs. Librarians and teachers must take the initiative when parents do not introduce children to libraries or foster good reading habits.

School libraries within elementary schools are used during the school day. Class visits to public libraries encourage the custom of leisure-time reading and use of libraries during periods after school, on weekends and throughout summer vacations.

CHILDREN'S LIBRARIANS

The Grand Jury recommends the appointment of more Children's Librarians in Los Angeles County Public Libraries.

The Committee found that the number of Children's Librarians in Los Angeles County Libraries is not sufficient for the need. Particularly for the libraries lacking adequate professional staff, the appointment of Children's Librarians would be an investment in improved literacy among the citizens of tomorrow.

CHINATOWN LIBRARY

The Grand Jury recommends that a permanent library site be acquired to house the Los Angeles City Library branch temporarily located at Castelar Elementary School in Chinatown.

The rapidly expanding use of temporary facilities at Castelar School in Chinatown indicates the need for a suitable library. Opened in January, 1977, there is already twice the circulation of most branch libraries. 200,000 books circulate annually at this library, which far exceeds the necessary 30,000 annual circulation required for consideration of a branch library.

Presently, the city library coexists with the school library, using space and collection in common.

Separation from the school library would relieve the obviously unsatisfactory sharing of the collection between children and adults. The existing room is not large enough for the collection of books and there is no space for work areas needed by the library. Plans should be expedited for a permanent Chinatown City Library.

Conclusion

The Committee wishes to commend the multitude of teachers, administrators and librarians whose perceptions, skills and ingenuity inform the minds and develop character and ability in the youth of Los Angeles County.

Nancy W. Wheat, Chairman
Alvin G. Arnold
Dianne Herscher, Co-Chairman
Josephine Kelford
Marva A. Keyes
Lilyan M. Townsend

EDUCATION AND JUVENILE JUSTICE COMMITTEES: JOINT REPORT

ASSEMBLY BILL 391

The 1977-78 Los Angeles County Grand Jury supports Assembly Bill 391 which became effective January 1, 1978 and urges the Board of Supervisors to discourage efforts to change or amend this legislation.

This bill does not shift authority from the Board. It clearly provides that the Board of Supervisors establish and maintain juvenile hall schools and that the County Superintendent of Schools administer and operate these schools, as has always been the practice. The Board of Supervisors also is empowered to review and approve proposed budgets for the operation of these schools. The Chief Probation Officer retains responsibility for final decisions relating to the life and welfare of wards in juvenile halls. The Grand Jury believes that educational needs and programs can best be assessed and implemented by educators.

The Board of Supervisors' motion of August 30, 1977 states that the "task of a juvenile hall is to provide a therapeutic intervention in the life of the child and his family" and that "the juvenile hall should be saturated with the attitude and approach of crisis intervention work". Further, it states that meaningful school work cannot be accomplished in juvenile hall because of the transient population, with a residency period averaging eight to ten days, and because of the severely fragmented school days, due to court appearances and interviews by probation officers, public defenders, district attorneys, law enforcement officers and other interested persons and agencies. The motion states that the Board should stop "running a meaningless and costly school program" and should substitute a "crisis intervention program" in juvenile halls. The motion directs the County Counsel to draft legislation amending the Education Code to exempt from compulsory school attendance those children detained in juvenile halls of any county with a population of six million or more who have not, in the matter for which they are detained, had a petition sustained. The Grand Jury opposes this motion.

A youngster's confinement in Juvenile Hall can be protracted; the adjudication process can consume weeks and sometimes months. Once enrolled in a juvenile hall, the average student's stay is considerably longer than eight to ten days. Those remaining beyond detention hearings are in juvenile halls from four to eight weeks, according to the Probation Department, or twenty-one to thirty-two days according to the office of the County Superintendent of Schools. The eight to ten day average stay cited in the motion includes the large number of youngsters who leave after their detention hearing. Juveniles usually are not enrolled in court schools until after their detention hearings. Thus, the motion is not addressed to those juveniles who remain for eight weeks and who are enrolled in the court schools. Upon release from juvenile hall, many of these youngsters return to the public schools. In the juvenile hall schools, juveniles are given special attention in an individualized program of study, enabling them to return to the public school without having fallen further behind in their studies. Juvenile Justice should encourage children to continue their education and not to drop out of the system.

Denial of education to detained wards in Los Angeles County would discriminate against youngsters of this one area in the state by denying them the educational opportunities afforded detained juveniles in all other counties.

Children detained in Juvenile Hall are presumed to be innocent unless a petition is sustained at the adjudication hearing and, therefore, should not be deprived of their educational opportunities. Before adjudication, most youngsters are legally wards of parents who could demand that an education be provided.

Our committees have visited the schools in the juvenile halls (including surprise, unannounced visits) and have consulted with teachers and administrators of the Special Court Schools, as well as with representatives from the Probation Department, the Judiciary, Law Enforcement agencies, past Grand Juries and the Board of Supervisors. We have found that the present juvenile hall schools with their excellent, dedicated teaching staff, small classes and individualized instruction emphasizing remedial reading, writing and computation are providing detained youngsters with meaningful education. Study and work skill patterns are being established and reinforced. Positive feelings replace former negative school attitudes, and a reaffirmation of school success is being nurtured with real measurable academic gains being achieved.

It is true that the relatively short duration of stay in juvenile hall and not infrequent disruptions to classroom activity do not represent ideal conditions for an academic program but, then, these problems would exist and adversely affect any replacement program as well. In addition, school time interruptions by court and other personnel in the juvenile halls do not appear to be significantly greater than similar interruptions in any public school classroom and do not appear to negatively affect an individual student.

This problem should be reduced not by denying education to the youngsters but by better planning of the mode of the delivery of services. As an example, our committees have recommended that all detention and adjudication hearings be scheduled for mornings *only* so as not to interrupt the scheduled afternoon classes. We have been informed that this recommendation is presently being implemented.

The Grand Jury believes that "crisis intervention", individual and group counseling are important but is concerned that a good educational program would be replaced by alternative programs of "crisis intervention" or "therapeutic intervention" which have not yet been defined or developed. Consequently at this time, no cost study or comparison can be undertaken. Certainly such programs as drug and alcohol prevention are beneficial to youngsters detained in juvenile halls, and we have observed that these topics are already incorporated into classroom curricula in juvenile halls.

The Grand Jury, therefore, recommends that the Board of Supervisors support the fine educational program provided in the juvenile halls by the Superintendent of Schools. We further recommend that the Board of Supervisors authorize the Probation Department to define, develop and cost analyze a "crisis intervention program". Afternoon, evening and weekend time could be utilized for such a program.

ENVIRONMENT COMMITTEE

"All things are connected—whatever befalls the earth befalls the people of the earth."

PURPOSE

The needs of our society and the goals and values of our society may well be redirected because of the demands of pollution controlling laws.

Today's environmentally directed legislation and its increasing control over the lives of citizens is without precedent in history. Air pollution discussion is now routine in the daily media.

The general public is aware and concerned and is generally accepting of pollution controlling measures.

The Grand Jury Environment Committee attempted to evaluate the multitude of changes proposed by interacting regulatory bodies representing the priorities of federal, state, and inter-county agencies.

No solutions are possible that will not impose some changes on our society. Powerful social forces requiring change make it mandatory that we be able to assess the implications of these changes *before, rather than after*, they are enacted. There is some comfort in the knowledge that other counties and cities have successfully dealt with pollution problems. The Committee assessed the feasible alternatives available to society to ensure the protection of natural resources, the quality of recreation facilities, and the maintenance of the overall quality of life.

AREAS OF REVIEW

South Coast Air Quality:

County Role in Air Quality Management District Board
Auto Emissions Test Program

Underground Pipeline Study

Recreational Services

Harbor Patrol

METHODS OF INVESTIGATION

The Committee attempted to gather information from the most divergent number of sources.

Members attended meetings of Regulatory and Legislative Bodies, and consulted with staff representatives of these bodies.

They reviewed prior Grand Jury Reports from Los Angeles and other counties and assessed progress made on their recommendations.

Interviews were conducted with industry personnel and with interested citizens knowledgeable in the environmental field.

On-sight inspections were conducted in areas of the county where there was need for personal evaluation.

COUNTY ROLE IN AIR QUALITY MANAGEMENT DISTRICT BOARD

The interdependence of the four South Coast Counties and their common air pollution problems were identified and analyzed by the 1975-76 Grand Jury Environment Com-

mittee. That Grand Jury endorsed the concept of the formation of the now functioning Air Quality Management District and recommended that the Board of Supervisors adopt and enforce the policies of such a board. They further recommended that all four counties in the district be regulated by uniform standards. The 1977-78 Grand Jury Environment Committee has reviewed their study and the progress that has been made in the interim toward the elimination of pollution.

In a gradual process the gross pollution emitters in the four concerned counties are being increasingly monitored by the Air Resources Board and the Air Quality Management District and are being required to achieve compliance with Air Quality Standards. The Committee has followed legislation in this field, attended sessions of the Air Quality Management District Board, and reviewed their reports. Additional Air Quality improvement is expected to result from the proposed State Auto Emissions Program (described elsewhere in this report) which will start in January of 1979.

The Air Quality Management District Board is a powerful body made up of elected and appointed officials from Los Angeles, Orange, Riverside, and San Bernardino Counties. Their regulations and decisions have far-reaching effects on both old and new industry, and can result in tremendous expense to industry. An example is a current decision (April, 1978) which calls for a "trade off" policy requiring new industry to pay for the cleanup equipment of small air polluters. A new industry with potential for emitting pollutants would be required to install and pay for equipment to control emissions from smaller existing industries, as well as fund their own investment in pollution control devices. Decisions by the Air Quality Management District Board have an obvious in-depth effect on both the physical well being of Los Angeles citizens and their industrial climate as well.

Los Angeles County is represented on the Air Quality District Board by two members of the Board of Supervisors. These representatives have routinely and by policy appointed staff members as alternates to attend Board sessions and thereby act as the County representatives. This policy of regularly sending alternates who are neither elected or appointed officials leaves Los Angeles County misrepresented and underrepresented. Additionally if the Air Quality Management District is not successful in reducing pollutants to meet EPA standards, control may revert to the State in order to protect federal funding.

The Grand Jury urges the Board of Supervisors to select members to serve on the Air Quality Management District Board who are willing to fulfill their obligations and regularly attend meetings of this very powerful Board body. Members of the Air Quality Management District Board should function on a leadership and policy-making level, in an atmosphere of equality and cooperation. Decisions that will be in the best interests of Los Angeles County should be made by officials who understand the effects and results of proposed regulations. If the supervisor members are reluctant to attend meetings, Los Angeles County citizens would be better served by having those positions awarded to other interested and knowledgeable elected or appointed officials.

AUTO EMISSIONS TEST PROGRAM

The proposed State Auto Emissions Testing Program was the focus of a separate study. Hamilton Test Company, the organization under contract to operate the California Emissions Test Program, gave the Grand Jury a comprehensive overview of the project, including the cost factors, projected pollution reductions, locations of test stations, and the technical process involved.

The Committee met with representatives of the Air Resources Board, the Air Quality Management District and other Grand Jury Environment Committees to evaluate this program. Based on this committee's recommendation, the Los Angeles County Grand Jury then joined with Grand Juries from Orange County and San Bernardino Coun-

ty to endorse the State Test Program. The three Grand Juries signed a resolution which further recommended a speed-up in the program to subject all vehicles, including new vehicles in an annual inspection. This would increase the percentage of reduction in auto emissions and also result in a reduction in the cost per inspection.

This Resolution (which follows) was sent to the members of the Board of Supervisors in three counties, to the members of the Air Quality Management District Board, and the State Legislature.

RESOLUTION

WHEREAS, air pollution constitutes a significant detriment to public health and welfare; and

WHEREAS, emissions from motor vehicles are the major source of photochemical air pollution in the principal population centers of California; and

WHEREAS, the South Coast Air Basin, as defined by the State Air Resources Board, is subjected to the most severe photochemical air pollution in the State; and

WHEREAS, the California Legislature has found and has declared that an effective system of periodic motor vehicle inspection and maintenance will reduce the level of vehicular air pollution; and

WHEREAS, the Federal Government has delegated to the several states the ultimate responsibility for periodic motor vehicle inspection and maintenance, and has threatened a loss of state revenue for noncompliance; and

WHEREAS, federal funds are available for approved demonstrated programs; and

WHEREAS, there is State legislation for the design and adoption, administration and implementation of a program for mandatory periodic inspection of all motor vehicles registered within the South Coast Air Basin and of all motor vehicles owned by government entities and public utilities and registered elsewhere in the State but garaged in the South Coast Air Basin; and

WHEREAS, currently proposed State legislation for inspection of motor vehicles upon change of ownership would not include a large enough number of vehicles to significantly affect air quality in the South Coast Air Basin; and

WHEREAS, programs to inspect all vehicles yearly are functioning successfully in other states;

NOW, THEREFORE, BE IT RESOLVED that the 1977-78 Grand Juries of Los Angeles, Orange, and San Bernardino Counties urge the South Coast Air Quality Management District Board to request the California Legislature to immediately institute a program of yearly emissions inspections of all motor vehicles registered in the South Coast Air Basin and of all motor vehicles owned by government entities and public utilities and registered elsewhere in the State but garaged in the South Coast Air Basin.

BE IT FURTHER RESOLVED that copies of this Resolution be forwarded to the members of the South Coast Air Quality Management District Board, and Board of Supervisors of each county.

PASSED AND ADOPTED at regular meetings of the 1977-78 Grand Juries of Los Angeles, Orange and San Bernardino Counties on the date opposite their signatures.

UNDERGROUND PIPELINES STUDY

An industrial accident resulting in death and injury to individuals and damage to property provided the motivation for a study of the hazards connected with underground pipelines.

The potential for catastrophe occurs when a contractor, during an excavation, accidentally breaks or damages underground pipelines, creating a situation that can result in disastrous loss of life and/or damage to surrounding property. A task force has been formed in Los Angeles County to analyze and respond to these hazards.

County departments and private industry are cooperating in establishing additional guidelines for an updated safety policy.

The Environment Committee met with representatives of the County Roads Department and the Fire Department, pipeline owners, Public Utilities, Contractors' Associations and the media, to follow developments in this field. Pipeline owners and excavating contractors generally agree and cooperate on prevention and safety techniques. They understand their own vulnerability to major liability and litigation, with attendant skyrocketing insurance costs.

A "One Call" system—such as now operates in Orange County—enables a contractor prior to the start of excavation to determine, by calling one central pipeline office, the location and ownership of all underground lines in a given area. Los Angeles County does not have this system; as a result, contractors must call the various major pipeline owners, but are not always willing or able to take the time to locate every owner. Such calls are now voluntary and not required by ordinance.

Owners of underground lines are expected to report all changes promptly to the County. In addition, they must furnish annually updated maps of their lines. However, these procedures are not always followed.

Before a contractor starts a job, the contractee furnishes a map plan showing all underground lines. Contractors report that lines are not always accurately shown. Many lines, including those with high hazard potential, are not shown at all. This is particularly true of maps furnished to the County by private engineering firms.

Contractors make substantial charges to the County for the extra work and delays caused by inaccurate plan maps. In addition to the danger, such inaccuracies result in increased costs to consumer and/taxpayer.

The County ordinances require all pipelines be buried a minimum of twenty-four inches to thirty inches depending on the type of line. When grades or roadbeds are changed, pipelines are not always relocated as necessary to conform to depth requirements.

No procedure is currently enforced to penalize contractors or others who do not observe safety regulations.

The Grand Jury recommends that a mandatory "One Call" system be extended to Los Angeles County. This can most economically be done by contracting with Orange County to extend the system as a two-county telephone hookup with costs borne by pipeline owners.

The Jury further recommends rigid enforcement of existing laws with heavy penalties for noncompliance. These regulations include:

- 1. Accurate and timely reporting of new lines and changes, and annual updating of pipeline maps.**
- 2. Accurate preparation of plan maps, from both County and private engineering firms.**
- 3. Maintenance of minimum depth requirements for existing pipelines after changes in grades or roadbeds.**

COUNTY RECREATION FACILITIES

Does the citizen of Los Angeles County receive the most beauty, the most protection of natural resources and the maximum return on his recreation dollar? Can the citizen find a well kept field for his sports, a clean beach, or a quiet picnic area—for peace and for leisure?

These were among the questions the Environment Committee attempted to answer in their overall evaluation of recreational services.

The Committee has continuously made unannounced visits to County Parks, golf courses, lakes and beaches throughout the year; has met with staff members from the various departments; and has discussed their problems, goals and philosophies. Every effort was made to visit facilities in diverse socio-economic areas.

Evaluations were based on viewing individual sites, personnel availability and the general use of facilities. Departmental reports were received on fee schedules, methods of awarding concessions and on repair of equipment.

Educational classes in the parks were varied and creative, catering to senior citizens, adults and young children's activities. The arboretum is to be commended for its use of volunteers who provide staffing and much needed funds for the maintenance of many projects. Play and picnic areas throughout the county were generally well kept and their personnel friendly and well informed.

Beaches were widely used. The personnel and lifeguards are highly professional. The food concessions at beaches are limited but adequate. Permits for concessions are granted through a very elaborate process, and contracts that are awarded seem to provide for all contingencies.

The recurring problem identified throughout all recreation departments is the difficulty of maintaining equipment and of getting repairs done in a reasonable period of time.

The Mechanical Department has the overall responsibility of maintaining County equipment. Their priority system logically places life saving and peace-keeping equipment first on the repair schedule. As a consequence recreation departments' equipment awaits needed service for many months. The using facility must borrow from other units or do without for long periods. It is poor economics to have paid personnel waiting for equipment.

The Grand Jury recommends that the Board of Supervisors give priority to this problem. If equipment cannot be repaired within an agreed period, the department should be given the option on specific items of contracting out some repair work. Alternatively, Parks and Recreation should be permitted to hire repair personnel, using funds from their own budget if the Mechanical Department cannot provide prompt services, or has more work than they can handle.

HARBOR PATROL

In August, 1977 the Environment Committee learned of a movement to merge the Harbor Patrol into the Sheriff's department. Under the County Department of Small Craft Harbors, the Harbor Patrol has the responsibility for maintaining order and safety on the waters of Marina del Rey and Pyramid Lake, as well as overseeing various water activities.

The Patrol has the authority to enforce law and order on the water, but this authority is termed "limited," and is not clearly defined. Patrol personnel classifications and retirement provisions are not consistent with other peace-keeping personnel in the County.

After analyzing reports and meeting with representatives of the Harbor Patrol, the Sheriff's Department, Boatowner's Associations, Yacht Clubs, the Small Craft Harbor Department and other interested individuals—and reviewing procedures on other lakes and waters in the County and State—the Committee concluded that a merger would:

1. Unify law enforcement services on both land and water.
2. Strengthen the present limited law enforcement powers.
3. Standardize training for all personnel.

4. Alleviate current problems of staff morale.
5. Eliminate duplicate communication services.
6. Provide additional trained personnel for peak periods or exceptional needs.

The Environment Committee recommended the merger. However, at the time of our recommendation a CAO study was also under way to evaluate this proposal. The CAO study did not favor the merger, and the Board of Supervisors rejected the plan. Testimony given before the Board did specifically address the problems identified in our recommendation. Supervisor Hayes suggested a compromise in which Harbor Patrol members would be shifted to a higher category of Peace Officer. This would give them specially defined peace-keeping authority, plus improved insurance and retirement benefits, thus solving the question of authority, and problems of employee morale.

The Grand Jury recommends that members of the Harbor Patrol be given increased and carefully spelled-out authority to resolve any problems of peace-keeping that might arise.

The Jury further recommends that the Board of Supervisors consider giving Harbor Patrol personnel the same status as other peace-keeping personnel in the County.

Jeanne W. Coulston, Chairman
Daphne Lewis
Lynne A. Spencer
Waldo Taylor, Jr.
Susan H. Wofford

HEALTH COMMITTEE

PURPOSE

The Health Committee is concerned with all aspects of the delivery of health care services within Los Angeles County. In viewing the scope of this responsibility, which involves more than eighty-five health-related facilities, 23,400 employees and a budget in excess of \$770 million, it becomes apparent immediately that a Grand Jury committee can realistically consider only a limited number of areas within the entire system. Its inquiry must be directed toward general fields of concern rather than toward specific procedures presently employed by County health services.

BACKGROUND

This Committee made its observations and inquiries during a transitional period in the administration of the Department of Health Services, during a period of rapidly escalating demand upon the facilities and personnel delivering health services to the community and during a period of continuing budget and personnel restrictions which seriously affected the quality of the health care provided at County facilities.

Under the leadership of Mr. Morrison E. Chamberlin, positive steps were taken to cope with the most immediate crises, and progress was made toward solutions of the long-range problems. The resignation of Mr. Chamberlin, after only four months as Director, highlighted the problems which impede effective organization of the Department of Health Services. The continuing debate as to whether there should be a combined Department, as opposed to separate agencies for hospitals, public health, mental health and veterinary medicine, only serves to distract health officials and their staffs from their primary obligation: providing effective health care facilities to meet the County's legitimate needs, while at the same time minimizing the cost payable by the County taxpayer.

These problems are further defined, and actions toward their resolution are recommended, in the preceding report of the Audit Committee, and in the Health Committee report which follows.

AREAS OF REVIEW

The Committee has made observations and recommendations in several health-related areas:

- Administrative Organization and Personnel
- Recruitment and Retention of Nurses
- Billing for services at County facilities: the Ability-to-Pay Pilot Financial Plan
- Licensing of Convalescent Homes
- Health Systems Agency
- Status of Previous Grand Jury's Recommendations
- Conclusion: Effect of Property Tax Limitation Proposals

ADMINISTRATIVE ORGANIZATION AND PERSONNEL

The concept of health care services in Los Angeles County has expanded far beyond its original function, which was the provision of essential medical treatment for those County residents who could not afford such treatment. Expansion of the system has occurred in the number of patients receiving treatment, in the diagnostic and medical procedures now available, in the emphasis upon education and preventive measures, and

in the increasing use of elective surgical or medical treatments. Along with this expansion, there has necessarily been a tremendous increase in both the cost of maintaining the system and in the complexity of administering it effectively.

It appears self-evident that financial problems and management problems are inter-related and inter-dependent. One of the major "yardsticks" for measuring the effectiveness of an administrator is whether he is capable of generating the maximum income from the operation, while at the same time managing its costs in a responsible manner. Conversely, with ineffective management, the income received will be less than the maximum; expenditures will not only be unnecessarily high overall, but will be poorly allocated among the competing demands.

Decisions relating to the Department of Health Services and to County hospitals during recent years do not appear to have recognized the significance of this inter-relationship. Instead, only the overall reduction of expenses has been addressed. The mandatory reduction of staff at County hospitals, for example, had a disastrous and long-lasting effect on morale, services and recruitment. The imposition of salary ceilings which are unrealistically low when compared to compensation available to administrators in private hospitals seriously limits the County's ability to hire and retain qualified management personnel. At the same time, attempts to increase income from health services rendered continue to be hampered by delays in decisions as to billing practices at County facilities.

Role of Board of Supervisors

Effective administration of the health care system cannot be predicated upon short-term, crisis-reaction, or politically-motivated directives from the Board of Supervisors. Rather, the Board should recognize that well-qualified management is the keystone to the desired cost control, as well as to providing health facilities that are responsive to community needs.

It is recommended that the role of the Board of Supervisors in Departmental administration be that of defining County policies in the area of health care, and establishing long-range requirements and goals.

This recommendation requires an increased awareness on the part of the Board of Supervisors of inadequate and outmoded facilities at County-USC Medical Center, and the creation of some plan to decompress and modernize it. It further requires a firm policy on billing and collection of revenues at County health facilities. Serious consideration should be given to the advantages of contracting for specified services from private facilities. County policy with respect to health care services for non-residents and illegal aliens must be formulated. The Board must look beyond the geographical and functional divisions of the health care systems and formulate policies based on the best interest of all County residents and taxpayers.

In defining policy, the Board should recognize that a Department of this size and complexity requires an executive of the highest qualifications. In order to attract such a person, a salary level closer to that offered by a private institution must be established. Highest priority must be given to filling this position, so that the momentum generated by the improvements made during the past few months will not be lost.

Department Executive

The Health Committee of the Grand Jury has observed the impact of a strong administrator upon many of the problems existing within the Department of Health Services. The dedication and accomplishments of Mr. Morrison E. Chamberlin during his tenure as Director are highly commended and appreciated.

After a careful selection process, the Director of the Department of Health Services should be employed to administer this department in accordance with the

best management practices. Working within the policy guidelines established by the Board, he should be permitted to make administrative decisions based on the most effective and cost efficient operation of the department.

A competent Director who is given responsibility for the County's health care system must also be given the authority to administer it without undue interference, based on political considerations from the Supervisors or from their aides. The Director's time is not well spent if he is required to consult personally with each of the Supervisors before carrying out decisions that are clearly within this area of expertise.

Competent Internal Management

There are numerous factors which must work together in order to create effective management teamwork at the descending levels of responsibility. In addition to sound, workable policy guidelines from the governing Board and a Director of proven ability, it is necessary that there be competent administrators at the head of each department and service. Further, there must be procedures designed for adequate communication among such administrators and between the administrators and their assistants and staff. From the collage of interviews conducted by the Committee with medical and non-medical directors and supervisors at several levels, particularly at County-USC Medical Center, there emerged a pattern of lack of coordination and leadership. This is not to say there are not many well-qualified and dedicated administrators among the hospital's personnel. The effectiveness of these persons, however, is lessened in many instances by intense political pressures, by lack of communication within the organization, and by the presence of a few ineffective administrators in key positions.

The Committee was unanimously unimpressed with several aspects of the management of the County-USC Medical Center, including the apparent absence of competent leadership in administration of the non-medical functions of the hospital. Executives are rarely available for consultation with their subordinates, nor are they often seen outside of their offices in the hospital. There is a strong feeling that they are not in touch with the day-to-day problems in the operation of the hospital.

The Grand Jury recommends that County hospital administrative positions be occupied only by persons of exceptional experience and credentials, including at least a master's degree in hospital administration. Political and ethnic considerations should be irrelevant in the selection of such administrators, and it should be part of the stated Board policy that any administrator can be removed upon a demonstration of his inability to provide effective leadership. The salary levels for such administrators should be advanced to a level which will attract and retain highly qualified individuals.

Personnel Turnover

It was clear during discussions with individuals who have observed the Department over a period of several years, that serious problems have been allowed to develop as a result of extraordinarily high turnover among top level professionals and administrators within the Department and the hospitals. Among individual administrators interviewed by members of the Committee at County-USC Medical Center, the most commonly-heard reasons for unrest and lack of tenure were:

1. Interference from the Board of Supervisors in matters of hospital procedures and functions; political influences as to elective surgery and appointments to administrative or supervisory positions.
2. Lack of management tools or firm policy directives from the executive level; insufficient communication between the several departments and among various administrative levels within the same department. The lack of effective leadership from the top level does not give the middle level administrator the opportunity to learn additional management techniques, or to seek advice as to problems of his own department.

3. Unattractive working conditions: pressure of too many patients, antiquated facilities, and insufficient supportive personnel.
4. County policies which do not permit the professional development of the individual. There are no County funds available for professional group meetings or educational seminars which would allow County administrators to remain current as to new developments in their particular fields of expertise. The County does not even permit its medical or non-medical professionals to attend such meetings at their own expense, while still drawing their regular County salaries.
5. Low compensation as compared with that offered by private hospitals and an unrealistic salary differential between newly-hired non-professional employees and those with many years of training and experience.

Whatever the individual reasons may have been, the result is clear: there are significantly fewer trained health care administrators working in the Department than at any time during the last ten years. Although there is no guarantee that training in a special discipline will lead to improved outcomes, it is reasonable to believe that, if the Department is able to attract and retain high quality people, the result will be a better run organization.

The CAO's office should in the next six months recommend specific changes to correct personnel policies that discourage health care professionals from working for the Department, specifically in the problem areas of outside political influences, professional development and compensation schedules.

Delays in Treatment and Discharge of Patients

The Committee also noted that one reason for the overcrowded conditions at County-USC Medical Center is that in many instances, patients are required to remain in that facility much longer than they would stay in private hospitals for treatment of comparable problems. At a current cost of \$386 per day, which often cannot be paid by the patient, it seems obvious that the shortest possible stay in the hospital is the first step in reducing the cost of health services to the County taxpayer. Two reasons were given for delays in treatment and discharge of patients:

1. It was pointed out that delays of three or more days in the x-ray department are common. Tests and treatment which would take approximately five days at a private hospital may take two weeks at the Medical Center.
2. The lack of skilled nursing facilities to which patients who no longer require acute-care treatment can be transferred.

The Grand Jury recommends that the x-ray department and other laboratory and diagnostic services be provided with adequate personnel and equipment to produce prompt response to physician requests. It is further recommended that the Department of Health Services study the cost effectiveness of contracting for skilled nursing facilities to which patients no longer requiring acute care can be transferred, in order to reduce hospital overcrowding and costs.

Positive Publicity for County Health Services

It was the general conclusion of the Health Committee that, in spite of the difficult problems of administering hospitals and public health centers in Los Angeles County, there are many employees whose dedication not only permits the system to function, but enables it to perform well in many respects. Excessive criticism from the media and from other County agencies often overshadows positive accomplishments of the Department of Health Services in the areas of research, innovative patient care and preventive medicine. The negative image, in turn, hinders recruitment of personnel at all levels and discourages assistance from outside individuals or agencies.

The Grand Jury recommends that the Board of Supervisors assist County health care administrators by providing increased public recognition of the accomplishments of the Department of Health Services. As an aid to the recruitment and retention of competent personnel, Supervisors and their aides are urged to promote positive publicity relative to County health facilities and to commend those administrators, doctors and staff who have made significant contributions.

RECRUITMENT AND RETENTION OF NURSES

The County's particular problems relating to administrative organization and personnel, budget restraints and increased demand for services, are further compounded by an area-wide shortage of nurses. Hospitals throughout Southern California are faced with the serious dilemma of being unable to hire new nurses at existing salary levels, while at the same time being continually monitored by state and federal legislators whose intent is to regulate any further increase in the cost of patient care.

Current Shortage of Nurses

Reasons for the current shortage of nurses relate partially to the general increase in the needs of health services—i. e., increased numbers of patients and services offered, increased technology which requires additional trained personnel. Another contributing factor is the reluctance of the hospital system to introduce some flexibility into the traditional methods of scheduling and job-allocation among nurses, thus permitting better use of trained personnel. Many nurses, because they prefer not to work within the confines of the existing structure, have turned to the nurses' registries, which are generally able to offer higher pay, fewer salary deductions, and freedom of choice in the days, hours and locations of work.

Impact of Shortage

The impact of the area-wide shortage of nurses has been particularly severe at County hospitals. The hiring "freeze" on all personnel imposed by the Board of Supervisors on March 1, 1976, had long-lasting effects on health service recruitment policies and potential. Particularly at County-USC Medical Center, the geographical location, the lack of modern buildings and equipment, the shortage of both nursing and ancillary personnel and the overcrowding of some areas caused the County to be placed far down on the list of desirable employers by those seeking nursing positions. By October, 1977, reacting to the crisis created by a severely overworked and diminishing nursing corps, the Department of Health Services ordered a temporary closure of six medical wards at the County-USC Medical Center. In February, 1978, a seventh ward was closed when the nurses' registry, which had been supplying nurses to the County on a part time basis, refused to continue under the existing salary schedules. Many of the factors which discourage the hiring of new personnel also contribute to the problem of retention, or the high turn-over in nursing positions. During this same critical period, gains made through recruitment of new nurses were largely off-set by losses of experienced personnel who left the County to take positions which could offer higher pay, better working conditions and greater opportunities for professional advancement.

Steps Taken to Mitigate the Shortage

Since October, 1977 several steps have been taken at different levels within the County to assist in the recruitment and retention of nurses.

A. The Department of Health Services created the Office of Nursing Development, appointing Ms. Maxene Johnston, R.N. as its Director. This office, which reports directly to the Director of the Department, is charged with the duty of providing and implementing solutions to nursing problems, both immediate and long-range. Although it is too early to expect results directly attributable to the efforts of this office, the Health Committee believes that there are compelling reasons for its continued existence:

1. Centralization and coordination of County recruiting efforts in order to save costs and increase effectiveness.
2. Consideration at the administrative level must be given to the concerns of the nursing profession. Nurses' experiences and responsibilities with regard to total patient care are of vital importance in making decisions as to hospital planning and personnel policies. Discussion of nursing problems at this level, may, in turn, result in improved conditions at County facilities and a decrease in the turn-over rate among nurses.
3. The development of long-range assessments and solutions to patient care problems. The immediate financial and personnel crises have led to many proposals for alternative patterns of health care. There are numerous opportunities for collaboration with medical and nursing educational institutions and private hospitals, for development of demonstration projects and for expanded use of outpatient and home-care techniques designed to minimize use of expensive hospital facilities.

The Grand Jury recommends that the Department of Health Services continue its efforts to provide solutions to nursing personnel problems through a centralized Office of Nursing Development, and that the Office be provided with the authority and the resources to seek long-range solutions to the chronic shortage of nurses.

B. Supervisor Kenneth Hahn called for a Joint Task Force Committee to address the nursing shortage problem. Meetings were held during November, December, January, February and March between the Department of Health Services, the Los Angeles Education Center and the Joint Council of Interns and Residents for the purpose of defining needs in all medical technology areas and disseminating information on nursing and medical technology careers to high school and community college students.

C. Supervisor Edmund D. Edelman introduced a motion to the Board of Supervisors, directing that specific steps be taken to improve recruitment and retention of nursing staff. These steps include:

1. Re-institution of the nurse incentive training program which would permit currently employed LVN's to obtain RN training on County time.
2. Changes in the salary schedule to provide advance step recruitment for new nurses, substantial increases in evening and night shift differentials and a bonus schedule for nurses who continue in County service after two years of permanent, full-time employment.
3. Development of a relocation cost reimbursement plan for new nurses.
4. Development of a plan for both the short-term and long-term physical improvement of the County-USC Medical Center.
5. Study of the feasibility of day child care services for nurses, and of establishment of a nursing registry for employing part-time nurses in the County.

D. On February 6, 1978, Mr. Harry Hufford, Chief Administrative Officer and Mr. Morrison E. Chamberlin, Director of Health Services, presented to the Board of Supervisors an extensive memorandum outlining the areas in which the County health care system is deficient as it relates to nursing personnel. The memo provides a resume of actions taken to date, concluding that:

"Despite these efforts, the staffing imbalance at the Medical Center continues, and Health Services has been unable to reopen previously closed beds."

Further actions needed to correct the existing deficiencies are outlined, corresponding closely with those listed in Mr. Edelman's motion, and with those observed by the Health Committee during its visits to County-USC Medical Center, Martin Luther King, Jr. Hospital and Harbor General Hospital:

1. *Advanced Step Recruitment*: Provide higher starting pay for highly skilled, experienced nurses and nursing administrators.
2. *Nurse Pay Plan*: Adopt a specialized pay plan for nurses which would provide for compensation related to training and experience, similar to the plan established for physicians.
3. *In-service Training Incentive Program*: Reinstigate the nurse incentive training program to provide continuing education at County expense and at least partly on County time. Such programs should permit LVN's to become RN's, and all nurses to receive additional training in the special areas of their choice.
4. *Review Job-allocation Policies*: Permit LVNs to assume as many patient-care tasks as possible in order to relieve work load of RNs.
5. *Continuous Monitoring of Ancillary Staff Positions*, and prompt action to fill critical support positions as they become vacant in order to prevent overtaxing of nursing personnel.
6. *Improve Physical Facilities and Equipment*:
 Definite steps should be taken to improve security at County-USC Medical Center. These would include closing some of the exits and entrances, an improved security guard system and some check-out precautions to prevent losses of County property such as blankets, pillows, and other supplies. Improve efficiency in storage and distribution of supplies; eliminate long delays in receiving equipment urgently needed for patient care. Provide adequate resources to ensure prompt repair of broken equipment and a schedule for gradual replacement of unsafe, obsolete equipment.
7. *Recruitment Program*: Develop a more broadly-based and comprehensive nurse recruitment program to include professional advertising and multi-media campaigns. This may also include cooperative efforts with other hospitals in recruiting nurses from other states, and in effecting changes in immigration policies to permit issuance of special visas to English-speaking nurses in other countries.

The Chief Administrative Officer and the Department of Health Services are pursuing solutions to these problems which exist throughout the system. A joint report is scheduled to be submitted to the Board of Supervisors on or about June 1, 1978, which will include a long-range plan for physical improvements at County-USC Medical Center.

Action Required to Alleviate the Problem

The efforts of the individual Supervisors, of the Chief Administrative Officer, the Department of Personnel and the Department of Health Services, including hospital and nursing administrators, in analyzing the County's problems as to recruitment and retention of nurses are to be commended. The deficiencies are now recognized and suggested solutions have been heard from all levels of the system. Under the existing structure of County government, it is now the clear responsibility of the Board of Supervisors, in its role as governing body of the entire health care system, to make policy decisions important to the present and future level of its operation.

The Grand Jury recommends that the Board of Supervisors act as promptly as possible to implement the recommendations of the CAO and the Department of Health Services concerning salaries and working conditions for nursing personnel at County hospitals. It is recommended that the Board also consider long range policies that will assist County officials in remaining competitive in the areas of recruiting and retaining nurses. Further, the Board should remain receptive to new concepts which are designed to limit or to divert the seemingly endless demands for more personnel and more money in providing County health care services.

BILLING FOR SERVICES AT COUNTY FACILITIES: THE ABILITY-TO-PAY FINANCIAL PLAN

At the present time, patients or their responsible guarantors are billed for the full cost of care for all billable services, irrespective of the patient's or guarantor's financial status. In August, 1976, the Los Angeles County Board of Supervisors instructed the Department of Health Services to investigate the feasibility of adopting a new patient billing and collection policy that would use the financial ability of the patient to pay as the basis for determining the amount of the charge to the patient for services received.

Department of Health Services Action

The Department indicated to the Board that such a policy change did appear possible. A pilot project to test the impact of the new policy was developed and submitted to the Board for approval.

The proposed pilot project was to be conducted for a one year period in the San Fernando/Antelope Valley Health Services Region of the Department. The reason for selecting only one region to implement the pilot plan was to enable the Department to evaluate the impact of the pilot plan before implementing it on a County-wide basis. The primary factors of the evaluation included:

1. The feasibility of reducing the financial burden to patients who are not eligible for other assistance programs and who do not have the financial resources to pay the full cost of care.
2. The cost and revenue impact upon the County.

Evaluation

The plan was implemented in September, 1977, and to date the results have been less than expected. Among the problems encountered in the operation of the plan are:

1. Differences in opinion as to the fairness of the scale being used in the evaluation process of the patients' ability to pay.
2. Actual number of patients interviewed to assess their eligibility each month is 1/3 the number that was expected.
3. Most of the patients who have been determined eligible thus far are illegal aliens.
4. Most patients who elect not to participate would incur a liability for the services rendered. These patients claim the incurred liability is still too high relative to their income, therefore they refuse to participate.
5. Approximately 95% of the patients agreeing to participate are those who would have no liability under the plan.
6. The Patient Financial Service Worker spends approximately 30 minutes per interview.
7. At the end of December 1977 the plan had identified \$255 as the patients' liability for billings amounting to \$195,000. In addition, only \$25 of the \$255 had been collected.

The Committee understands that an ability-to-pay plan already exists for tuberculosis inpatients and renal dialysis patients. These plans are long standing Department-wide billing adjustments programs. The Department is currently in the process of implementing its computer systems, as well as attempting to resolve previously identified problems in the areas of patient screening, rate setting and billing procedures.

In view of major efforts being made by the Department in other areas of billing and collection procedures, and since the initial data indicates that the San Fernando Valley pilot Ability-to-Pay Plan is less than successful, it is recommended that the pilot project be abandoned.

INSPECTION AND LICENSING OF CONVALESCENT HOMES.

The California State Department of Health has the responsibility of administering the State Licensing Program and the Federal/State Certification Program for Medicare and Medi-Cal for all health facilities within the State. The Licensing and Certification Division of the State Department of Health has been given the authority for regulating the construction and operation of all community care facilities including group and family homes, nurseries and pre-schools, foster homes, day care centers and similar types of community care facilities.

Under the provisions of the California Health and Safety Code, the State Department of Health has delegated to the Los Angeles County Department of Health Services the authority to monitor compliance with licensing and approval requirements by conducting inspections of all hospitals, skilled nursing facilities, clinics, referral agencies and home health agencies within the County of Los Angeles, including State owned facilities. All facilities owned and operated by Los Angeles County remain under the jurisdiction of the State Department of Health. Personnel of the Health Facilities Division of the County Department of Health Services are assigned responsibility for enforcing licensing standards through inspection and consultation.

A total of more than 800 facilities fall within the purview of the Health Facilities Division. The Health Committee of the Grand Jury took particular interest in the licensing of Skilled Nursing Facilities, or Convalescent Homes, which comprise approximately 410 of this total. Within the limited time available, the Committee reviewed the activities of the survey and evaluation teams, the enforcement and surveillance unit, the Nursing Home Information and Referral Service and the Complaint System. In general, the Committee found the Health Facilities Division's personnel to be knowledgeable in the areas of their responsibilities and dedicated to a policy of taking vigorous, time and appropriate action against those nursing home operators who are unwilling to provide acceptable care or are incapable of doing so. Los Angeles County residents have come to expect, and do in fact receive, prompt response to complaints, which numbered approximately 2,500 for the year 1977. In the event nursing homes are found to be in violation of State and/or Federal regulations, enforcement action may include: revocation of license, criminal court action, citation and civil penalty, non-renewal or decertification from Medicare and/or Medi-Cal. In addition, information as to inadequate facilities is provided to the Nursing Home Information and Referral Service, which may result in the removal of such facilities from the referral list maintained by the Service.

The Health Facilities Division, a County agency set up to perform duties and enforce regulations instituted by State and Federal legislation, has the same problems as those observed in connection with many other similar State/County relationships. The first of these problems is that although State legislation continues to increase the requirements involved in the licensing program, it does not correspondingly increase the State's share of the funds available for implementing these requirements. The Health Facilities Division is unable, as presently budgeted, to provide yearly inspections which now must include the new Nurses' Aid Certification program, to issue citations for deficiencies followed by hearings and Court appeals, and to join with other agencies as required for joint hospital inspections and reports. Recent publicity has highlighted the large amount of time spent by officials of the Health Facilities Division in evaluating and attempting to correct the deficiencies at Metropolitan and other State hospital facilities. No additional State funding or personnel has been provided to compensate for this additional responsibility imposed upon the County agency.

The second concern relates to the seemingly endless process of governmental re-organization and shifting of responsibilities among various agencies, or combinations of agencies. Among recent proposals has been that of the Little Hoover Commission for transferring of licensing and certification from Los Angeles County to the State, followed by numerous hearings directed toward all phases of licensing activities for skilled nursing

facilities. More than one year and hundreds of pages of testimony later, the Commission reversed itself, recommending renewal of the contract between the State and Los Angeles County for conduct of the Licensing and Certification authority in this county.

The Grand Jury recommends that the Board of Supervisors and the Department of Health Services take whatever steps may become necessary to assure that the Health Facilities Division, a County Agency, retain the authority for licensing and certification of skilled nursing facilities in this County. It is also recommended that the Board of Supervisors actively promote State funding commensurate with the added responsibilities and procedures which State legislation has imposed upon this County Agency and for which no additional funding has been provided.

HEALTH SYSTEMS AGENCY

In response to what was seen as a need for better planning in order to reduce drastic increases in the cost of health care, the Federal Government enacted the National Health Planning and Resources Act of 1974. This legislation was designed to provide a network of local and state-wide health systems agencies charged with developing overall plans of caring for each community's health needs. Local agencies also have the authority, under the "certificate of need" program, to approve or disapprove any capital expenditure for additional medical equipment or facilities costing in excess of \$150,000.00.

In Los Angeles County, these functions have been turned over to the Health Systems Agency for Los Angeles County, Inc., a private, non-profit corporation. Through the By-Laws of this corporation a complex system of membership, elections, governing boards and committees has been set up, designed to achieve democratic and non-professional controls over health care expenditures. An administrative staff was installed, including an executive director, financial and planning personnel. Office space, furnishings, equipment and vehicles were purchased from funds provided by the Department of Health, Education and Welfare. Plans for registration of County citizens were made, and the first elections to the governing boards in each of the five sub-areas took place on June 21, 1977.

The election process, and the manner in which it was administered, raised issues which relate to the fundamental viability of the Agency as it is presently structured, and which must be resolved before the Agency can be expected to perform the functions delegated to it within this County. Among the specific problems are those concerning (1) the procedure of separate registration to vote for members of governing boards, (2) the validity of designations of "consumers" and "providers" among the membership, (3) the inherent impossibility of achieving demographic representation in each of the sub-areas by the election process, and (4) the validity of placing the authority for far-reaching decisions, based on often conflicting technical considerations, in the hands of "consumers" who occupy their positions by the elective process and whose decisions may be responsive to political pressures.

These questions were raised in a law suit challenging the election process, and in correspondence between the Board of Supervisors and the Executive Director of the Health Systems Agency. At the direction of the Board, a Task Force was formed and has been meeting on a regular basis to monitor developments relating to the Agency. In the fall of 1977, responding to a Congressional request, the General Accounting office of the United States Government conducted a review of the Agency. The report of the Comptroller General includes findings of numerous irregularities not only in the governing body elections, but also in administrative practices of the Agency such as staff hiring practices, budget revisions and cash management. The GAO report concludes that the Los Angeles County Agency "made little progress in its initial grant year toward performing many of the health planning functions required by the act. The agency spent about \$1.2 million of its approximately \$2 million first year grant on management and

organizational costs but did not complete some of the organizational tasks identified in its first year grant. The Health Systems Agency is clearly not ready for full designation based on its health planning progress to date." In March, 1978, the Advisory Health Council of the State Department of Public Health voted to deny the application of the Health Systems Agency of Los Angeles County to perform "certificate of need" reviews, thus making this Agency ineffective as a control on county health planning and financing.

Even though this Agency is not a function of, nor directly controlled by, the County, nor are the funds expended directly received from County taxes, this Committee feels that the County does have a legitimate concern in the capability of the Agency, as presently constituted, to perform the service mandated by Federal law. To the extent that the Agency is not functioning properly, Los Angeles County residents are not receiving the intended representation and protection from rising health care costs; further, they are paying, through Federal taxation, the cost of maintaining an unproductive bureaucracy.

The Grand Jury recommends that the Task Force appointed by the Board of Supervisors be directed to take a more active role in evaluating and monitoring the activities of the Health Systems Agency of Los Angeles County, Inc. Attention should specifically be given to:

1. Simplifying the election process while maintaining the requirements of the Federal regulations;
2. Reviewing the qualifications of personnel occupying or being hired for administrative and planning positions;
3. Budget review and analysis;
4. Time-study to determine the comparison between time devoted to administration and organizational matters, as opposed to time devoted to health planning and regulation.

The Grand Jury recommends that County public health officials and hospital administrators be directed to take a more active role, as "providers", in the planning and decision-making functions of the Health Systems Agency for the purpose of representing the users of County facilities.

STATUS OF THE RECOMMENDATIONS RELATING TO HEALTH SERVICES MADE BY THE 1976-77 GRAND JURY

Based upon the findings of the Contract Auditor for 1976-77, twelve recommendations dealing with the Department of Health Services were made by the Grand Jury for that year. In general, the DHS is having difficulty implementing the recommendations for a variety of reasons. Several recommendations include major premises with which the DHS does not agree. As to other recommendation which deal with rates and billing procedures, the DHS has moved in the direction of the proposed changes, but has not yet had time to achieve the desired results due to staff, budgetary and decision making constraints. Only one recommendation, concerning additional programming for the MCAUTO data processing system, has been fully implemented.

The Health and Audit Committees of the 1977-78 Grand Jury directed this year's Contract Auditor to review the progress being made in the areas of concern of the previous Grand Jury. In addition to the preceding report as to the status of billing and collections at County health facilities, the current status of the following recommendations is briefly noted:

Rates

The responsibility and authority to set rates of all County hospitals has been given to the Director of the DHS and rates have been increased in some areas. Full implemen-

tation of this recommendation cannot be realistically expected until the data processing system is completely operational, and until the Department resolves the basic questions relating to "itemized" and "all-inclusive" billing policies.

Patient Screening and Collection Backlogs

Studies have been completed and recommendations have been made by several County departments, including the Grand Jury, towards improvement of patient screening and fee collections. Changes have been made in the procedures used to identify patients who belong to prepaid health plans and to advise them of their options when they seek medical care at County hospitals. Improved collection procedures have resulted in reduction of the accounts receivable from \$271 million in August, 1976 to \$155 million as of April 30, 1978. The total of "new money"—i. e., additional collections over the preceding year's total, is estimated at \$50-60 million for the current fiscal year.

Billing and Collection Procedures

The Department has undertaken a new study as to the method of charging patients for medical services at County facilities. It is recognized that the all-inclusive flat rate method, as presently established, may need revision in order to provide additional income to the health care system, and in order to remedy some inequities in charges to patients. Further study of the additional costs, as well as political and public relations considerations, will enter into any revisions to be made to the billing format. Improvements in billing and collection procedures have been given high priority by the Department. These include improvement in the filing system in the billing department, prompt billing and attempts to collect for services rendered when patients leave the hospital.

Centralization of Control

The issues of centralization of control and administrative functions, as opposed to the decentralized regional area concept, are subject to continual study. Although no specific changes have been made as a result of this recommendation by the Previous Grand Jury, discussion by this year's Health Committee with the retiring Director of DHS included his proposals designed to provide additional centralization of control in the areas of personnel, logistics, budget and other staff functions. Future administrative actions will now probably be delayed until a new administrator for the Department has been appointed and has had time to assess the Department's needs.

Data Processing

The County is proceeding as rapidly as possible in implementation of the "MASTER" data processing systems within the County hospitals. Progress is somewhat deterred by lack of adequate staffing and by lack of full appreciation on the part of the users as to what the system will mean to them when it is fully operational.

CONCLUSION: EFFECT OF PROPERTY TAX LIMITATION PROPOSALS

On May 1, 1978, the Chief Administrative Officer presented to the Board of Supervisors a report estimating the reductions in County services that would be required if the voters approve Proposition 13, the Jarvis-Gann Property Tax Limitation Initiative, at the June 6, 1978 primary election. Passage of this proposition will require a 44.6 percent decrease in health services, including the closing of Olive View, Harbor General, Mira Loma and Long Beach Hospitals and fifty-seven health centers and subcenters. Martin Luther King Hospital and County-USC Medical Center will remain open on a greatly reduced basis for emergency and general acute care. It is estimated that budget cuts will result in reduction of fifty to seventy-one percent in Community Health Services, Mental Health Services, Ambulatory Care, Drug and Alcohol treatment centers and Veterinary Services. Family Planning Services, Dental Services, Pediatric and Adolescent Services will be terminated. More than 12,000 employees will be laid off as a result of these reductions.

One aspect of the reasoning behind the Jarvis-Gann and other revenue-limitation measures is that government services at all levels and in all areas have been expanded far beyond those which are essential, that many "frills" have been added which the taxpayers are no longer willing to support. The outcome of the vote on Proposition 13 will have a substantial effect on the feasibility of implementing the preceding recommendations.

The concerns which the propositions express clearly should be addressed by legislative bodies at all levels of government. Many County residents are attempting to communicate to their elected officials their feeling that governmental functions should be limited rather than expanded. In the context of health care, this means a reversal of the trend toward making increasing numbers of "desirable" or "elective" services available to more and more people. It may mean return to the original concept of the County's health care responsibilities: the providing of *essential* medical treatment for those residents who are unable to pay for such treatment.

It is recommended that the Board of Supervisors, recognizing the concern expressed in revenue-limitation initiatives, evaluate priorities in the various types of health services now provided at County expense, with a view to eliminating or restricting those which go beyond the essential, basic needs of County residents.

Those services which are determined to be essential must be consolidated and provided with adequate facilities, in order to make the most efficient use of available resources.

Anne F. Leeper, Chairman
Marva A. Keyes
Josephine Kelford
Lilyan M. Townsend
Susan H. Wofford

JAILS COMMITTEE

PURPOSE

Section 919 and 921 of the California Penal Code charges the Grand Jury with the duty to inquire into the condition and management of prisons within the County and to investigate the circumstances of inmates confined on criminal charges and not indicted.

METHODS OF INVESTIGATION

To carry out its charge under the Penal Code, the members of the Jails Committee spent the majority of their term visiting jails and from these visits obtained information that has contributed to the observations contained in this report. The Committee also called on the expertise and assistance of the following:

- Los Angeles County Sheriff's Department
- Los Angeles Police Department
- Independent Cities' Police Departments
- Jack Hourigan, Deputy District Attorney
- Jesse Gomez, Grand Jury Investigator

AREAS OF REVIEW

During the past year, the Committee has focused its attention on the following areas:

- Visitations to Jails
- Prisoner Care and Complaints
- Handling of Public Inebriates
- Use of Civilian Custodial Officers vs. Sworn Personnel
- Officer Training to Handle Civil Disputes
- Regional Jails

VISITATIONS TO JAILS

The Jails Committee wishes to express its appreciation to the Sheriff's Department, the Los Angeles Police Department, and independent City Police Departments for the courtesy extended, for the willingness to answer any and all questions, and the overall cooperation given during the year.

The Los Angeles County Grand Jury has interpreted its charge to visit the prisons to include all of the more than one hundred lockups where prisoners—both sentences and pre-sentenced—are held. This includes Los Angeles County Sheriff's Jails facilities and stations, Los Angeles City Police Division facilities, independent city jails, and courtroom holding cells. To accomplish this the Committee was divided into two teams so that all facilities could be inspected. Jail visitations have occupied the greater part of the Committee's time.

During these visits, the information obtained from interviews with facility officers, with prisoners, and with custodial personnel has been invaluable. The Committee also believes that the anticipation and awareness by the officers of a surprise visit, or visits, to their facilities by Grand Jury members are beneficial to everyone involved.

Jail facilities are visited regularly by many other agencies. A few of these are: California Department of Corrections, Fire and Health Departments, lawyers' associations, court representatives, as well as a department's own personnel assigned to these duties.

Reports on the individual facilities visited by the Jails Committee are in the Grand Jury files; the Committee will not attempt to list the findings they contain. Prior to vis-

iting a particular facility, Committee members find it advantageous to coordinate and review the reports on that facility received from the State Board of Corrections, Health Services, other agencies, and the former Grand Jury. In this way Committee members were able to focus on specific or potential problem areas.

When visiting detention facilities the Jails Committee team members believe that it is important to observe the following: booking procedures, access to telephones, meals, medical attention, education, recreation, work programs where applicable, physical conditions of the facilities, visitation rights and areas for client-attorney accommodations, safety precautions in relation to both inmates and official personnel, the monitoring of inmates and cells, and possible prisoner abuse.

The Jails Committee has concluded that both Type I and Type II jail facilities in Los Angeles County are conforming to the standards outlined by the State Board of Corrections under *Laws and Guidelines for Local Detention Facilities*.

Because of the limitations of time and the great number of facilities to visit, the Jails Committee was unable to study any one facility in depth.

PRISONER CARE AND COMPLAINTS

The Jails Committee responds to all correspondence received from inmates confined in jail facilities operated by the Los Angeles County Sheriff. The Committee has received few complaints or allegations of mistreatment. This number is small as compared with the annual inmate population of nearly half a million.

In addition to providing housing, feeding, and medical care, the Sheriff's Department is responsible for providing transportation to inmates for their court appearances.

Transportation becomes a time-consuming and costly task in view of the fact that 60% of the prison population is pre-sentenced, requiring numerous court appearances.

Inmates who are acting as their own counsel (*in propria persona*) require special handling and these prisoners represent an additional responsibility for the Sheriff.

In addition to the foregoing tasks, the overcrowded conditions in the outmoded Central Jail have created a potentially dangerous situation. However, with all these problems, the Sheriff's Department continues to provide well administered jail facilities.

Although charges are often leveled at custodial officials for failure to rehabilitate inmates, it should be noted that a high weekly turnover in the County's jail population makes rehabilitation efforts difficult to plan and administer.

HANDLING OF PUBLIC INEBRIATES

During this Committee's term there has been considerable public attention focused on the handling of public inebriates.

Under Penal Code Section 647(f), public inebriation is a misdemeanor offense. During the course of our visits to holding facilities, members of this Committee found that most local police, as well as Sheriff's Departments, deal with public inebriates by picking them up and holding them in custody until they "sober up". They are then released pursuant to Penal Code Section 849(b). This short-term holding period provides protection for inebriates, but does not allow time to give them a medical check-up. The Jail Committee is not critical of this method. A class action lawsuit was brought against Los Angeles County concerning the arrest, prosecution and treatment of public inebriates (*Sundance vs. Municipal Court*). Judge Harry Hupp determined that Penal Code Section 647(f) was constitutional, but made several orders concerning the handling and prosecution of public inebriates by the authorities. In February, 1977, the Chief Administrative Officer (CAO) prepared a report for the Board of Supervisors on the

subject of civil detoxification and rehabilitation of public inebriates. The CAO concluded that although it supported the concept of civil detoxification, the CAO's program and cost analysis revealed that to establish county-wide civil detoxification facilities would require an additional cost of more than seven million dollars annually. The CAO concluded that such an expenditure would not be offset by potential savings in the Criminal Justice System. However, the report stated that the County should take steps to provide appropriate referral mechanisms to existing county health/social services to those public inebriates who actively sought and would benefit from such services.

In April, 1977, the Board of Supervisors voted on the report just mentioned and instructed the Department of Health Services to develop a formal application for a \$700,000 grant from the State Office of Criminal Justice Planning. This grant would be used to create two pilot programs—one to serve the central (skid-row) area of Los Angeles and the other to serve the southeast portion of the County. These pilot programs would focus on reducing arrests and criminal justice expenditures, as well as improving the effectiveness and coordination of rehabilitation services to public inebriates.

The Office of Alcohol Abuse and Alcoholism within the Department of Health Services has prepared the grant application and has recently obtained the \$700,000 which will be used to fund these two experimental programs.

These programs are now operational. Future Grand Juries should carefully evaluate the services provided and the cost effectiveness of these programs to determine if the procedures that these pilot studies develop will provide a countywide solution to the humane handling of public inebriates. Future legislation that may be introduced to clarify the role of the counties with respect to their handling of public inebriates should also be carefully reviewed.

Members of the Jails Committee have observed the newly initiated procedure of Los Angeles Police Department for handling public inebriates at Parker Center. Public inebriates are now receiving a more thorough medical examination and are offered nourishment prior to release.

The Jails Committee believes that detoxification centers would result in considerable expense to the County and would possibly benefit only a small percent of the citizenry. The Committee is also concerned that due to the cost of administering a detoxification program there may be a decrease in the number of inebriates that are picked up. This would be a disservice to them and the other citizens of Los Angeles County.

CIVILIAN CUSTODIAL OFFICERS VS. SWORN PERSONNEL

The Jails Committee has inquired into the training received by custodial officers for the Los Angeles County Sheriff's Department, Los Angeles Police Department, and Police Departments of independent cities. For the most part, Los Angeles Police Divisions and independent cities use civilian custodial officers who are supervised by sworn personnel. A few cities use sworn personnel as custodial officers. Most civilian custodial officers have some formal training, but in a few cities the Committee found that only on-the-job training was provided. CETA employees were trained at a few facilities. The main reason for using civilian employees seems to be economy.

Temporary Holding Facilities

The Los Angeles Police Department, most cities and Sheriff's Stations are considered Type I holding facilities by the State of California Board of Corrections. These facilities contain pre-sentenced prisoners held for a short period of time. It is common practice to transfer prisoners to the Los Angeles County Sheriff's facilities shortly after booking and interrogation.

Women arrestees are booked at jails which have cells for females and are transferred within a short time to Sybil Brand institute which is operated by the Sheriff. Jails

which do not have space for females book their prisoners directly into Sybil Brand, Van Nuys (LAPD) or Long Beach.

After October 1, 1978, procedural changes in booking prisoners will be initiated. The Los Angeles Police Department will transport their arrestees directly to the Sheriff's booking centers. According to City and County officials, details for the changeover will have to be resolved.

Longer-Term Holding Facilities

The County Sheriff has custodial responsibility for the largest percentage of prisoners, both those awaiting court proceedings and sentenced prisoners.

Los Angeles County jail facilities operated by the Sheriff include Central Jail, Hall of Justice, Sybil Brand Institute, Wayside Honor Rancho Minimum, Wayside Honor Rancho Maximum, Detention Camps and Mira Loma. These facilities house an average daily population of 9,600 prisoners.

The custodial officers used in these facilities are deputy sheriffs, with the exception of the approximately 200 civilian custodial officers remaining from an experimental program.

The Sheriff's Department's reasons for using deputy sheriffs are, in part, as follows:

1. Custodial duty for new deputies, under the close supervision of an experienced officer, is the best way to learn to handle prisoners without using force. Such custodial duty is also an opportunity to gain experience in understanding the prisoners' thought processes and reactions to situations which may differ from the social norm. In short, these new deputies gain "street knowledge".
2. As a first tour of duty custodial work provides a "cooling down" period after academy training. While on such a tour of duty, new officers learn that they are not "ten-feet tall". They learn to understand their ability rather than inflate it.
3. The Sheriff's Department believes that if custodial officers are trained deputies they become an additional source of manpower for use in emergencies or natural catastrophies.
4. By contrast, civilian custodial officers are "single-purpose" officers. In 1968 the Sheriff initiated an experimental program with 400 trained civilian custodial officers. In time these employees unionized and their salary range became close to that of new sworn deputies. The position of a civilian custodial officer is a "dead-end" job. Often good civilian officers are lost to other related employment where there is more room for advancement.
5. Deputies have regular work hours which permit them to attend classes for advanced training. This leads to more qualified and satisfied officers.

There has been some dissatisfaction expressed by deputies regarding the length of time spent in custody duties which now averages thirty-six months, depending in part on where they are working, or wish to work.

The Sheriff is aware that most young deputies are anxious to get out into the field, but there are not enough positions open. On the other hand, some officers request custodial duty. To gain another perspective, new deputies are eligible, after eighteen months, to spend ninety days in another assignment. The Sheriff is now placing more emphasis in the recruiting program on the fact that a recruit's first tour of duty is a custody job and the possible time spent in the custody division may be up to forty months.

The Jails Committee concurs with the Sheriff's policy of using sworn personnel. During visits to custodial facilities, Committee members observed a high level of professional

demeanor among the officers of the Custodial Division. There are many qualified and dedicated officers and administrators involved in the twenty-four hour, seven days a week operation of the various jail facilities.

OFFICER TRAINING TO HANDLE CIVIL DISPUTES

The Grand Jury recommends that officers receive additional training in the handling of civil disputes. Such training would decrease the loss of life or disability time that result from responding to these calls.

A civil dispute is an argument which does not involve a criminal act but can precipitate a situation that leads to one. The most common type of civil disputes are family arguments. Civil disputes can also involve neighbor-to-neighbor disputes, juvenile or adult street altercations, loud parties, parent-child conflicts, landlord-tenant arguments, minority group situations and customer-businessman problems.

While a family argument or a neighbor's dispute may seem like routine calls, such incidents are fraught with potential danger. In civil disputes an officer's primary responsibility is to keep the peace and prevent a crime from occurring. This wide area of conflict with which an officer must deal is a leading source of officer injury and fatality.

Forty percent of time lost due to disability results from injuries incurred during family disturbance calls. Over fifty percent of the calls an officer responds to deal with civil disputes rather than violations of criminal law.

In spite of the frequency and inherent danger of such disputes, a proportionately small amount of time is devoted to training officers to handle them. The Los Angeles Sheriff's Department provides about fourteen hours of instruction out of the total training program. The Los Angeles Police Department Training Manual provides for 95 minutes of lecture and some films.

Additional training for officers to skillfully defuse civil disputes would serve a dual purpose. First, the safety of the entire community could be improved because by successfully handling a civil dispute an officer may prevent a crime and gain self-respect through his ability to handle a distasteful job. Second, assault and injury to officers can be minimized by teaching them methods to reduce tension and restore order without resorting to physical force. Training can result in additional benefits such as a decrease in repeat calls a reduction in citizen complaints against officers and an increase in officers' efficiency and empathy in dealing with emotionally disturbed persons, attempted suicides and distraught rape victims.

The Jails Committee believes that the cost of such additional training would be insignificant when compared to the potential savings that would accrue from the crimes and injuries that might be prevented.

REGIONAL JAILS

The Jails Committee supports the concept of regional jails, as recommended by the 1976-77 Grand Jury, which provides custodial facilities adjacent to Superior Court branches.

At present, Sheriff's custodial facilities have been operating close to capacity. The recent trend toward transferring jailing functions from local police agencies to the Sheriff, who is mandated by state law to accept and detain all prisoners within the County, contributes to the projected increase in prisoner population. This proposed jail consolidation by city police departments is expected to result in a daily average increase of 600 prisoners in Sheriff's facilities.

The following demographic factor also predicts growth in inmate population. As a result of unemployment in the inner city (which has a higher prisoner count per population than other areas of the County), an increase in the number of inmates in custodial facilities has been projected to 10,380 by 1980.

In addition, the trend toward more definitive and stiffer sentences, the handling of some juvenile offenders as adults (under Assembly Bill 3121) who, therefore, must be housed in Central Jail, further substantiates this projected increase.

The State of California Board of Corrections guidelines and decisions in civil rights suits have limited the number of persons who can be placed in a cell, thus reducing the capacity of many jail facilities.

The current overcrowding at Central Jail has resulted in prisoners sleeping in hallways and an increase in altercations and prisoner injuries. The projected increase in prisoner population can only aggravate the already overcrowded conditions in that facility.

To meet future needs for an increased prisoner population, the Sheriff's Department has been exploring the feasibility of establishing Regional Criminal Justice complexes which would provide custodial facilities adjacent to the larger Superior Court branches. Such regional complexes would incorporate a number of police and judicial districts.

Such regional justice centers would also provide space for offices of the District Attorney, Public Defender and the Probation Department. Having these departments in close physical proximity to each other will facilitate inter-action and cooperation within the Criminal Justice System. Most importantly, the Regional Jail will help eliminate overcrowded conditions at Central Jail, as well as providing space for future custodial needs.

The most frequent source of complaints among prisoners is their continuous movement over long distances for court appearances. Decentralizing jail facilities and housing arrestees within the community of their arrest will facilitate transportation and alleviate disciplinary problems that result from low inmate morale caused by long and constant traveling. The traveling time for prisoners' families for visits will also be reduced. Also, decentralization will allow some custodial employees to work closer to their homes. Many smaller cities have stated that they wish to get out of the "jail business". The concept of a regional jail is presently used by many cities by their practice of holding prisoners for a few hours and then transferring them to a Sheriff's Station located in their geographic area.

A pilot program is presently in use by the LAPD to evaluate the consolidation of city jails by limiting booking operations to only four of their jails. This program is the forerunner of a soon-to-be-initiated policy of turning over their prisoners directly to the Sheriff for booking. Biscailuz Center is scheduled to reopen October 1, 1978, in order to receive LAPD's prisoners directly from arresting officers. This practice is expected to add an average of 450 inmates daily to the Sheriff's custodial facilities.

From field interviews, the Jails Committee has concluded that the regional jail concept, with some reservations, is an acceptable one to many law enforcement officers and police chiefs. The most frequently voiced concern is that the time required to transport and book prisoners will result in less personnel being available to patrol and, therefore, it will take longer to respond to calls. Another concern is that investigating officers will spend more time traveling to interrogate prisoners and accessibility to prisoners will become more difficult.

The Sheriff's Department has developed plans for a pilot program for a Regional Justice Complex which would decentralize the prison population and prepare for the anticipated increase in the future. This complex would encompass the East Superior Court District. Funding for this project is being requested from the state. Future Grand Juries should carefully monitor the progress of this pilot program to evaluate its effect upon both law enforcement and the prisoner population.

Fern McAda Genovese, Chairman
Alvin G. Arnold
Margaret I. Herniman
Golden R. Larson
Walter V. May

JUVENILE JUSTICE COMMITTEE

PURPOSE

The role of the Juvenile Justice Committee is to examine the Juvenile Justice System in this County, to evaluate its strengths and weaknesses, to recommend alternative or innovative concepts and programs, to initiate or endorse legislation impacting on its implementation and to respond to citizens' correspondence.

METHODS OF INVESTIGATION

All recommendations made by this committee were based upon input from representatives of those agencies directly involved in the Juvenile Justice System, including: Judiciary, District Attorney, Public Defender, Law Enforcement and Probation. Experts from other governmental agencies, the academic and lay community were consulted and field trips were undertaken whenever relevant to the issue under consideration.

The following field trips were taken:

American Martyr's Summer Day Camp
Camp Afflerbaugh
Camp Paige
Camj Glen Rockey
Camp Scott Scudder
Compton Juvenile Court
Dorothy Kirby Center
Eastlake Juvenile Court
Inglewood Juvenile Court
Inter-Agency Child Abuse and Neglect Center:
JACC Committee
Juvenile Dependency Court: Metro Annex

Juvenile Justice Center
Long Beach Juvenile Court
Parker Center Police Department: Juvenile Division
Pomona Valley Diversion Program
Project Cerritos Corridor
Project PAY
Project SEED
77th Police Station Ride Along
Young People of Watts
University of So. California Department of
of Social Sciences, Department of Criminology

The following individuals were consulted:

Joan Arnett—Principal, Eastlake Juvenile Hall School
Deputy District Attorney James Basque—Juvenile
Division
Lt. Dick Bongard—Operations Section, LAPD Juvenile
Dr. Eugene J. Briere—Department of Linguistics,
USC
Judge Richard P. Byrne
Commissioner Joan Carney—Juvenile Court Annex
Bill Carey—Principal, Program Development
Specialist, Criminal Justice Planning
Mark Casady—Director, L. A. Neighborhood
Gardens & Farms
Ken Clayman—Head Deputy, Juvenile Division,
Public Defender's Office
Carmen Combs—Retired Commissioner,
Juvenile Court
Captain Gary Cooper—Los Angeles Police Department
Bill Commack—Chief Probation Officer, Camp
Scott Scudder
John Creamer—Juvenile Courts Coordinator
Bill Evans—Director, Changes Unlimited Program
Ken Fare—Acting Chief Probation Officer
Fran Frey—Office of the Chief Administrative Officer
James Galipeau—Deputy Probation Officer
Donald Calloway—Justice System Coordinator
Judge Peter Giannini—Presiding Judge, Dependency
Court
Donald Graham—Deputy Director, L.A. Regional
Criminal Justice Planning Board
Lt. Jack Graydon—Director, Sheriff's Department,
Youth Services

Supervisor Kenneth Hahn
Supervisor James Hayes
John Heuer—Deputy Agricultural Commissioner
Frank Hellum—Department of Social Science, USC
Bruce Hoffman—Deputy Public Defender
Harry Hufford—Chief Administrative Officer
Ray Johnson—Office of the County Clerk
Dr. Gerald Jordan—Professor, Claremont Graduate
School
Bernard Kamins—Chief Public Defender, Eastlake
Juvenile Hall
Lydia Kelley—L. A. Florence Crittenton Services
Judge David Kenyon—Juvenile Justice Center
Dr. Malcolm Klein—Chairman and Professor of
Sociology Department, USC
Dr. Solomon Kobrin—Department of Sociology, USC
Lary Larsen—Deputy, Office of Supervisor
Baxter Ward
John H. Larsen—County Counsel
Dr. Mark Lipsey—Professor, Claremont Graduate
School
Deputy District Attorney Curt Livesay—Head,
Juvenile Division
Robert C. Lynch—County Counsel's Office
Dr. Janet Maker—Professor, Cal. State,
Dominguez Hills
Captain John Malone—Youth Services Bureau,
Office of the Sheriff
Dr. Michael Maloney—Department of Psychiatry,
USC School of Medicine

Daniel Marcus—Co-director of Los Angeles
Neighborhood Gardens & Farms
Louise Marsh—Los Angeles County Board of
Education.
Terence Matthews—Chairman, Los Angeles County
Delinquency and Crime Commission
Deputy District Attorney Nickola Mikulicich
Olivia Mitchell—Director, Youth Programs,
Office of the Mayor
Barney Mull—Director, Young People of Watts, Inc.
Frank Neeri—Assistant Juvenile Courts Coordinator
Joseph New—McLaren Hall and Youth Services
Center
John Owsley—Assistant Director, Pomona Valley
Diversion Project
June Parrott—Area Administrator, Special Schools,
Office of Los Angeles County Superintendent of
Schools
Commissioner Elias Powell
Kelly Presley—Community Development Department
John Rossi—Director, Rossi Youth Foundation
Laurence N. Rubin—Project Director, Pomona Valley
Juvenile Project
Supervisor Peter Schabarum
John Schwarze—County of Los Angeles Zoning
Commission

Judge Huey P. Shepard—Los Padrinos Court
Toby Shepherd—Principal, Los Padrinos Juvenile
Hall School
Barbara Shovan—Staff Assistant, Executive Office of
Senior Citizens Affairs
Gary Shiohama—Deputy of Councilman John Ferraro
Jerry Sloan—Director, Special Schools
Kevin Small—Chairperson, Los Angeles City Youth
Advisory Council
Judge Peter Smith—Presiding Judge, Juvenile Center
Referee Sussman—Inglewood Juvenile Court
Dr. Kathie Teilman—Research Associate, Social
Science Research Institute
Judge Dick Tevrizian, Jr.
Dr. Saif R. Ullah—Executive Director, Mid-Valley
Community Mental Health Council
John Walker—Division Chief, Juvenile Division,
Office of the County Clerk
Professor Michael Ward—Dept. of Psychiatry, USC
School of Medicine
Aki Watanabe—Assistant to Deputy Agricultural
Commissioner
Martin Weeks—Deputy County Counsel
Frank S. Zolin—Executive Officer of the Superior
Court

AREAS OF REVIEW

Juvenile Justice is one of the greatest concerns of our county, state and nation. Each year, in Los Angeles County, over 103,000 children are arrested; approximately 28,000 of these children become a matter of court record. Each of them is touched by a system that penetrates every aspect of community life. This system reflects all of society and represents a lien on the future, payable in the lives of our young.

Time precludes an expansive, in-depth look at an entire system and forces each committee to focus its lens on specific areas of concern. The 1977-78 Juvenile Justice Committee has studied and made recommendations concerning the following issues:

- Juvenile Miranda Rights.
- Assembly Bill 958: Status Offender Legislation.
- Juvenile Dependency Courts.
- Centralization of Juvenile Detention Hearings.
- Reorganization of Juvenile Branch Courts: Compton, Inglewood, Long Beach, Juvenile Justice Center.
- Model Diversion Program.
- Education in Juvenile Court Schools. See Joint Report Section (p. 00).

JUVENILE MIRANDA RIGHTS

The Grand Jury recommends that the "Juvenile Miranda Rights" proposed by this committee and attached to this report be adopted and printed on the Admonition of Rights forms now in use by the law enforcement agencies of Los Angeles County. All juveniles must be assured due process of law. If apprehended, and the arresting officer or investigator wishes to question the juvenile, a juvenile must be read the "Miranda Rights"; the juvenile may then choose to waive these rights.

The committee is concerned that youngsters, particularly first time offenders, wander through the maze of arrest, booking, adjudication and disposition hearings without fully understanding the words of the present Miranda Rights—much less the actual rights guaranteed to them. The Miranda Rights are written at an eighth grade reading level. Most juveniles, especially those in trouble with the law, have not obtained this

level of comprehension. Additionally, at the time a youngster is apprehended, he is often confused, frightened and under severe stress. He is unwilling to appear ignorant or defiant before the authority of the law. Youngsters, therefore, fallaciously state that they do "understand", and then "waive their rights". Later, some convictions are appealed and overturned based on the assertion that the juveniles did not understand their rights and did not legally waive them.

The committee discussed this issue with semanticists, educators, child psychologists and reading specialists in addition to representatives from the following departments: District Attorney, Judiciary, LAPD, Sheriff, Probation and Public Defender.

Two surveys were undertaken. One survey was administered by members of this committee to a random selection of school children visiting the Criminal Courts Building; 61% of the subjects indicated that they understood the proposed rights better than the existing Miranda Rights. A second survey was conducted by the Office of the Los Angeles County Superintendent of Schools in the ten youth centers scattered throughout the county. Juveniles in youth center areas, rather than those detained in Juvenile Halls, were polled so as to get a better cross section of youngsters, including both those who have and those who have not been arrested. Participating in this survey were 863 students between the ages of 14 and 17. Twenty-four percent of the youngsters had been previously arrested; however, only 19% indicated that the Miranda Rights had previously been explained to them. A total of 75.2% of these youngsters did not understand the Miranda Rights as currently read, and 89% preferred the proposed "Juvenile Miranda Rights".

The surveys indicate the validity of the proposed new "Juvenile Miranda Rights". In addition, the new format includes four waiver questions to be asked immediately following the reading of the "Juvenile Miranda Rights". While the exact wording of the Admonition of Rights is not stipulated by law, there is similarity in the statements used by the various agencies of law enforcement. In addition, many of the law enforcement agencies print the Admonition of Rights in Spanish as well as English. The Juvenile Miranda Rights would be, then, another proposed variation on the present wording of the admonition of Rights.

There are also no established guidelines for when and how these "rights" are to be admonished, but it does appear common practice to *read* the rights and then to ask the arrestee if he understands. The very existence of a *special* "Juvenile Miranda Rights" would impress upon law enforcement the necessity of ascertaining that young offenders do understand their constitutional rights.

The financial impact of this proposal is minimal. The Office of the CAO estimates the total cost of altering the forms presently being used by the Sheriff's Department and the LAPD to conform with this committee's proposal to be approximately \$300. This committee understands that there may be additional costs involved in the training of law enforcement personnel, but believes that this minimal investment is more than offset by the advantages inherent in the proposed Juvenile Miranda Rights.

Response:

The Board of Supervisors approved this recommendation on March 28, 1978, and urged affected county departments to implement this proposal.

PROPOSED FORM FOR JUVENILES

JUVENILE MIRANDA RIGHTS

1. You don't have to talk with us or answer our questions if you don't want to.
2. If you decide to talk with us, you have to understand that anything you say can be used against you. We can tell the probation officer and the judge what you tell us.

3. You can talk to a lawyer now if you want to, and you can have him with you when we ask you our questions.
4. If you want to have a lawyer, but you don't have enough money to hire your own, then we will get one for you at no charge.

WAIVER QUESTIONS

1. Do you understand what I have said?
2. Do you want to ask me anything?
3. Do you want a lawyer, or not?
4. Do you want to talk to me now?

ASSEMBLY BILL 958: STATUS OFFENDER LEGISLATION

The 1977-78 Los Angeles County Grand Jury recommends that the Board of Supervisors support Assembly Bill No. 958 and its amendment.

The committee makes this recommendation after extensive study and review and based upon interviews with representatives of the Juvenile Divisions from the following departments: District Attorney, Judiciary, Probation, Public Defender, Sheriff, and private residential treatment centers.

Assembly Bill No. 958 and its amendments are designed to correct a problem that was created by the Legislature when the enacted Assembly Bill No. 3121 in 1976. Assembly Bill No. 3121 prohibited any 601 minor or "status offender" from being held in a secure facility. Most minors who are runaways can be effectively handled in non-secure facilities. However, there are always minors who must be placed in secure facilities for either the protection of themselves, their families, or the community.

Assembly Bill 958 provides law enforcement and probation officers with the ability to hold the minor in secure detention for specific purposes. Youngsters could be detained up to twelve hours to allow the court to determine if there are outstanding warrants against the minor; up to twenty-four hours to arrange the return of a minor to parent or guardian who is a county resident and for up to forty-eight hours for a non-county resident; until a minor is otherwise placed if there is reasonable cause to believe that he has fled a non-secure facility in violation of court order; until a detention hearing, if there is sufficient cause to believe that the minor is a substantial danger to himself.

The Bill provides that "status offenders" may not be placed in contact with youngsters held for misdemeanors or felonies. It also states that every county shall keep a record of each "601" minor detained, the place, length, and time of such detention and the reasons why such detention was necessary.

Deficiencies in the present unsecured detention system undermine the adolescent need for authority and encourage a "revolving door" syndrome in private residential treatment centers. Detention in these centers is not punishment, but rather an opportunity for the youngsters to receive guidance and security. Unfortunately, since these juveniles know they cannot be held in a secure facility if they flee a non-secure center, recidivism at residential treatment homes has risen dramatically. Youngsters stay for a meal and a bed and leave in the morning. Law enforcement officers are discouraged from arresting these "status offenders" because of the futility of holding them. In January of 1977, only twenty-five petitions were filed per month, down from an average of 150 petitions for non-criminal offenses which were filed each month in 1976.

The committee believes that the ability to impose a brief and accountable period of secure detention helps to make a program of nonsecure detention more meaningful and beneficial to the juvenile and the community.

JUVENILE DEPENDENCY COURTS

The 1977-78 Los Angeles County Grand Jury recommends that the Juvenile Dependency Courts be relocated to the Criminal Courts Building effective on or about July 1, 1978.

Dependency cases involve children who are victims of child abuse. They cannot survive within their family structures and State intervention is required. One out of every ten children in Los Angeles County is the victim of physical, mental or sexual abuse; victims range in ages from 2½ months to 18 years. In 50% of juvenile delinquency cases, the youngsters first contact with the law is as a victim of child abuse.

A dependency Court was established in 1974 at the Metro Annex located at 600 North Broadway, Los Angeles. At present five courtrooms are operating at this facility. The building was condemned five years ago for fire and safety hazards and, to this date, still has no fire sprinklers. The doors are doublelocked at all times, and in case of fire, only two windows could serve as emergency exits. In addition to being unsafe, the facilities are dirty, dilapidated, and overcrowded. Two 15' x 15' detaining rooms are inadequate for the boys and girls, ages 5 through 18, who are placed there. Further, the detaining rooms are serviced by only one toilet facility. 80% of the cases coming through Dependency Court are detained cases, with the average number of youngsters detained being 85 to 90 per day. On one day, February 1, 1978, however, a high of 114 children were detained in these two rooms.

The ancillary facilities at Metro Annex are also inadequate, with poor security provisions. Youngsters awaiting hearing cannot be protected from hostile parents, relatives and witnesses. At the Metro Annex, minors who are the victims of abuse are subjected to conditions far worse than those encountered by the perpetrators of crime. The County Counsel, who represents the victims in child dependency cases is now relegated to small, cramped, shared offices with no privacy. Incidents of sexual abuse, which represent 25 to 30% of the cases processed, must be discussed by counsel with the young victim in the same room with another attorney and other victims. The file room is so jammed that files stored there are inaccessible, and all new files must be stored at Eastlake. Producing them from Eastlake often creates a two to three day delay in hearing a case, thereby causing increased unnecessary detention of children.

In addition to the five courts located in the Metro Annex, one court handling nondetained minors is located in the Brunswig Building near the Metro Annex. Because of the staggering increase and backlog of cases, two additional dependency courts are scheduled to open in the Brunswig Building on March 20. A jury room on the second floor of the building will be renovated to provide a Shelter Care Facility for detained minors. The County of Los Angeles Facilities Department has classified the Brunswig Building a Class II facility, meaning it "could collapse in a major earthquake and constitutes a safety hazard." The Juvenile Dependency Court will have eight courts located in two different buildings, both deemed unsafe, unhealthy, overcrowded and understaffed.

The caseload of the Juvenile Dependency Court has skyrocketed in the last four years because of increased public awareness and reaction against the horrors of child abuse. In August of 1976 the Juvenile Dependency Court processed over 300 cases with five courts and ten lawyers. In January of 1978, six courts processed 555 cases with the same number of attorneys, plus one supervising Deputy County Counsel. The Child Abuse Hot Line also has created a constant flow of referrals to the Dependency Court. Victims are "coming out of the closet". In addition, two landmark cases in 1976 focused attention on the legal implications of child abuse. Because of malpractice and criminal liability risk, the medical community is referring substantially more child abuse cases directly to authorities and to the Dependency Courts.

For optimal staffing, it is recommended that there be 16 deputy County Counsel and four secretaries. Additional assistance could be provided by paralegals and law school interns.

At present at the Metro Annex, only four to six interns can be utilized on a limited basis because of space limitations.

In June of 1978, eight courtrooms in the Criminal Courts Building will be vacated when their operation is relocated to the new Compton Court facility. This space should be allocated to the eight Juvenile Dependency Courts. While the Juvenile Justice Committee recognizes and supports the validity of long-range planning for the delivery of services for the entire Juvenile Justice System, we believe that the relocation of the Juvenile Courts to the vacant space in the Criminal Courts Building is a workable, expedient, and cost effective short-term solution to an immediate and urgent problem.

The Juvenile Dependency Court is the only court in the Juvenile Justice System serving the entire Los Angeles County. It should be in the Criminal Courts Building, which is a safe, clean and secure facility with excellent access to public transportation. The traffic flow pattern of the building allows innocent victims to avoid contact with delinquent juvenile and adults. Space will be available in the building for court personnel when the eight courts are vacated in June. Jury rooms, each with two bathrooms, can be converted into spacious, attractive, sheltered care facilities.

The Criminal Courts Building already houses the Presiding Judge of the Juvenile Court and six other juvenile court judges and commissioners. Because there appears to be a corresponding decline in juvenile criminal cases corresponding to the increase in juvenile dependency cases, and because 602 cases are often related to dependency hearings, there could be increased cooperation and flexibility in the allocation of judicial manpower. Increased efficiency in processing cases would shorten detention time, thereby benefiting both the victim and the judicial system.

The Committee has visited the Metro Annex and has consulted with representatives of County Counsel and the judiciary assigned to the Juvenile Dependency Courts and the Criminal Courts Building. The Grand Jury concurs with the unanimous agreement that the Juvenile Dependency Court should be relocated to the Criminal Courts Building. The Executive Officer of the Court has stated that relocation is feasible and could smoothly and efficiently be accomplished by July 1, 1978.

Response:

The Board of Supervisors approved this recommendation on April 18, 1978, and urged affected departments to implement this proposal.

CENTRALIZATION OF JUVENILE DETENTION FACILITIES

The 1977-78 Los Angeles County Grand Jury recommends centralizing detention hearings at the three juvenile courts adjacent to the Juvenile Halls: Eastlake, Los Padrinos and Sylmar.

The Committee has interviewed representatives of the following departments: Judiciary, District Attorney, Public Defender, Probation, Los Angeles Police Department, Sheriff, County Clerk, Chief Administrative Officer, and Juvenile Court Coordinator.

Delinquency detention hearings are presently conducted at the juvenile court facility in the judicial district where an alleged crime occurred. Detained minors, therefore, must be transported from the three juvenile halls to courts throughout the county for detention hearings. More than two-thirds of all detention hearings are already centralized so that this proposal would involve shifting less than one-third of the cases conducted at branch locations to the central courts.

Centralization would reduce the number of minors held in branch court holding facilities which are generally overcrowded and inadequate. Unlike the central halls, they have no facilities for parent visitation so critical to both the juvenile and the family during this detention period. If, following the hearing, a juvenile is released from a branch court,

he must be transported back to the juvenile hall in a probation van—often after a long wait in a holding cell. In addition, the detainee's parents must travel back to the hall to pick up the minor and his personal effects.

The complexities in the present logistics of transmitting required paperwork from law enforcement to Probation to the District Attorney result in late filings, illegal detentions and lost and misdirected papers. The LAPD alone must deal with 35 different Deputy District Attorneys. In February, 1977, one Deputy District Attorney rejected 58% of petitions filed while a Deputy District Attorney in a different location rejected only 1%. Uniformity of petition review would save police and sheriff's investigators time and effort and would produce greater coordination between law enforcement, prosecution and probation personnel. The quality of filings would be ungraded, calendaring would be simplified, and deployment of manpower would be improved.

The Public Defender opposes centralization. The office states that this proposal is inconsistent with the County Clerk's policy of decentralizing juvenile files in branch locations; however, the County Clerk has adopted a neutral position and envisions no significant problems in moving files. The Public Defender believes it is better for the minor and his parents if detention hearings are conducted in their own neighborhood where a decision will be based on that community's standards. In order to continue their policy of vertical representation, the Public Defender estimates a need for six additional deputies to handle the same workload because of wasted personnel traveling time between branch and central courts. This number has not been validated. It has been recommended that the policy of vertical filing could be retained except at detention hearings (the first stage of the juvenile adjudication process) when it might in fact be advantageous to assign only experienced deputies to centralized detention hearings.

The Grand Jury favors centralization of detention hearings although it appreciates the scheduling and personnel modifications that would be demanded of the Public Defender.

These problems would be more than offset by the efficiency and economy advantages that would accrue to all the other agencies favoring this proposal.

REORGANIZATION OF JUVENILE BRANCH COURTS

The Los Angeles County Grand Jury makes the following recommendations relating to court structure within the Juvenile Justice System.

- 1. The Juvenile Court should abandon the two-judge Compton facility.**
- 2. The Juvenile Justice Center should be expanded to a three-court facility. Its "Intake Panel" concept should be adopted to the Inglewood and Long Beach facilities.**
- 3. The Long Beach and Inglewood facilities should be expanded from two to three courts; each should be assigned a Witness Co-ordinator.**

The Juvenile Justice Committee has visited the four branch facilities under consideration. We have consulted with the Presiding Judge of the Juvenile Court, the Supervising Judge of each of these courts, the Juvenile Court Coordinator, as well as with representatives from the Office of the District Attorney, Public Defender and Probation.

The Los Angeles Juvenile Court operates 35 courts in twelve separate locations throughout Los Angeles County. Five of these twelve facilities, not including Eastlake which is an integral part of the Criminal Courts Building complex, use less than three judicial officers. They are Compton, Long Beach, Inglewood, the Juvenile Justice Center, and Lancaster. Two-court facilities are far less efficient than those with three or more judges because they are unable to effectively utilize judicial manpower. The same judge cannot sit for both a juvenile's detention and adjudication hearing; therefore, if one judge is on vacation or has been affidavited it becomes necessary to send the minor to a different courthouse. In additions, a substantial number of challenges by the District Attorney or

Public Defender could effectively eliminate the use of one judge and create an inequitable workload in a two-court facility. On the other hand, if the judicial workload in a two-judge facility drops below a level requiring two judges, (as it can because the level of case filings is not constant in juvenile facilities) the second judge cannot be temporarily transferred to another court facility whose workload may require the additional manpower. Case law mandates the presence of not less than two judicial officers at any juvenile court facility handling detained cases. In a three judge facility, temporary re-deployment is possible, allowing for greater flexibility in judicial assignment, thereby reducing the total number of operating courts required to dispose of juvenile filings.

The Compton Juvenile Court is scheduled to move into two courtrooms in the new Compton Courthouse as of June 1, 1978. Advocates of this move cite the availability of this allocated space, but the committee believes that this reasoning does not justify maintaining a court if its operation is superfluous. Those two courtrooms, without jury boxes, could be utilized for misdemeanors, small claims, and other non-jury trials. Some contend that a juvenile court within a community is a deterrent to neighborhood crime and serves as a model of justice; however, it is impossible to locate a juvenile court in every community in Los Angeles County. The City of Compton generates only 19% of the juvenile cases at the Compton facility. Of the 549 cases filed there between January and April, 1977, only 104, or an average of 26 cases per month, were requested by the Compton Police Department. The bulk of cases filed at the Compton Court are referred from Carson, which is in closer proximity to the Long Beach facility. The City of Compton itself is only 9 miles from Long Beach and is serviced by two bus lines. Cases coming from the 77th precinct would be sent to the Juvenile Justice Center, and cases generated from the Western area of Compton would be referred to the nearby Inglewood Courts. The present Compton Juvenile Court is not an effective operation; top law enforcement, District Attorney and Public Defender personnel shun assignment to the court. Closing the Compton Court and distributing its caseload to the adjacent courts would result in increased court effectiveness and annual financial savings in excess of \$650,000 to the County of Los Angeles. Closing the court might inconvenience a small number of Compton citizens but would improve the overall quality of the Juvenile Justice System in the entire area.

The Juvenile Justice Center, located in South Central Los Angeles, was established in March, 1976. Known as "The Court Under One Roof" it deals with the problems of young people in trouble by bringing together eleven departments within the system, including Superior Court, County Clerk, LAPD, Sheriff's Department, L. A. City Schools, Department of Community Development, Probation Department, Public Defender's Office, District Attorney's Office, DPSS and CYA. Representatives from these departments are members of an Intake Panel. All minors arrested who live in the area are referred to the center and to this panel. Boys and girls have the benefit of being evaluated by professionals who understand their social, psychological, emotional, moral and legal needs. The juvenile is treated as a whole person. If not detained or adjudicated, the youngster is diverted to a community program where his progress is continually monitored by the Center. If the minor is sent to court, the District Attorney has immediate and direct access to the law and probation personnel, thus saving time and effort. The Juvenile Justice Center has the quickest processing time for non-detained petitions between arrest and arraignment. Juveniles placed under the jurisdiction of this court realize that if they get in trouble again, they will reappear before the same judge. This knowledge alone has a salutary effect upon them. Assisting the Juvenile Justice Center is an active enthusiastic community involvement committee. Doctors, teachers, housewives, students, and other neighborhood volunteers work together with the Center's Probation Department.

Because of its interrelationship with the community, its in-house agency concept, and its follow-up control and direction of juveniles, the Juvenile Justice Center has created a system that offers personal attention, humanization, and efficient delivery to its young people. In 1976 the Los Angeles County Vocational Training and Inspection Committee

stated that "this facility is a model of what should be done throughout the entire Los Angeles County for juvenile justice." The Grand Jury concurs and recommends that the Juvenile Justice Center be expanded to a three court facility and that its intake panel concept be adapted to the Long Beach and Inglewood Courts. These latter facilities serve more than one school district; each should be represented on the Intake Panel.

The Inglewood Juvenile Court will assume occupancy of the Municipal Court facility in the summer of 1978. This will allow for the expansion to a three-judge court, which can accommodate calendaring of detained as well as non-detained cases and the absorption of those cases referred by the closing of the Compton Juvenile Court. Likewise, by increasing its judicial staff, the Long Beach Court will also be able to handle detained and non-detained cases and accommodate the overflow from the Compton area—particularly from the Sheriff's Carson Station. This station generates such a large volume of filings that its cases have been calendared to the Compton facility so as to not overload the geographically closer two-judge facility in Long Beach. Calendaring detained and non-detained cases at the Long Beach and Inglewood facilities will eliminate the necessity for police officers within those districts appearing at juvenile proceedings in more than one juvenile court location.

The elimination of the Compton Juvenile Court and the consolidation of cases into three-judge facilities at Inglewood, Long Beach, and the Juvenile Justice Center, would warrant the assignment of a Witness Coordinator to each court. The success of the Witness Coordinator at Los Padrinos and Pomona Courts has proven the value of a liaison officer who mobilizes officers and witnesses and resolves the myriad problems in communication between the District Attorney and the Sheriff's civil units who serve subpoenas. The coordinator expedites the processing of cases through the courts and is responsible for the proper analysis and transportation of physical evidence from police laboratories to the court. The Witness Coordinator should be a sworn officer who has the authority to and expertise to handle the responsibility of this job.

Deactivating the two-court facility in Compton and increasing judicial staff at Inglewood, Long Beach and the Juvenile Justice Center will reduce the number of two-court facilities from five to one and will reduce the number of operating delinquency departments from 29.2 to 28.2. This reallocation will allow for a more efficient, balanced and flexible assignment of judicial manpower. The application of the Juvenile Justice Center's Intake Panel to the Inglewood and Compton facilities and the assignment of a Witness Coordinator to all three courts will produce a higher quality and more efficient regionalized community court service.

MODEL DIVERSION PROGRAM

The 1977-78 Los Angeles County Grand Jury recommends that Juvenile Diversion Programs study and emulate the positive values of the Urban Farming Project which has been developed by this Committee and implemented by the Pomona Valley Diversion Program.

The Committee has carefully reviewed the findings of the previous year's Grand Jury, has visited four Los Angeles County Diversion Programs, has consulted with members of the Board of Supervisors, and has interviewed leading administrators and evaluators.

At present, the evaluation of diversion programs is based on internal organization and major impact issues. The former—quality of services—includes the degree of community involvement and support, and the ability of contract or in-house agencies to deal with school personnel and with the entire family unit in resolving the problems of diverted juveniles. Major impact issues include delinquency and recidivism reduction, improved school performance and family cohesiveness, and cost savings and relief to the Juvenile Justice System's probation and court caseloads. With 13 different programs being

studied by almost as many different evaluators each using a different set of criterion, there can be no commonality; not even a common index of recidivism exists.

There is concerted effort at this time to resolve this problem by defining and analyzing the goals, methods, and effectiveness of Diversion Programs in general and specifically of the 13 Los Angeles County programs. Reports are being finalized by both a committee of the Justice Action Coordinating Committee, an umbrella of the Office of the CAO, as well as by an evaluation team appointed by the newly formed Association of Directors of Los Angeles County Diversion Projects.

This Committee, therefore, feels it would be premature to issue encompassing recommendations relative to the County Diversion Programs. Delinquency is a developmental process and cannot be instantly cured either by punishment or rehabilitation. Rather, programs must be developed that provide youngsters in trouble not only with psychological, educational and emotional diagnosis and treatment, but also with the tools necessary to regain self-respect as well as work skills that can be of value to the juvenile and to the community. The Urban Farming Project developed by this Committee exemplifies this philosophy.

The project was initiated on February 28, 1978. Approximately two acres of land, located at the eastern end of Philadelphia Park, was donated by the City of Pomona. The land is fenced on all sides and has existing storage facilities on the property. Hand tools were acquired with CETA funds and the County Agriculture Department provided tractors to disc the land. Two youth specialist positions were filled; five out-of-school and eight in-school youths have been hired. All are paid with CETA funds. Consultative services are provided by the Agriculture and Parks Departments of Cal Poly, the State Patrol, Southside Teen Post, L. A. County Agriculture Department, and the Pomona City Council. Crops have been planted and will be harvested. Produce should be sold to senior citizens and low-income families at below market prices, but high enough to generate a profit to the project. Earnings by juveniles diverted to this program could be applied to pay for damages to property in case of vandalism or to reimburse victims of crime.

The Grand Jury endorses this program that, while self-sustaining, teaches youngsters a sense of discipline and responsibility to themselves and to the community.

Response:

The Board of Supervisors approved this recommendation on May 16, 1978 and urged that this model project be implemented by other County Diversion projects.

Summary

This year, the Juvenile Justice Committee has studied the youngster-in-trouble—the victims of abuse, the status offender, as well as the perpetrator of crime. We offer no miraculous solutions, but we have suggested recommendations to improve the quality of individual rights, educational opportunity, physical environment, judicial process and community programs involving the juvenile. At the same time, this Committee believes that the rights of society must also be protected. We are grateful to the many dedicated representatives of County agencies who have been of invaluable assistance and to the Board of Supervisors who have already approved several of our recommendations.

Rosalie Zalis, Chairman
Michael Boran
Dianne Herscher
Daphne Lewis
Harold G. Moodie
Lynne A. Spencer

SOCIAL AND HUMAN SERVICES COMMITTEE

PURPOSE

The Social and Human Services Committee of the Los Angeles County Grand Jury has responsibility for investigating the quality of human and social services provided by County departments.

AREAS OF REVIEW

The traditional focus of past Grand Jury Social Services committees has been on the Department of Public Social Services, the arm of County government responsible for administering welfare programs. The focus is readily understandable. Welfare is controversial and costly. In 1977-78, the DPSS budget exceeded \$1 billion and represented the largest single item in the County budget.

Early in the year, the Committee comprehensively reviewed prior Grand Jury reports and recommendations and met with the DPSS Director and his staff. The inescapable conclusion was that County government has virtually no discretionary authority over welfare programs. The number of persons eligible for welfare, the requirements for determining their eligibility, the amount they will receive, and the County share of costs are controlled by the Federal and State governments.

Over the years, previous Grand Juries, Federal and State commissions, and legislative committees all have recognized these facts. For these reasons, the Social and Human Services Committee chose not to make recommendations on isolated components of welfare programs—rather our welfare recommendations deal with primarily broad-based issues. This gave the Committee more time to review and make recommendations on the following areas, other than welfare, related to the quality and quantity of human and social services in Los Angeles County:

- National Welfare Reform
- Employment for General Relief
- Social Services Funding
- Undocumented Aliens
- Child Abuse
- Information and Referral Services
- Bereavement Counseling
- Welfare Fraud
- Pre-Retirement Counseling

METHODS OF INVESTIGATION

Members of the Social and Human Services Committee comprehensively reviewed previous Grand Jury recommendations and actions resulting from these recommendations. Because many areas of concern are highly sensitive and overlap, the committee is listing generally the agencies, persons and places which provided resource information and cooperation for this report.

United States Federal Government

Senators; Congressmen; Congressional representatives; Immigration and Naturalization Services (INS), Justice and Deportation Sections; State Department Passport Agency; Senate Judiciary Committee; Department of Industrial Relations; Department of Health, Education and Welfare.

California State Agencies

Assemblymen; Legislators; Legislative representatives; Attorney General representatives; Advisory Council on Aging; California Highway Patrol; Senate Committee on Judiciary; Department of Justice representatives.

Los Angeles County Agencies

Los Angeles County Board of Supervisors; Chief Administrative Office-Justice-Administrative-Legislative; Civil Service Commission; Department of Community Development; Chief Medical Examiner-Coroner; District Attorney; Economy and Efficiency Commission; Department of Health Services; Public Defender; Department of Public Social Services; Probation Department; Department of Senior Citizens Affairs; Los Angeles County Sheriff's Department; Department of Hospitals; Diversion Projects; Department of Preventative Health Services; Department of Public Social Services Commission; Bureau of Assistance Payments.

Los Angeles City Agencies

Chief Legislative Analyst; Los Angeles Police Department; Los Angeles Unified School District.

Other Community Agencies

Senior Citizens Centers; Mental Health Councils and Centers; Greater Los Angeles Community Action Agency (GLACAA); UCLA Public Health Center; USC Gerontology Center; Community Legal Services.

Organized Labor

National Border Control Council; Los Angeles County Employees Union.

Preliminary Research

Members of the Social and Human Services Committee have read, studied and discussed reports and recommendations issued by other organizations and associations, both governmental and private. Articles appearing in social science, health and legal journals were reviewed.

Testimony was heard from representatives of the public, education, industry and business with diverse viewpoints, experiences and attitudes.

NATIONAL WELFARE REFORM

The Grand Jury recommends that the Board of Supervisors continue to pursue enactment of pending federal legislation to reform welfare at the national level. To be meaningful, this reform must direct a significant effort to moving female-headed AFDC (Aid to Families with Dependent Children) households into the mainstream by providing jobs and supportive services.

The 1975-76 Grand Jury proposed that the Board of Supervisors support National Work Security and Income Security Programs. Those concepts are basically embodied in HR 10950 which is the Administration's vehicle for welfare reform.

The Committee's study of welfare concluded that Los Angeles County is a nationwide leader in terms of the administration of welfare. For example, the AFDC dollar error rate in this county is 2.6% compared to a nationwide average of 8.6%. Comparable metropolitan areas have much higher rates. For example, Chicago has a 17.8% dollar error rate and New York City is at 13.6%. Since each 1% of error in Los Angeles County equals \$7 million per year, the significance of the above figures is readily apparent. For example, if we were to have a rate at the nationwide average of 8.6%, it would add about \$40 million in misspent funds to our AFDC budget. If we were to have an

urban area average of 15%, we would add about \$80 million to our AFDC program. When this effort to reduce error rate started a few years ago, Los Angeles County was at a 14% rate!

The point of this discussion is that even though Los Angeles County's performance is outstanding, welfare caseloads and costs continue to grow. This is simply because the problem of those in need is a national problem requiring a national solution. The Committee strongly supports testimony presented by the Director of Public Social Services before the Senate Finance Subcommittee on Public Assistance which is paraphrased, in part, in the following:

Five key program elements are needed in welfare reform:

1. A series of work incentives so that it always pays to work.
2. Intact families must be eligible for assistance.
3. The system must have universal coverage so persons are aided based on need rather than family or other situation.
4. The new system must be simple, with benefits paid in cash without expensive and administratively complex in-kind supplements such as Food Stamps.
5. Extensive efforts must be made to bring welfare mothers into productive mainstream America.

The testimony focused on the plight of the primary caseload—the 10 million AFDC women and children who are now consigned to a life of poverty and isolation from the mainstream. In Los Angeles County, approximately 90% of the almost 600,000 AFDC recipients involve female-headed households. Typically, these young to middle-aged women, abandoned by their husbands. Truly meaningful reform must target on a significant effort to these women.

Current systems and recent general improvements in the economy and job market have not impacted these welfare mothers. The system simply is not working for these families. Many of these women have lost hope. In addition, the attitude is being transferred to their children and is causing a steady rise in trans-generational welfare. A recent survey shows that in Los Angeles County, 37,000 of the 176,000 AFDC-FG (Family Group) cases are second generation welfare families. This statistic is particularly shocking when viewed in light of the fact that eighteen years ago, the AFDC caseload in Los Angeles County totaled only 22,000 families.

EMPLOYMENT FOR GENERAL RELIEF

The Grand Jury recommends that the Department of Public Social Services continue the innovative program of using CETA slots to train General Relief recipients for positions in the County hospital system.

In 1977-78, the County embarked on a special effort, using CETA slots to provide jobs instead of welfare checks to a number of potentially employable General Relief recipients. Authority was received under the President's Economic Stimulus Program for an additional 450 CETA participants. Initially, efforts were restricted by Federal rules precluding the use of County CETA funding for the employment of Los Angeles City residents. Since most employable General Relief recipients lived in the City of Los Angeles, County staff worked intensively and were successful in getting the Los Angeles City Council to allocate approximately \$4 million in City CETA funds to allow the County to hire City residents. A total of 800 more CETA slots were thereby provided. Similar work with the City of Long Beach resulted in additional CETA slots. These efforts resulted in (1) approximately 1,400 citizens getting jobs instead of welfare, (2) the improvement of County service levels, and (3) an annual property taxpayer saving of \$3 million.

The Social and Human Services Committee sees this effort as very important. The rationale behind the work component of the proposed national welfare reform program is that poor people want jobs rather than welfare. This program is a mini-pilot to validate this assumption.

SOCIAL SERVICES FUNDING

The Grand Jury recommends that the Board of Supervisors continue to seek Federal legislation to provide for an annual cost of living increase in the Federal appropriation for services in order to maintain a constant program level in spite of inflation.

National welfare reform only relates to income maintenance programs. The other major DPSS responsibility is Social Services which consists primarily of protection of dependent, neglected, or abused children and the provision of Homemaker/Chore services. These programs are funded under Title XX of the Social Security Act. In 1972, Congress imposed a ceiling on the \$2.5 billion which has not been increased in spite of inflation. For the past five years, this has resulted in a continuing decrease in the number of services the Department can provide. Additionally, until this current year, no new social work or children's services staff was hired by the Department for these functions. The recent ability to hire was only possible when the State agreed to a supplemental cost-of-living appropriation.

DPSS has done a good job of responding to Grand Jury recommendations made in previous years on services program. Specifically, they have created an Inter-Agency Child Abuse and Neglect Committee involving all concerned County departments. They implemented a child abuse hot line on July 29, 1977, and have been averaging almost 700 calls per month—approximately 50% of which have resulted in protective services referrals. Recommendations regarding child abuse services are included later in this report. On motion of Supervisor Hayes in November, 1977, the Department is now moving into the formation of a similar task force on the whole issue of domestic violence. The maintenance of these services can be accomplished only if the federal ceiling on services money is lifted to take inflationary factors into account.

UNDOCUMENTED ALIENS

The Grand Jury recommends that the Board of Supervisors continue to exert leadership and initiative for an immediate national solution to the critical problem of undocumented aliens. Until a national solution is implemented, the Grand Jury recommends the Board of Supervisors press for total Federal funding for all costs incurred by local government for undocumented aliens.

The Social and Human Services Committee devoted a significant amount of time to the subject of undocumented aliens. Out of this review came several major findings:

1. The presence of undocumented aliens in Los Angeles County contributes heavily to the cost of welfare, law enforcement, education and health care services in Los Angeles County.
2. Congress has not taken action as the focus has been on California and other border states. In other words, there is insufficient national interest. The lack of decisive action and effective control by the Federal Government is a sad commentary against those charged with official responsibility for the national well being.
3. The problem, though, is of national and international origin. Local government can neither solve it nor continue to bear the costs.
4. There is exploitation of undocumented aliens in this County. These people are subjected to inhuman living and working conditions; they are exploited by employers and are often paid below minimum wages; they avoid paying taxes due to their fear of getting caught; they are blackmailed and extorted; they are prey

to the criminal element in society. The fantastic cost in human suffering and misery of this exploitation by employers and criminal elements cannot be underestimated. This problem involves counterfeit visas, the smuggling of bodies across borders, and an increasing number of undocumented persons who disappear never to reappear again. They continue to come here because as bad as these conditions are, they believe the situation is worse in their countries of origin.

5. Unless Congress, prodded by State Legislators and the Los Angeles County Board of Supervisors, takes decisive action to make document fraud and smuggling of bodies a non-paying proposition by leveling heavy fines and prison sentences on those convicted, this problem will continue to spread and be totally unmanageable and out of control.

The social and economic impact of undocumented aliens cannot be measured with any reasonable degree of accuracy. It is estimated there are 700,000 undocumented aliens in Los Angeles County. Since these persons come to this country for jobs, it is assumed a high percentage are employed. Recent State Employment Development Department reports state the number of unemployed persons in Los Angeles County exceeds 280,000.

It is therefore assumed that the illegal population is displacing many of these people in employment. The most alarming aspect of this is that this displacement affects those most hurt by job losses—the young, old, minorities, women and the handicapped—working in unskilled or semi-skilled jobs. Needless to say, this displacement results in indirect costs for the welfare and unemployment systems. The brick wall of realization must fall on many before they fully understand the impact these facts reveal.

In 1976-77, DPSS incurred \$11.3 million in direct costs for aiding undocumented aliens and the children of undocumented aliens. Under California law, a person without a green card can receive welfare if he signs a form saying he is not under order of deportation.

That person must then be aided until the Immigration & Naturalization Service confirms his status. In 1976, 6,000 such referrals were made to INS. Of this number, 4,000 were later found to be illegal or presumed to be illegal since they failed to cooperate with INS. Until the INS negative response was received, DPSS was required to provide aid. This accounted for \$1.4 million of the \$11.3 million cost previously mentioned. The remaining amount represents money paid to aid citizen children of non-aided illegal alien mothers.

Comprehensive Federal legislation must be enacted to include:

More stringent regulations for issuance of Social Security cards so they can be used as identification showing legal residence for purposes of employment.

Civil and criminal penalties on employers who knowingly hire undocumented aliens.

Provision for employers who cannot meet labor needs by recruiting workers to apply to the U. S. Department of Labor for permission to "import foreign workers."

Enforcement of minimum wage laws for all employees.

Increased border control resources.

Standardized birth certificates with a cross-reference to death certificates.

Civil and criminal penalties against persons involved in document fraud and smuggling of persons across borders.

Amnesty provisions to protect undocumented aliens who would face undue hardship if deported or deprived of work and who can show that—despite their illegal status—they have not been a burden on their community.

Provisions to allow aliens, if eligible for admission to the United States, to document their status without returning to their own country.

Revision of immigration quotas to provide flexibility where justified.

CHILD ABUSE

The Grand Jury recommends that:

- 1. The Board of Supervisors continue to give all possible support to the recommendations developed by the Inter-Agency Council on Child Abuse and Neglect (ICAN).**
- 2. The Board of Supervisors and involved County Departments give all possible support to the recommendations developed by the ICAN Task Force on Sexual Abuse to develop a program of coordinated multi-agency child sexual abuse management.**
- 3. The 1978-79 Grand Jury monitor implementation of ICAN recommendations.**
- 4. The Board of Supervisors support AB 1596 (Antonovich) which**
 - a. emphasizes the importance of family preservation in child abuse cases;**
 - b. requires courses in child abuse detection and treatment as part of the required curriculum for physicians and registered nurses.**

The Social and Human Services Committee reviewed the county's efforts on child abuse. Since many county and city agencies are involved in some aspect of this serious problem, the Inter-Agency Council on Child Abuse and Neglect (ICAN) was established on June 21, 1977. The Council is chaired by the Director of Public Social Services. Its members include Director of Health Services, Superintendent of Schools, Chief of Los Angeles City Police Department, Chief Probation Officer, Supervising Judge of the Dependency Section of the Juvenile Court, District Attorney, Los Angeles City Attorney, County Counsel, County Sheriff and the State Attorney General. Private sector representatives are also participating on ICAN. The recommendations from this group are based on extensive research and the combined expertise of the membership. Their recommendations recognize the fiscal limitations facing local government, and rather than asking for additional resources, call for a restructuring of inter-agency priorities on behalf of abused children. For example:

- a. The Superintendent of Schools is developing a preventive package for use with students and teachers. Specifically, this includes classroom training for students on the responsibilities of being a parent and appropriate ways of carrying out these responsibilities. It also includes identification and referral training for teachers for current abuse cases.
- b. Mental Health staff are developing a training package and program policy to recognize the need for child abuse services in each mental health region and calling for uniform services delivery throughout the regions.
- c. The Department of Health Services is reviewing the feasibility of implementing parent preparation training into current planned birth programs and child abuse training programs for medical professionals and paraprofessionals involved in the birth process.

On April 11, 1978, the Board of Supervisors voted support for these recommendations. The subject of sexual abuse of children, particularly incest, has long been ignored due to society's abhorrence of such acts. The problem, however does exist in large numbers, and the ICAN Task Force on Sexual Abuse should be commended for its efforts. Recommendations have been finalized to develop a program of coordinated multi-agency child sexual abuse management. This program will be piloted in a selected area of Los Angeles County under the direction of DPSS, Health Services, police and the justice system.

The Social and Human Services Committee has continued to monitor the obscenity laws of this State. Today, children are openly offered for sexual use in public advertisements displaying explicit and perverted sexual acts. These pornographic films, magazines and other literature involving children continue to be advertised and sold openly because ob-

scenity laws of this State, while tightened (Senate Bill 817 and others), still contain loopholes hampering adequate control of this alarming problem. Currently the cases are often of an organized or commercial nature and extremely complex.

The Social and Human Services Committee actively supports the efforts of ICAN. Supervisor Hayes should be commended for his leadership in establishing the Council. An effective foundation has been laid both to handle existing abuse cases and provide for innovative approaches to prevention.

INFORMATION AND REFERRAL SERVICES

The Grand Jury recommends that the Board of Supervisors direct the appropriate County departments work with United Way to develop a county-wide comprehensive information and referral service with a toll-free line and community outreach to assure that any person in need can get appropriate help.

A primary concern of the Social and Human Services Committee is that every citizen in Los Angeles County know where to turn when help is needed. The encompassing term for this service is information and referral." The Committee's definition of this function is a source which receives a call for help, refers the caller to the appropriate helping agency and follow up to see that the help is given. The Committee reviewed a draft report prepared by a consultant working for United Way on this subject. The conclusion of that report is that there is a proliferation of public and private sources in the county claiming to provide this service. In fact, few meet the above criteria. There is much fragmentation and duplication.

The Committee believes there is an abundance of helping organizations in Los Angeles County. The problem is getting the person needing help to the appropriate source. As indicated above, the consultant's report states there is no one comprehensive source. There is instead duplication, fragmentation, and a lack of public awareness of the resources that do exist. The Committee sees County government as having the responsibility to join the public and private sector in resolving this problem.

BEREAVEMENT COUNSELING

The Grand Jury recommends that the Board of Supervisors direct the Chief Administrative Officer to approve the Coroner's proposal to develop bereavement counseling services through use of a Senior Citizen Reserve program.

Death of loved ones is one of the most traumatic events in a person's life, yet there is no public agency assigned the responsibility of giving guidance in terms of the many procedural things that have to be done following death—funeral arrangements and reasonable costs, legal responsibilities and requirements.

The Social and Human Services Committee reviewed a proposal by the Chief Medical Examiner-Coroner to establish a program to meet this need. Basically, it would use senior citizen volunteers to offer assistance to surviving next-of-kin and friends at a time of great emotional need. Being very cognizant of fiscal constraints facing the County, this Committee sees the Coroner's proposal as an innovative proposal for meeting this unmet need at minimal cost. The Coroner's office is the natural agency to have this responsibility as they have great experience in assisting families and other survivors faced with grief. They submitted a request to the Chief Administrative Officer in February, 1977, seeking approval of the program and liability coverage for volunteers. The Committee urges positive action by the Chief Administrative Officer under Board of Supervisors direction.

WELFARE FRAUD

The Grand Jury recommends that:

1. The Board of Supervisors pursue legislation to allow counties to keep a portion of all monies collected as an incentive for their fraud investigative efforts.
2. The Department of Public Social Services continue to explore and implement all possible methods for detecting and controlling welfare fraud.
3. The District Attorney and the courts take firm, swift action against any person deliberately defrauding the welfare system. Such action should be made visible to the community to serve as a deterrent and to increase public confidence in governmental administration of welfare programs.

Welfare fraud is a particularly complex and controversial issue. Its exact extent cannot be determined. However, the Department of Public Social Services' AFDC Quality Control Program, which has been adopted as a statewide model, makes it possible to arrive at a good estimate.

Quality control findings for the calendar year reflect a dollar error rate of 2.6% of the AFDC cases. A significant amount of this is undoubtedly due to honest errors as a result of the complexity of the underlying Federal and State rules and regulations. It is, therefore, believed that the cost of fraud in the AFDC Program is approximately 1%. State and local efforts to deal with this problem include:

1. WR-7—a state-mandated form which requires recipients to report monthly any changes in circumstances that might affect their welfare eligibility or the amount of their grant.
2. Earnings Clearance System—a method whereby the payroll records of private employers are matched against welfare caseloads. Since this effort at the state level did not include government employees, DPSS initiated a match of the welfare rolls with Los Angeles County and City employees. In the near future, the state system will also match other government employees.
3. Implementation of effective courtroom technique training for all DPSS employees who might testify in fraud cases court.

The conclusion of the Social Services Committee is that the extent of welfare fraud is substantially lower than popularly believed; however any amount of fraud discredits the program and cannot be tolerated.

PRE-RETIREMENT COUNSELING

The Grand Jury recommends that the Board of Supervisors direct the Department of Senior Citizens Affairs to conduct a comprehensive study of pre-retirement planning resources available in Los Angeles County. This should include an assessment of quality and recommendations to develop such programs where none exist.

Future Grand Jury Social and Human Services Committees consider additional areas of study related to the problems faced by senior citizens.

The Social and Human Services Committee is very concerned about the plight of many senior citizens who are faced with financial problems, poor health, and lack of significant social contact. This problem looms larger and larger as the average life expectancy increases. Everyone reading this report at sometime in his/her life will be faced with this concern. In line with its intent to deal with problems prevention, the Committee chose to devote attention to the area of pre-retirement planning.

People are retiring younger and living longer than ever before. Many people make the transition into retirement very successfully. However, evidence indicates there are far

more who do not make such a transition with ease and satisfaction. Data suggests there is a high correlation between life satisfaction in retirement and the extent of planning before that event.

The Social Security Administration reported that in 1962, 1.5 million workers retired before age sixty-five. In 1972, 6.8 million workers had done so. This trend means that increasingly millions of persons will have from ten to thirty years of leisure time on their hands. Many will need help in maintaining productive and useful lives. These figures further support the need for pre-retirement planning programs so as to help people look forward to a life of independence and self-fulfillment.

The Committee reviewed the work being done by the Andrus Gerontology Center at the University of Southern California. Their findings suggest that the more activities in which one is involved, the higher is the life satisfaction. Preventive action (intervention early in life) in the form of pre-retirement education programs or a personal resources and economic planning program (PREP) can help people overcome the obstacles and plan for an easier adjustment to retirement.

A growing number of employers are providing some form of pre-retirement assistance. The problem is that those for whom retirement is likely to pose the greatest problems are least likely to plan for it. Millions of citizens suffer special deprivations upon retirement; deprivations which might have been avoided if there were effective programs sponsored by the community, industry, business and educational entities, and available to help them plan early for the retirement years. Since the unmet needs of the elderly become the problems of government, the County should undertake the necessary study and corrective action to avoid these future problems by providing planning programs to all citizens.

Shirley R. Lertzman, Chairman
Pauline Buck
Jeanne W. Coulston
Nancy W. Wheat
Waldo Taylor, Jr.

AD HOC COMMITTEE ON GRAND JURY REFORM

PURPOSE

This Committee was formed to study problems and criticisms that relate to the purposes, procedures, and responsibilities of the County Grand Jury system. Some attention has been directed to the interests of Los Angeles County only. Additional studies have been made of Grand Jury systems statewide.

The Los Angeles County Grand Jury is deeply concerned over the attempt to eliminate the effectiveness of the Grand Jury. This body presents one of the most valuable methods by which citizens may insure integrity in county government. However, in order to preserve the basic, sound structure of the Grand Jury, some compromises are necessary. Therefore, the Committee offers the following recommendations to the Board of Supervisors to support applicable State legislation or county policy changes to implement these recommendations.

Length of Service—Appointment of Foreman

The Grand Jury recommends that the term of office for the Grand Jury should be thirteen months. For twelve months of this period it should be a sworn, functional body. One month prior to beginning their term, new grand jurors should become acquainted with their responsibilities and their role in county government by observing the outgoing Grand Jury in its day-to-day operations. During the one-month orientation period the newly selected grand jurors should be compensated in the same manner as the sitting Grand Jury. The foreman of the Grand Jury should be appointed at this time on a *pro tem* basis, with confirmation or replacement at the time the New Grand Jury becomes operational.

STATE LEGISLATIVE REFORM

The Los Angeles County Grand Jury, in order to comply more closely with contemplated legislative changes concerning Grand Jury indictment proceedings, recommends the following changes in existing state law:

Representation by Counsel

Any suspect invited to appear before the Grand Jury, and who accepts the invitation, shall have the right to legal counsel in the hearing room, for advice only. The attorney shall not be allowed to cross-examine witnesses or to interrupt the proceedings.

Any witness subpoenaed to appear before the Grand Jury who feels that his or her testimony may be self-incriminating—and signs an affidavit to that effect—may have legal counsel in the hearing room, for advice only. The attorney shall not be allowed to cross-examine the witness or interrupt the proceedings. All other witnesses shall be allowed to have legal counsel available outside the hearing room, as is the present policy.

The Public Defender's Office shall continue to supply legal counsel to any witness who meets the financial requirements and who requests such assistance. **In situations where the Public Defender cannot represent the witness because of a conflict of interest, the Superior Court shall appoint private counsel to represent the witness.**

Specific guidelines should be developed concerning the deportment of any attorney appearing as counsel for a witness. The violation of these rules of conduct should constitute grounds for contempt of court.

Selection of Grand Jury Members

The Los Angeles County Grand Jury feels that legislation should be formulated which would assure that the selection of Grand Jury members is governed by criteria which focus maximum attention on personal qualifications. To avoid the possibility of a conflict of interest for nominees, no member of any county's board of supervisors should be allowed to make nominations or exhibit undue influence in the selection of the new Grand Jury. (No such situation exists in Los Angeles County.)

The selection and screening of Grand Jury members is of utmost importance. We do not favor drawing names from voter rolls as the best method for impaneling a Grand Jury.

The Los Angeles County Grand Jury recommends that candidates for the Grand Jury be nominated by superior court judges who have the option of making their selections from the volunteer list. However, a selection from such a list should only be done after a personal evaluation of the candidate by the judge.

Guidelines for Appropriate Grand Jury Cases

The Grand Jury strongly favors legislation that would establish guidelines—similar to those listed here which are presently being used by the Los Angeles County Grand Jury—which would define the types of cases which could be the subject for Grand Jury indictment hearings.

Major Crimes Involving the Potential for High Publicity:

This category includes unusual or major murders, major kidnappings, million-dollar robberies, burglaries or frauds, drug seizures, bribery or misconduct in office by public officials, and cases involving public personalities.

Cases of Great Complexity:

This category includes complicated major fraud cases generally involving multiple suspects and literally hundreds of evidentiary documents. A complex case can be presented to the Grand Jury in a relative short period of time. Typically, one day of Grand Jury hearing is equivalent to one full week at a preliminary hearing.

Cases with Legal or Procedural Reasons:

1. Avoidance of Multiple Preliminary Hearings

A preliminary hearing requires the personal appearance of each suspect. Whenever there are a number of suspects and the whereabouts of some of them are unknown, a preliminary hearing is required for each suspect as he is apprehended, unless the case is presented to the Grand Jury.

2. Scheduling Certainty:

A Grand Jury hearing facilitates the scheduling of witnesses by guaranteeing that their testimony will be received on a given day. Grand Jury presentations, therefore, make possible the prosecution of cases involving witnesses from out of the country or state, or witnesses who suffer from infirmities, making travel and lodging difficult.

3. Secrecy of Grand Jury Proceedings:

Grand Jury testimony is received in secret. Therefore, many witnesses testify who might otherwise refuse. Some examples are rape victims who have suffered traumatic psychological injury and who are terrified of the suspect, and witnesses in organized crime cases who reasonably fear for their safety.

4. Statute of Limitations Cases:

The filing of a complaint does not toll the Statute of Limitations. However, a Grand Jury indictment does.

5. Grand Jury Investigative Hearings:

The Grand Jury has the power to conduct investigations in situations even when there is no identifiable suspect. The Grand Jury has the power to subpoena witnesses and documents in order to ascertain whether or not a crime has been committed. This power is of special value and assists the Grand Jury in its civil "watchdog" functions.

Removing a Grand Juror from the Panel

As the law is now written, there is no provision for the removal of a Grand Juror from the Jury panel.

The Grand Jury recommends that legislation be written which would set forth circumstances that could warrant the removal of a grand juror for good cause.

Adequate Resources for Grand Juries

The Grand Jury of Los Angeles County has become aware that some county Grand Juries do not have adequate resources. This lack of resources has restricted the proper functioning of these Grand Juries and their county officials, as well as an overall denigration of the Grand Juries' importance.

Therefore, the Grand Jury recommends that the State Legislature determine a means by which such Grand Juries can be provided with whatever assistance they may need.

Legal Counsel for the Grand Jury

According to existing State legislation, legal advice for the Grand Jury can be provided by the District Attorney, the County Counsel, the Superior Court and the State Attorney General. In addition, when requested by the Grand Jury, the Attorney General may employ special counsel and special investigators to assist the Jury in an investigation.

Generally they have been responsive to requests by the Los Angeles County Grand Jury for legal assistance. However, it has come to our attention that some county grand juries do not get the legal assistance they need and should have in order to function as a responsible body.

The Grand Jury recommends that legislation be written that specifically defines the duties of those responsible for giving legal advice to the Grand Jury. It should be emphasized that in no instance should legal advice be given to a grand jury by an attorney or judge who has a conflict of interest that could affect his role as legal advisor to a grand jury.

Concluding Remarks

The foregoing recommended legislative changes are directed toward those who feel that certain aspects of the Grand Jury require reform. Yet such changes will not alter the integrity of the Grand Jury function.

The positions taken in this report were reached after careful study of replies to a questionnaire sent to county grand juries throughout California.

The Grand Jury recommends that the Board of Supervisors adopt county policies and seek State legislation to implement these proposed changes in Grand Jury procedures.

Harold G. Moodie, Chairman
Anne F. Leeper
Nancy Warner Wheat
Dianne B. Herscher
Shirley R. Lertzman

MINORITY REPORT FOR INDEPENDENT LEGAL COUNSEL TO THE GRAND JURY

PURPOSE

At the present time, the legal advisor to the Grand Jury is provided by the Office of the District Attorney. This office also seeks indictments and prosecutes alleged defendants. This dual function of acting as both legal advisor and prosecutor can lead to impropriety and presents to the public the distinct appearance of conflict of interest. The Grand Jury has been accused of being the "rubber stamp" of the District Attorney. This committee, therefore, resolved to study the following questions:

1. Should the Grand Jury have independent legal advice?
2. If so, from what source might the Grand Jury seek such independent counsel?
3. What would be the costs involved in retaining independent counsel?

BACKGROUND

The committee emphasizes that in making the following recommendation it does not wish to impugn the integrity of its present legal advisor. Rather, because of the impeccable ethical standards and outstanding capabilities of its present legal counsel, this committee believes that its recommendation will be judged on the merits of the system and not on the issue of personalities.

METHODS OF INVESTIGATION

The committee studied all available reports on Grand Jury reform proposals. The following experts were also consulted:

Jack Goertzen	Superior Court Judge; Previous Presiding Judge, Criminal Division
David Horowitz	Deputy Public Defender; Vice Chairman, Criminal Section of Los Angeles Bar Association
Herbert Jacobowitz	Previous Legal Advisor to the Grand Jury
Richard Lawrence	Deputy for Supervisor Edward Edelman
Wilbur Littlefield	Public Defender of Los Angeles County
Michael Marcus	Deputy District Attorney; Chairman, Criminal Section of Los Angeles Bar Association
Ramona Ripston	American Civil Liberties Union
John Van de Kamp	District Attorney of Los Angeles County
Howard Weitzman	Past President, Criminal Lawyers Association; Criminal Defense Attorney

RECOMMENDATION

A five-year pilot program utilizing independent counsel should be initiated on July 1, 1978. This independent counsel should be recruited from the private sector and should be chosen by the members of the Grand Jury. A two-year term of office starting with the calendar rather than fiscal year to provide staggered service for subsequent Grand Juries is strongly recommended.

The importance of the legal advice given to the Grand Jury cannot be overstated. This advice can influence committee decisions relevant to civil matters and, perhaps more importantly, can affect the validity of the criminal indictment process. The law is not an exact science; it is open to many interpretations, all of which may be constitutionally and judicially valid. Yet each interpretation lends its own bias to the considerations of a case and can influence the verdict rendered by the jurors considering the evidence presented.

Conflict of interest, real or apparent, must occur when the legal advisor from the same office as the District Attorney prosecuting the case also interprets the law applicable to that same case. Yet, in the present system, this same Deputy District Attorney, acting as legal advisor is expected to assume a completely objective position.

Because defendants are not represented by counsel at a Grand Jury hearing, their constitutional rights must be guaranteed. Only independent counsel—with no particular prosecution or defense bias, with sole allegiance to the Grand Jury can be expected to provide objective legal advice.

At a preliminary hearing, a judge is present to rule on the propriety of evidentiary matters such as search and seizure and hearsay, before a defendant is held to answer. This procedure is not followed at a Grand Jury hearing. Because the jurors do not have legal background some indictments are returned and later overturned because it is determined that the defendant's rights under due process of law have been abridged.

The rising tide of Grand Jury reform legislation threatens to sweep away the Grand Jury itself with its traditional role of "buffer" between the government as independent prosecutor and the defendant. Independent counsel could be significant in retaining the criminal indictment function of the Grand Jury.

The committee believes that there exists a wide pool of talent within the private legal community of Los Angeles County from which can be recruited a legal advisor to the Grand Jury. Law firms are encouraging their members to use leaves of absence to work in areas of public interest. The prestige and broad experience provided to an attorney retained by the Grand Jury would offer a challenging tenure of service. The Deputy District Attorney assigned to the Grand Jury presently earns a salary that would be attractive to private attorneys with comparable education and experience.

The question of independent legal counsel for the Grand Jury has been debated for many years. Such counsel has been recommended by previous Grand Jurors. This committee believes that Section 936 of the California Penal Code can be interpreted to include the use of independent legal counsel by the Grand Jury. Therefore, we strongly urge the recruitment of independent counsel from the private legal community at the beginning of the calendar year, 1979, so that the two-year term of such counsel can be staggered with that of the subsequent Grand Jury.

Dianne B. Herscher, Chairman
Pauline Buck
Jeanne Coulston
Dorothy V. Courtney
Diane C. Hines
Daphne Lewis
Lynne Spencer
Susan Wofford
Nancy W. Wheat
Rosalie Zalis

Foreman's Note: As its title implies, this Minority Report was not approved by a majority of the Grand Jury but only by those members whose names are affixed.

