

**1993-1994
LOS ANGELES COUNTY
GRAND JURY**

OFFICE

COPY



FINAL REPORT

**FINAL REPORT
LOS ANGELES COUNTY GRAND JURY
1993-94**



HONORABLE ROBERT M. MALLANO
Presiding Judge
HONORABLE CECIL J. MILLS
Supervising Judge, Criminal Division
LOS ANGELES SUPERIOR COURT

LOS ANGELES COUNTY BOARD OF SUPERVISORS

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The design on the cover depicts the Grand Jury lapel pin.

COUNTY OF LOS ANGELES OFFICIAL SEAL

The Goddess Pomona - the Goddess of gardens and fruit trees - is holding in her arms a sheaf of grain, an orange, a lemon, an avocado and a few grapes to represent Los Angeles County's agriculture.

She stands on the shore of the Pacific Ocean with the San Gabriel Mountains in the background.

The engineering instruments - the triangle and the caliper - relate to the industrial construction complex of our County and Los Angeles' vital contribution to the conquest of space.

The Spanish galleon is the San Salvador which Cabrillo sailed into San Pedro Harbor on October 8, 1542.

The tuna represents the fishing industry of Los Angeles County and the championship cow is for the dairy industry. Pearlette is her name.

The Hollywood Bowl indicates the cultural activities with the two stars representing our County's motion picture and television industry.

The cross represents the influence of the church and the Missions of California.

Oil derricks are symbolic of the oil fields which were discovered on Signal Hill.

The words County of Los Angeles California surround the seal.

(The County Seal was designed by Supervisor Kenneth Hahn, drawn by Millard Sheets and adopted by the Board of Supervisors March 1, 1957.)

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GRAND JURY 1993-94

Standing left to right: Richard E. Holland, Young Park, Sandra Huff, Jennifer Murphy, Ralph Shaffer, Thomas Yacenda, Jaclyn Tilley Hill, Walter Coombs, Warren Pietro, John Wilson, Eugene P. Harding, Reginald Scales, Sr., William Phillips, Audrey Lynberg
Seated left to right: Inell Warren, Henry Frias, Earleen Starks, Stanley Saperstein, Juanita Buchanan, Nicholas Palamiotis, Arline Ames, Robert Lathrop
 Gavin Cort Brackett not pictured.

1993-94 GRAND JURY ROSTER

OFFICERS

Jaclyn Tilley Hill, Madame Foreman
Walter Coombs, Foreman Pro Tem
Jennifer Murphy, Secretary

MEMBER

COMMUNITY

Arline Ames
Gavin Cort-Brackett
Juanita Buchanan
Walter Coombs
Henry Frias
Eugene P. Harding
Jaclyn Tilley Hill
Richard E. Holland
Saundra Huff
Robert Lathrop
Audrey L. Lynberg
Jennifer A. Murphy
Nicholas Palamiotis
Young Park
William Phillips
Warren G. Pietro
Stanley Saperstein
Reginald Scales, Sr.
Ralph Shaffer
Earleen Starks
Inell Warren
John Wilson
Thomas A. Yacenda

Glendale
West Hollywood
Westlake Village
Pomona
Monrovia
Malibu
Whittier
Inglewood
Pasadena
Newhall
West Covina
Pasadena
Monterey Park
Alhambra
Beverly Hills
San Pedro
Northridge
Los Angeles
Covina
Los Angeles
Inglewood
Los Angeles
Glendale

ACKNOWLEDGEMENT

The Grand Jury would like to acknowledge the indispensable assistance provided by the Grand Jury staff. The experience, dedication, and hard work of our Staff Secretary, Kathy Spann, were invaluable in the preparation of our final report. We wish also to thank our Bailiff, Deputy Timothy W. Fox and District Attorney Senior Investigator, Dennis Duarte, who provided services to the Grand Jury beyond the duties required of their assignments. Court Reporter Richard Colby and Technical Assistant Dolain Colby provided a cheerful and supportive professionalism at all times. We appreciate the special services provided by Gloria Gomez, Manager of Juror Services, and Cora Artizada, Grand Jury Coordinator, in preparing this year's Grand Jury orientation. Ms. Pam Everett of the Chief Administrative Office provided the technical and photographic services necessary to produce the cover art for this report. The Grand Jury and Edit Committee thanks Ideal Printing for successfully producing this report within our very tight deadlines.



*Standing left to right: Dolain Colby, Timothy W. Fox, Bailiff, Kathy Spann, Staff Secretary
Seated left to right: Terry L. White, Legal Advisor, Richard Colby, Court Reporter, Dennis Duarte, Senior Investigator*

MADAME FOREMAN'S STATEMENT

The 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 non-county facilities, and hours of reading and discussions. While the recommendations are the result of separate and distinct committees, the Grand Jury as a whole considered and approved all that appears in this document.

Los Angeles began with twelve families, the Pobladores, who arrived in 1781, to establish El Pueblo de Nuestra Señora la Reina de Los Angeles de Porciúncula. In 1848, California was made a United States territory, and in 1850 it became a state. The County of Los Angeles was one of California's original twenty-seven counties. Although the county has been reduced, geographically, since its founding, today it comprises the largest and most populated county in the United States. The population, which is now in excess of nine million, is larger than all but eight other states. The 1993-94 Los Angeles County Grand Jury is cognizant of the many complex challenges facing our diverse county.

The grand jury was incorporated into the Bill of Rights of the United States Constitution. The grand jury, as we know it, in California is a citizen body impanelled to hear criminal cases and determine if sufficient evidence has been presented to warrant the returning of an indictment. In addition, grand juries in California are charged with the responsibility of serving as guardians against improper or inefficient performance by county government. In both of these functions, the jury is armed with wide statutory powers of inquiry and investigation. This emphasis on the dual role of the grand jury is unique in California, and has been credited as being a strong contributory factor in the maintenance of honest and responsive local government. Although it has some degree of independence, the grand jury is supervised by the Superior Court. Each juror is an officer of that court.

The final report of the 1993-94 Los Angeles County Grand Jury is the product of twenty-three citizens who were chosen to inquire into and study selected operations of county government and also to determine if indictments should be issued in the criminal matters presented to this body. We are a diverse group. We represent twenty-three different communities in Los Angeles County, comprising different financial, ethnic, and educational backgrounds. We also represent a yearlong continuity of working with the same twenty-three

people. We have given a year of our lives in an effort to assist the county to achieve a more efficient criminal justice system and improved county management. The grand jury believes that our effort, embodied in this report, speaks for itself.

The members of the grand jury have had a yearlong adventure. We have humbly sought to serve the citizens of Los Angeles County to the best of our abilities. We have worked together; the job of foreman has been to keep the body focused and to facilitate its goals. As one previous foreman stated, "As foreman, the 23'd number, an equal among equals, I bask in their reflected glory."

Each and every grand jury starts from scratch and endeavors to take a fresh look at the problems its year will face. There is an initial review of topics and issues studied by previous grand juries. It is not uncommon that issues studied in previous years will somewhat overlap with the interests of the present body. Each grand jury, however, must ferret out for themselves the interests and needs of Los Angeles County for their respective year. They must use their own initiative and energy with the help of education provided by the county. There is no degree in "grand jurymanship."

Economy and efficiency have often been concerns addressed by previous grand juries. The 1993-94 Grand Jury demonstrated prudent fiscal management under the constraint of a declining budget, thereby permitting payment of this final report as well as a portion of last year's final report.

Since 1990, the Los Angeles County Grand Jury has slowly raised its percentage of time spent in criminal matters to a level of approximately eighty-five percent. The use of the grand jury by the issuance of indictments, rather than proceeding with preliminary hearings is a more economical and efficient procedure in high-profile cases, multi-suspects cases, matters which are overly complex, and the cases where a victim or witness may need special protection at an early stage in the criminal justice system. We have presented 42 indictments to the Superior Court. We have indicted 141 individuals. We have had 21 investigative hearings, and have heard from approximately 300 sworn witnesses. We have spent approximately 151 days in hearings and innumerable hours in discussions and meetings. Our hearings have created over 14,000 pages of testimony. The Grand Jury has interviewed over 200 guest speakers. In addition, there have been ten full grand jury off-site visits. As you can see, we have indeed had a very busy year.

The 1993-94 Grand Jury would like to express its appreciation to the many officials of county government who cooperated with our visiting committees.

Many of these individuals proved to be experts in their respective fields and were dedicated to their work in county government.

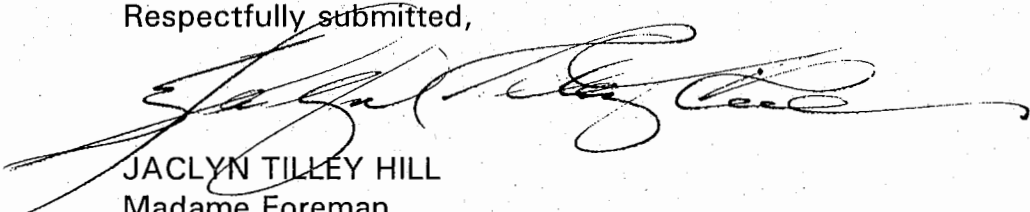
None of this work would have been possible without the unfailing support and guidance of the Honorable Cecil J. Mills, Supervising Judge of the Criminal Division, Los Angeles Superior Court. Judge Mills has generously given advice and counsel to this Foreman and his "open door" policy fostered effective communication with all members of this body. The grand jury staff also rendered appreciated service to us. We also owe a special thanks and statement of appreciation to our legal advisor, Terry L. White, for the excellent counsel received and for his outstanding legal advice.

Most of the members of the 1993-94 Grand Jury regret that the year is drawing to a close with a number of incomplete projects. However, this feeling of regret is more than offset by a sense of satisfaction in a demanding job undertaken and successfully completed, in responsibility met and discharged, and in this unique privilege shared and treasured.

To the incoming grand jury, we wish them fortitude in the educational process they are about to begin. To the County of Los Angeles, we say thank you for this opportunity to contribute in some small degree toward the success and betterment of our county. The members of the grand jury join with me in expressing appreciation to the Superior Court for this once-in-a-lifetime opportunity for public service and in voicing a hope that the confidence placed in them has been justified.

Lastly, and most importantly, to our families and loved ones who have supported us and made our year of service possible - Thank you.

Respectfully submitted,



JACLYN TILLEY HILL
Madame Foreman
1993-94 Los Angeles County Grand Jury

AUDIT COMMITTEE

MEMBERS

William Phillips, Chairman
Juanita Buchanan
Eugene Harding
Richard Holland
Robert Lathrop
Warren Pietro
Earleen Starks

AUDIT COMMITTEE

INTRODUCTION AND SUMMARY

The primary functions of the Audit Committee are to:

1. Recommend the selection of a contract auditor to the Grand Jury for investigative functions.
2. Control Grand Jury funds that have been allocated to pay the contract auditor.

An Ad Hoc Budget Committee was formed to keep track of funds and to conform to the allocated budget.

PROCEDURE

The Committee was composed of seven members from the Grand Jury panel. The Committee issued eight invitation bids to nationally known auditing firms. Of the eight bids sent, seven responses were received. They were as follows:

1. Cordoba Corporation
2. Ernst & Young
3. Harvey Rose Accountancy Corporation
4. David Griffith & Associates, Ltd.
5. Deloitte-Touche
6. Coopers & Lybrand
7. Price Waterhouse

Each auditing firm submitted a written proposal. The auditing firms then participated in an oral presentation and interview. Questions asked by the Committee were to establish a criteria in selecting a contract auditor.

Price Waterhouse was selected as the contract auditor for the 1993-94 Grand Jury. The Committee then supervised the expenditures of the budgeted funds.

There were 10 audits approved; they are as follows:

1. The Los Angeles County District Attorney's Office Performance Audit

2. Review of Real Estate Transactions Conducted by the Los Angeles County Community College District
3. Review of the Monterey Park Redevelopment Agency
4. Water Resource Planning
5. Department of Health Services, Payroll Courier Practices
6. Review and Comments on Responses to Recommendations of the 1992-93 Final Report
7. Foster Care Performance Measurement System
8. Accused Parents' Rights
9. Review of the Los Angeles Unified School District's Process for Assessing the Merits of Entering into an Agreement to Support an Increase in the Los Angeles Central Business District Redevelopment Area Tax Increment Cap
10. Grand Jury Training Manual

The duty of the Budget Analysis Subcommittee was to coordinate the Grand Jury finances with the Los Angeles Superior Court accountants.

The budget was reviewed in detail to understand the allocations of monies for each specific area with the principal program analyst of Superior Court.

During the past few years, the budget has been set up to allocate Grand Jury monies based on a four day work week. Therefore the 1994-95 budget is also set up for a four day work week. A final review of the proposed budget was conducted by members of the Subcommittee and the Chief Administrative Officer and her Committee.

BUDGET ANALYSIS SUBCOMMITTEE

Robert Lathrop, Chairman
Eugene Harding
Saundra Huff
Audrey Lynberg
Earleen Starks

CRIMINAL JUSTICE SYSTEMS COMMITTEE

MEMBERS

Arline Ames, Chairman
Juanita Buchanan
Henry Frias
Nicholas Palamiotis
Young Park
Warren Pietro
Stanley Saperstein
Reginald Scales, Sr.
Ralph Shaffer
Earleen Starks
Inell Warren
Thomas Yacenda

CRIMINAL JUSTICE SYSTEMS COMMITTEE

INTRODUCTION AND SUMMARY

Prior to July, 1991, the Criminal Justice Committee had the responsibility for screening cases which the District Attorney's Office wished to present before the Grand Jury for possible indictment. The District Attorney came before the Grand Jury at that time and requested that, in view of the increasing number of cases that would be presented to the Grand Jury, this responsibility would be removed, and his request was granted. Therefore, the Criminal Justice Committee did not have that responsibility this year. As of June 30, 1994, the Grand Jury received a total of 42 indictment hearings and 21 investigative hearings; 141 defendants were indicted. Many of the hearings concerned gang related violence, drug activities, and fraud. Others concerned murder, rape, burglary, kidnapping, pandering, arson, juveniles and high profile celebrities.

Two months after the beginning of this Grand Jury year, the Criminal Justice Committee and the Jails Committee were combined and renamed the Criminal Justice Systems Committee. This resulted in a larger number of jurors who were available to visit and report on the County's detention facilities.

Eighteen citizen complaints were referred to this committee. Because of the very large number of complaints (10) on one particular subject, a subcommittee was established to deal with the problem of fathers who, during or following divorce or separation proceedings, were accused of sexual abuse of their children. Three citizen complaints were referred to other agencies. Two citizen complaints were reviewed and further information was requested to establish disposition. Three citizen complaints were found to be not within the jurisdiction of the Grand Jury or of such nature that no action was deemed possible.

As a result of testimony heard during one of the cases brought before the Grand Jury, this committee requested that the District Attorney's Office investigate two situations which appeared to be in violation of the law. These investigations are currently being made.

The Committee issued reports in three areas:

A. Fathers' Rights (Subcommittee Report)

In response to a large number of citizen complaints, the Committee

established a Subcommittee to examine the handling of child sexual abuse accusations made against fathers during or following separation and divorce.

B. Accused Parents' Rights

The Grand Jury contract audit firm, Price Waterhouse, was directed to conduct a study of the existing procedures for handling such cases and to develop recommendations for improving the process. The audit is appended to the committee report.

C. Graffiti

Because of the serious problems which graffiti creates for the County and the impact on its citizens, the Committee examined County efforts to prevent graffiti, alleviate the causes of graffiti, and explore local agency cooperation and coordination in the fight against graffiti.

D. Local Detention Facilities

The California Penal Code mandates that the Grand Jury inspects the public prisons and inquires into the cases of all persons held in jail not yet indicted. The Los Angeles County Grand Jury has traditionally focused on the operation, management, and conditions of the County jails system, municipal jails, sheriff and police lock-ups, court holding facilities, juvenile detention halls and probation camps. A number of jurors went on ride-alongs with various police agencies in order to expose themselves to all sides of the criminal justice system.

A. FATHERS' RIGHTS

BACKGROUND

Sexual abuse of children does occur and it is a terrible thing. There are instances, however, where accusations of child sexual abuse are false. Publicity during the past ten years has led to a national hysteria and an increasing number of allegations have been made. The phenomenon this committee dealt with resulted from an unusually large number of citizen complaints to the Grand Jury which followed a particular pattern.

In their complaints fathers related that during divorce, separation, visitation or financial negotiations, the child's mother suddenly brought forward charges that the father had sexually molested the child. From the moment these allegations were made, the father was branded as a child molester and it was his responsibility to prove the accusations were untrue. The fathers we heard from claimed the allegations were totally false, and yet they had spent years trying to regain the right to have a relationship with their child. The cost has been overwhelming, and sometimes in excess of \$100,000.00. Fathers have sacrificed their homes, jobs, security clearances, and reputations in the effort. Even when the allegations were not substantiated, they had not regained the right to have a normal relationship with their child and the child has been psychologically damaged and deprived of his/her father. Their claim is that once the system takes over an investigation and prosecution of this type of claim, it develops a life of its own and there is no way out. Some fathers just give up and walk away.

This Subcommittee set out to understand the system and try to find recommendations which would prevent or correct these situations. Our efforts have been enlightening and have led to many side issues which bear further investigation. While we readily acknowledge that many of the accusations made during divorce related situations may be true, there must be a way to avoid a miscarriage of justice in cases where there is no basis for the allegation.

PROCEDURE

Personal interviews were conducted with twenty individuals, including four fathers. Eighteen others were interviewed by telephone. Two visits were made to Juvenile Detention Court and field trips were made to the Santa Monica

Municipal Court and Stuart House. Many books, articles and television tapes on the subject were studied.

FINDINGS

Counseling

Divorce or separation is a tremendously difficult time for parents and children. Our research has shown that sometimes a mother, embittered and filled with anger, will use any opportunity to revenge herself on a husband she feels has wronged her. She has not learned how to let go after the divorce, unload her emotional baggage, and come to closure. It may be especially difficult for her when the child begins to visit the father and returns with stories of his new life and possibly a new girlfriend or wife. This situation has become so frequent, it has been given the name, "Parent Alienation Syndrome" - one spouse getting back at the other. Our first recommendation, therefore, is to find a way to deal with the parents' feelings which result from the divorce or separation in order to avoid false allegations being made and to impress upon them the damage which will be done to the children by their actions. A pilot program in the Santa Monica Municipal Court offers an excellent opportunity for this. The program is called Parents and Children Together (PACT). All parties with a court dispute involving custody, visitation or support orders for children are required to attend two two-hour evening sessions intended to help divorcing and separating couples to cooperate and consider the effect of their actions on their minor children before their petition will be heard by the court. There is no fee for this program and it is presently funded by contributions and volunteers. The feedback has been entirely positive and there has been a noticeable improvement in attitudes of parents and fewer repeat cases. A component could easily be added to the program dealing with allegations of child sexual abuse. There would be cost savings as a result of fewer long-term court cases and involvement with various agencies.

Immunity

Accusations of child sexual abuse are made in many different ways. Because of former undetected child abuse, state and federal laws now protect anyone who reports a suspicion of child abuse and, in fact, makes it illegal to withhold such information. It has, therefore, become extremely easy for these accusations to be made. Consideration needs to be given to changes in legislation so that those making allegations of child sexual abuse understand the seriousness of the charge and take responsibility for their actions.

Family Court/Juvenile Court

Divorce and custody cases are handled in Family Court and it is often during or after disposition of these cases that an allegation is made. An attempt was made to determine the process which follows such an allegation, but there does not appear to be a clear and consistent policy (see audit). Family courts are autonomous and each court determines how it responds to such allegations. There is a legal responsibility to notify the police department. The police department then notifies the Department of Children's Services and, if it is warranted, the District Attorney's Office. A determination of child abuse can result in criminal prosecution and imprisonment. Sometimes the entire case is referred to the Juvenile Dependency Court and sometimes it remains in Family Court. It appears that Family Court judges, in consultation with Juvenile Court judges, make this determination. The courts treat these specific child abuse cases the same way they treat all other cases of reported child abuse. These agencies and judges are sincere in their efforts to protect children and will make every effort to assure that the children will not be exposed to dangerous situations. If an error is made, it is felt preferable to err on the side of protecting the child. Allegations of child abuse by a parent which are made during or following divorce or separation are different from other child abuse allegations and should be handled differently.

Taping of Interviews

Interviewing of children who have been abused has been a subject of great controversy and a great many studies have been made regarding it. High profile cases have produced volumes of psychological data. The word, "contamination" appears over and over. There is a great body of evidence proving that children can be convinced something occurred which did not occur.

In a recent research study conducted by Stephen Ceci, Psychologist at Cornell University, reported in the "San Diego Union-Tribune" August 30, 1993, a group of children was questioned once a week for eleven consecutive weeks regarding events which the researcher knew had not occurred. By the eleventh week, some of the children described all the false events suggested to them as true, 56 percent reported at least one fictional event as true. One example involved the question of whether or not the child had been taken to the hospital because he had caught his finger in a mouse trap. Typical of the responses in this study, one four year old boy began by denying it had happened. The second week, he said "yes, I cried." The third week, he said, "yes, my mom went to the hospital with me." The fourth week, he said, "yes, I remember. It felt like a cut." By the eleventh interview the boy had

constructed an elaborate memory of going to the hospital with the daddy, mommy, and brother in their van, describing the mouse trap as being down in the basement next to the firewood and the fact that he was playing a game and did not see what he was doing when his brother pushed him into the mouse trap.

Because it is apparently possible to convince young children that something happened which did not occur, it is essential that from the very first time a child is interviewed, the entire process should be videotaped or at least audiotaped. At present the system consists of social workers or other investigators talking to the child and then writing their reports later. This system provides the possibility for a large margin of error. After the first interview, the same child may be interviewed many times by different people. During this process, the mother and others have an opportunity to contaminate the testimony of the child. Actions taken at the beginning of a child abuse investigation are vital to determining the truth.

Anatomical Dolls

Anatomical dolls have been used by many psychologists and therapists to determine whether or not a child has been sexually abused. Many studies have concluded that the use of such dolls may be very misleading and can lead to statements by children who have not been abused that can be interpreted as abuse. Studies conclude that the same results can be obtained by other techniques that do not have the risks encountered by use of dolls. In a recent University of Chicago study, a group of three year olds was examined by a physician. Half of them had their genitals inspected; half did not. After the examination, a researcher pointed to the doll's genitals and asked, "did the doctor touch you there?" Seventy percent of the children who had not received a genital exam answered, "yes." The conclusion was that "Young kids cannot symbolically represent on those dolls what has happened to their bodies." Many researchers also feel that play objects should not be used in the investigation of child abuse as children are conditioned to using their imaginations when they play with them.

Training

The testimony of social workers, police department investigators, therapists and psychologists is used by the courts to evaluate whether or not child abuse has occurred and who is responsible. The training of those who are responsible for this evaluation is vitally important. Social workers, therapists, and psychologists who are not trained investigators can reach an incorrect conclusion. Research has shown that some of them are biased. What is needed

is trained, impartial evaluators who are qualified to make an objective recommendation to the court. About two and a half years ago the Los Angeles County Department of Children's Services established improved training requirements for new hires, but those who were in the Department before this requirement went into effect did not receive this training and are still working in the field. It has been stated by experts that it is as important to "un-train" those whose training is outdated as it is to perform new training. Attorneys who work with child abuse cases need more specific training in how to interview and evaluate children's statements.

Experts

Psychologists and therapists are not investigators. Their job is to help people. Interviews revealed that in the courts there are professional witnesses who are known as "hired guns." The more often they testify, the more they are accepted as experts. If parents can hire one of these experts, there is a better chance of succeeding. Research shows that the symptoms cited by them as evidence may be the same symptoms found in children who have not been abused. Children who have been in a dysfunctional family leading to divorce and the breaking of the bond between child and parent can suffer from anxiety, especially if they are suddenly separated from a parent. The actions they exhibit can be interpreted by the experts as "consistent with a child who has been abused."

Mandated Therapy

If there is a decision by the court that there may have been abuse, the father is sometimes required to complete therapy and counseling courses before visitation with the child may be resumed. Some of the courses insist that the father admit to the abuse so that he can be helped. If the father refuses to admit he abused his child, he is said to be "in denial." If he finally admits abuse in order to complete the course and see his child again, he is labeled as a sex offender. We find this kind of enticement shocking and recommend it be discontinued.

Interviews

Children who are involved in cases of alleged child abuse can be abused again when an investigation is made. The child is often taken to five or six different locations and questioned by many different people - police, Department of Children's Services, district attorneys, therapists, psychologists, and doctors. Some of the agencies have several different people who interview the same child. Some children are interviewed a dozen times, usually in cold, institutional

environments. Repetitive interviews often result in different answers from each agency. There is a lack of coordination and exchange of information between different agencies. In response to this problem, multi-disciplinary centers have been established in various parts of the county where all investigations are done at one time. Stuart House in Santa Monica is an example of such a facility, established to serve the West Los Angeles area and financed in part by contributions and volunteers. Two deputy district attorneys, two Department of Children's Services workers, and one Los Angeles Police Department detective are assigned on a permanent basis. Culver City, Beverly Hills, and Santa Monica Police Departments also cooperate, as well as the Los Angeles County Sheriff's Department. When sexual abuse is suspected, the child is brought to Stuart House and interviewed only once by the detective in charge, with a deputy district attorney present. The Department of Children's Services worker and others can observe the interview behind a one-way mirror and communicate with the interviewers by telephone. The environment is non-threatening and pleasant. If medical examination is found to be necessary, the child is taken to a nearby hospital facility and examined in a special room scaled down for children by a doctor trained in working with these special problems. There are other programs of this type in Los Angeles County and they are to be commended. It is hoped that they try as hard to establish that the allegation is false as to prove that it is true. It would be desirable to videotape the interview. If they can be truly objective, these centers should be established in all areas of the County.

Conclusion

At a time when attention is being focused on the problems of children raised in one parent families and on the importance of fathers in the lives of their children, we are faced with fathers who desperately want to be part of their children's lives and are being denied that privilege. While no one wants to allow children to be abused, safeguards must be set up to provide fathers an adequate opportunity to defend themselves against false allegations.

RECOMMENDATIONS

The Grand Jury recommends that:

1. The Board of Supervisors encourage consideration by the Family and Juvenile Courts of establishing counseling of all parents before any court hearing involving children in order to impress upon them the effect of their actions on their children.

2. The Board of Supervisors support legislation to provide enforceable criminal accountability for those who knowingly make a false accusation and for those who purposely contaminate children into making false claims of abuse.
3. The Board of Supervisors direct the Department of Children's Services to require that social workers verify and sign their reports as truthful and accurate to the best of their ability.
4. The Board of Supervisors recommend all investigative agencies to videotape or audiotape all interviews with children which are conducted during the investigation of allegations of sexual abuse in order to avoid possibility of "contamination."
5. The Board of Supervisors direct the Department of Children's Services to eliminate the use of anatomical dolls during child abuse investigations and discourage the use of toys and other play items.
6. The Board of Supervisors direct the Department of Children's Services to provide training to all social workers in interview and interrogation techniques in an approved Peace Officers Standards and Training (P.O.S.T.) course to include continuous in-service training to comply with current standards of training.
7. The Board of Supervisors create more multi-disciplinary centers in all areas of the County so that various agencies may work together in conducting interviews of children involved in allegations of sexual abuse; repetitive interviews of children need to be avoided.
8. The Board of Supervisors direct the Department of Children's Services to establish a separate unit to deal exclusively with child sexual abuse.

SUBCOMMITTEE MEMBERS

Arline Ames, Chairman
Nicholas Palamiotis
Warren Pietro
Stanley Saperstein
Ralph Shaffer

B. ACCUSED PARENTS' RIGHTS

BACKGROUND

The Accused Parents' Subcommittee of the 1993-1994 Los Angeles County Grand Jury has received a number of citizen complaints from parents who claim that during or after divorce, they have been falsely accused of sexually abusing their child. Allegations of this kind are particularly troublesome to persons both within and outside the system. While on one side, it is imperative to protect a child from further abuse, an allegation of sexual abuse leveled against an innocent person can lead to depriving a child and parent of a normal relationship. Due to the social stigma associated with child sexual abuse, a person's professional, family, community, and social life remain at risk until he is able to prove his innocence.

The Grand Jury asked its contract auditor, Price Waterhouse, to conduct a study of the existing procedures for handling such cases in Los Angeles County. The primary objective of the study is to document the process for managing these cases and to develop recommendations for improving the process.

The following pages contain the report of Price Waterhouse. The report begins with a discussion of the public policy framework for these types of cases. Section B discusses the methodology used to conduct the study. Section C presents the major findings of the study, and recommendations are located in Section D.

PUBLIC POLICY FRAMEWORK

The issue of child sexual abuse allegations in the context of a divorce is a unique one because it has the potential to initiate actions against the accused parent in three separate courts: Family Law, Juvenile Dependency Court, and Criminal Court. Each court is designed, by law, to have a different role and focus which leads to potential conflicts among the courts. More importantly, the involvement of multiple courts creates three different trial settings for the accused person. Once an allegation of child sexual abuse is made during a divorce, the alleged offender must defend himself or herself against the allegations, not once, but possibly three times in three different courts in order to resume a normal relationship with the child.

As stated earlier, the allegation of child sexual abuse during divorce introduces

a complex interrelationship of courts and social services. Exhibit 1 illustrates key differences among the courts which may have an impact on sexual abuse allegations made in the context of divorce.

Exhibit 1- Matrix of Court Characteristics

COURT	ROLE	COURT-APPOINTED COUNSEL	STANDARD OF EVIDENCE	PRIMARY INVESTIGATIVE AGENCY	TRIAL DECISION
FAMILY LAW	Domestic relations	None	Preponderance of evidence	Child Custody Evaluator or Psychiatric Panel	Judicial Officer
JUVENILE DEPENDENCY	Protection of children	Yes	Preponderance of evidence	Department of Children's Services	Judicial Officer
CRIMINAL	Determination of guilt or innocence related to criminal statutes	Yes	Beyond a reasonable doubt	Local law enforcement agencies	Jury

Los Angeles Superior Court -- The Los Angeles Superior Court hears all civil cases related to domestic relations. In addition to its judicial obligations, the Los Angeles Superior Court implements two programs: Mediation and Child Custody Evaluations.

Conciliation Court Mediation services are mandated for all parties in custody and visitation disputes if a case has been filed in the Family Law Court. During mediation, a skilled family therapist attempts to have both parties construct a custody agreement which then becomes a legally binding court order. Parties may return to the Family Law Court Services Mediator at any time while the child is still a minor, even years after orders are entered, to establish a new custody or visitation plan or a modification of an existing order. The parties may come alone, or with attorneys. All mediation services are confidential and mediators do not make written recommendations to the court.¹

Suspicion of sexual abuse for the Los Angeles Superior Court is usually performed by either an evaluator in the Child Custody Evaluation unit or by a

¹CSW Desk Guide: Petition Requests on Cases Where a Family Law Court Custody Dispute Exists. July, 1989.

private psychiatrist. Family Law custody orders stand until the child turns 18 years old, or until Juvenile Dependency Court orders are made. After a Juvenile Dependency Court order expires, custody orders return to the original Family Law court order. Family Law Court does not provide court-appointed attorneys.

Juvenile Dependency Court -- Juvenile Dependency Court was created to protect vulnerable children who may otherwise go unprotected in a more traditional legal setting. Above all, Juvenile Dependency Court is charged to act in the best interests of the child. Due to the special nature of the court and its clientele, Juvenile Dependency Court has numerous special procedures designed to accommodate the needs of children. For example, Juvenile Dependency Court will appoint a separate attorney for each parent and the child if necessary. Juvenile Dependency Court orders supersede Family Law custody orders; however, Juvenile Dependency Court orders last approximately two years at which point, the custody order returns to the order made in Family Law Court.

Department of Children's Services (DCS) staff serve as the principal investigators of sexual abuse allegations that are referred by Family Law Court. DCS prepares written reports for Juvenile Dependency Court which serve as a critical information source for Judicial Officers. A DCS caseworker's written report is the primary source of substantive information from DCS to the court.

Created in 1984, DCS is California's largest child protection agency. DCS staff include trained social workers, public administrators, and varied support staff. The primary role of DCS is to protect and advocate for children under the supervision of Juvenile Dependency Court. DCS is also charged with helping maintain or reunite families whenever possible.

Criminal Court/District Attorney -- The LA County District Attorney's office maintains a special unit devoted to sexual and physical child abuse cases. The unit was created to prosecute child abuse cases referred by local police departments. The Child Abuse Unit acts independently of Family Law Court and Juvenile Dependency Court and is responsible for prosecuting child molestation crimes in LA County Criminal Court. Local police departments serve as the primary investigators for cases referred to the District Attorney's office.

RELATED STATUTES

There are several California statutes that address the topic of child sexual abuse allegations made in the context of divorce. This section provides a brief description of the relevant statutes. We have provided the full citation of these statutes in Appendix III of this report.

The definition of child sexual abuse is referenced in multiple sections of the California Penal Code. However, child sexual abuse is defined comprehensively by California Penal Code § 11165.1 and it is this section that is also referenced by California Welfare and Institutions Code § 300, the law which governs Juvenile Dependency matters. California Penal Code § 11165.1 defines specific acts that constitute child sexual abuse. These acts include, but are not limited to rape, rape in concert, incest, sodomy, lewd or lascivious acts, oral copulation, penetration of a genital or anal opening by a foreign object, or child molestation. Penal Code Section 11165 defines child as a person under 18 years of age.

Although Criminal Court hearings remain separate and distinct from Family Law and Juvenile Dependency Court, there have been efforts to coordinate hearings between Family Law and Juvenile. There are several statutes and court rules that define the relationship between Family Law Court and Juvenile Dependency Court. These are paraphrased below.

- **Los Angeles Superior Court Rule 2.6** was developed to coordinate custody proceedings between Family Law Court and Juvenile Dependency Court. As written, the goal is to consolidate custody proceedings involving the same child in one court for the purposes of trial. Rule 2.6 calls for any court hearing a child custody matter to identify on-going or pending custody matters in other departments at the earliest possible time. When child custody hearings are planned for multiple departments, the judges are to consolidate the hearing in the most appropriate department, or the forum that is most likely to resolve the issue and reduce further litigation. Disputes as to appropriate consolidation are to be decided by the Presiding Judges.
- **California Welfare and Institutions Code § 304** explains the jurisdiction of Juvenile Dependency Court in custody proceedings where a child has already been determined a dependent of the court. The code states that if a minor is a dependent of the Juvenile Dependency Court, all custody issues related to the minor will be heard in Juvenile Dependency Court. In addition, this section of the code allows Juvenile Dependency Court access to all records available to Family Law Court. This code prevents Family Law Court from endangering a child by issuing custody orders which may conflict with orders issued by Juvenile Dependency Court.
- **California Welfare and Institutions Code § 300** describes conditions that can become the basis of a minor becoming a dependent of Juvenile Dependency Court. The code provides maximum protection to children who are victims of sexual abuse by an adult or who are at risk of being

a victim of sexual abuse. Protection includes various social and health services to help the child and the family prevent any further abuse. Whenever possible, service plans are required to focus on the preservation of the family.

PROCEDURE

On March 21, 1994, Price Waterhouse began field work consisting of the following activities:

- 1. Fact-Finding Interviews** -- Conducted interviews with officials from key organizations involved when allegations arise during or after family law proceedings. Specifically these organizations are the Department of Children's Services (DCS), the Los Angeles Juvenile Dependency Court, the Los Angeles Superior Court, and the District Attorney's office. In addition, we spoke with officials from the Joint Custody Association and the Judicial Council of California.
- 2. Policy, Procedures, and Literature Review** -- Reviewed numerous documents including the Children's Services Manual Policy Number ER-180 and the Children's Social Worker (CSW) Desk Guide for Petition Requests on Cases Where a Family Law Court Custody Dispute Exists. In addition, we reviewed the California Family Law Court Services Snapshot Study: Report 1, 3, and 4, as well as the Report on the Future of the California Courts: Justice in the Balance 2020. We also conducted a search of relevant psycho-social studies related to sexual abuse allegations. An annotated bibliography is included in Appendix II of this report.
- 3. Survey of Other California Counties** -- Conducted a telephone survey of six California Counties to understand how these cases are handled in other jurisdictions. Wherever possible, we collected practices and procedures used by other counties to ameliorate the issues related to child sexual abuse allegations made in the context of divorce. The counties included in the survey were Sacramento, San Diego, Santa Clara, Alameda, Marin, and San Francisco.

Although we are fully aware that both mothers and fathers can be accused of child sexual abuse, the majority of child sexual abuse allegations are brought against men. For simplicity, we will refer to the accused offender throughout this report.

A significant limitation of the study methodology is that it did not include a case sample analysis of cases involving sexual abuse allegations made in the context of divorce proceedings. For this reason we have augmented our research to include national studies based on case sample analysis, which we will refer to in the body of the report.

FINDINGS

1. ***Processes associated with each court are very complex, in particular with regard to coordination between Family Law Court and Juvenile Dependency Court.***

Exhibits 2, 3, and 4 represent flow charts of the various processes that occur once an allegation of sexual abuse is made within the context of divorce. A discussion of each process is presented below.

Family Law Court -- An allegation of child sexual abuse may be made at any time during a divorce proceeding, but has direct implications on child custody litigation. Family Law Court mediators and evaluators are mandated to report all claims of child sexual abuse to either local law enforcement or the Department of Children's Services. DCS will then conduct an investigation of the report as illustrated in Exhibit 3. Once DCS has completed its investigation of the report, either Juvenile Dependency Court or Family Law Court will adjudicate the custody of the child. DCS may make a recommendation when returned to Family Law Court for adjudication, however this typically occurs only when the original report was referred from Family Law Court.

If adjudication remains in Family Law Court, the judicial officer can do one of three things. First, the judge can hear the case and make a unilateral determination of custody orders. Second, the judge can refer the parents to Conciliation Court for mediation. If the parents agree to their own custody agreement, it will become a court order. If not, the case returns to a family law hearing. Third, the judge can refer the parents to child custody evaluation which may be performed by either the Child Custody Evaluation section of the Family Law Court, a private psychiatrist, or a member of the Family Law Psychiatric Panel. This evaluator will then provide recommendations to the court for a custody order. Using this information, the judge will disclose his plans for decision at a settlement conference. At this point, the accused can request a trial and bring evidence to trial to strengthen his case. The judge will then make decision as to permanent custody and visitation.

Juvenile Dependency Court and DCS Investigation -- Reports of possible sexual abuse allegations may be referred to the DCS Hotline by mandatory reporters (such as school employees, medical professionals, therapists), law enforcement officers, relatives, neighbors, a parent, or by Family Law Court. Once DCS receives a report of sexual abuse, they are mandated to cross-report with the local police department. During an initial investigation, an investigator, or Emergency Response Worker (if the report is made after hours) will determine if the report merits further investigation and if there is an existing action in Family Law Court. If further investigation is not warranted, the investigation will be closed and Family Law Court will be able to hear the matter during custody litigation. If further investigation is required, the case will be assigned to a Dependency Investigator specializing in family law matters.

The specialized Dependency Investigator will conduct further investigation and make an initial determination as to whether a petition should be filed in Juvenile Dependency Court. If a petition is not warranted, the investigation is closed and Family Law Court will be able to hear the matter during custody litigation. When a petition is recommended, the report is passed on to the centralized Intake, Detention, and Control unit of DCS where a determination is made as to whether the child requires Juvenile Dependency Court protection. The case may be referred back to Family Law Court to conduct a hearing for a visitation order or it can be adjudicated by Juvenile Dependency Court. There are several possible reasons for a case to be referred to Family Law Court for adjudication:

- If the report is substantiated² and both parents have attorneys and there are on-going hearings in Family Law Court
- If the report is unfounded³
- If the report is unsubstantiated⁴.

If the case remains in Juvenile Dependency Court, one of four actions could occur:

² A "substantiated" allegation is one in which the case documentation indicates to the children's social worker that the abuse allegation did, or very likely did, occur.

³ "Unfounded" means that the investigation has lead the Children's Social Worker to determine that the alleged abuse did not occur.

⁴ "Unsubstantiated" means that an absolute determination cannot be made as to whether abuse did or did not occur.

1. DCS could trail the case for further investigation and then either develop a Voluntary Family Maintenance Contract; return the case to Family Law Court; or file a dependency petition in Juvenile Dependency Court. In order to trail an investigation, both parents must agree to trail the matter, and the alleged offender must agree to forego scheduled visitation if it is scheduled to occur during the investigation.
2. DCS and the parents could develop a Voluntary Maintenance Contract, in which both parents stipulate to certain behaviors. These behaviors usually consist of therapeutic services and visitation plans. The contract remains in effect for approximately 12 months.
3. DCS could file a Dependency Petition in Juvenile Dependency Court immediately.
4. DCS could release the child from detention, end the investigation, and return the case to Family Law Court for a custody hearing.

If a dependency petition is filed in Juvenile Dependency Court and the child has been detained, there is an initial detention hearing to determine whether or not it is necessary for the child to remain in detention. At this point, the petition may be dismissed, returning jurisdiction for the determination of custody to Family Law Court.

If the child has not been detained, or once the detention hearing has occurred, a court official will conduct a jurisdiction hearing. At the jurisdiction hearing, a judicial officer will hear the facts of the case and determine if the child requires protection as described in Welfare & Institutions Code (WIC) § 300. If the child does not fall within WIC 300, the petition is dismissed and the case may be heard in Family Law Court.

After, or sometimes at the same time as the Jurisdiction Hearing, the court will hear evidence as to the proper disposition of the child. This is referred to as a Disposition Hearing. The judicial officer will order family reunification services and set custody and visitation orders based on the best interests of the child. The Disposition Hearing must occur within 45 days of the date the petition was filed.

Juvenile Dependency Court is required to review the progress of the sexual abuse case at a 6-month hearing and a 12-month hearing. If orders made in the Disposition have not been followed, the dependency case can be continued for up to 18 months. If the parents and child have completed the orders by the 12-month hearing, the Dependency case will be terminated. At this point, any

Juvenile Dependency Court custody orders will expire and custody will return to the original orders as set forth in Family Law Court.

Criminal Court and District Attorney's Office -- The criminal law process operates completely independent of actions in Family Law and Juvenile Dependency Court. Criminal law cases originate with reports made to a local police department by mandatory reporters, relatives, neighbors, or DCS. Law enforcement agencies are mandated to cross-report child sexual abuse to DCS. At this point DCS conducts a separate investigation.⁵

Typically, a patrol officer will conduct an initial interview of the child to determine if the child is in immediate danger. A police detective will conduct a more thorough investigation to ascertain the facts of the case and the number of criminal counts which have occurred. Depending on the results of this investigation, the police detective can dismiss the matter, arrest the alleged offender, and/or present the case to the District Attorney's (D.A.) Office.

The District Attorney's office will screen the cases to determine if they believe that the case can be proved beyond a reasonable doubt. If not, the D.A. can either drop the case or return the case to the detective for further investigation. If the case passes the initial screening, it is assigned to a prosecutor, who will conduct further investigation and more interviews. The prosecutor must try to determine if the child is able to testify. Usually, if the child is unable to testify, the case will be dropped. If the child is able to testify, the D.A. will file for an arrest warrant and take the alleged offender into police custody.

An arraignment will be conducted within 48 hours and a preliminary hearing is set for Municipal Court. Once in Municipal Court, the case may be dismissed or an arraignment date in Superior Court will be set. The Superior Court trial date is set at the arraignment. If the defendant is found not guilty in Superior Court the defendant is acquitted. If there is a hung jury, the case can be retried, returning to the point of the Municipal Court preliminary hearing. If the defendant is found guilty, there will be a separate hearing to determine sentencing.

2. ***At present, there are differing levels of safeguards in place in each court that may protect fathers falsely accused of child sexual abuse.***

⁵Except if within the jurisdiction of Stuart House multi-disciplinary investigative unit.

Criminal Court - The heightened burden of proof in Criminal Court (i.e., proof beyond a reasonable doubt) serves as a safeguard for false allegations of sexual abuse. The burden of proof in Criminal Court may be contrasted with the burden of proof in Juvenile Dependency Court. This was confirmed by a representative of the District Attorney's Child Sexual Abuse Unit who cited the Court's touchstone for successful prosecution as "sufficient evidence to prove beyond a reasonable doubt to 12 jurors that the abuse occurred." Sufficient evidence includes the testimony of the child victim, medical evidence, and corroboration from a third party.

In a study conducted by Bradshaw & Marks (1990), the researchers found from a case review of 350 child sexual abuse cases that "successful prosecution (in Criminal Court) for child sexual abuse depends upon the presence of strong evidence," such as medical evidence and a statement by the victim. The researchers suggest that this reliance on strong evidence provides some reassurance that false accusations of abuse are not easily prosecuted.

California Penal Code § 11172 acts as a safeguard for false accusations of child sexual abuse. While the section was written to provide immunity from liability to mandatory reporters, the section also holds anyone who knowingly makes a false allegation of abuse liable for damages caused. Specifically, the section states, "Any other person reporting a known or suspected instance of child abuse shall not incur civil or criminal liability as a result of any report authorized by this article unless it can be proven that a false report was made and the person knew that the report was false or was made with reckless disregard of the truth or falsity of the report, and any such person who makes a report of child abuse know to be false or with reckless disregard of the truth or falsity of the report is liable for any damages caused." It should be noted, however, that proof of intent is usually difficult to establish and thus the extent to which this sanction serves to deter false claims is hard to establish.

Family Law Court - California Family Code § 3027 represents a safeguard against false allegations of sexual abuse in Family Law Court. The section, designed to deter avenging parents in Family Law Court, allows judicial officers of the court to invoke monetary sanctions for false accusation of child abuse or neglect and is described below.

"If a court determines that an accusation of child abuse or neglect made during a child custody proceeding is false and the person making the accusation knew it to be false at the time the accusation was made, the court may impose reasonable money sanctions, not to exceed one thousand dollars (\$1,000) and reasonable attorney's fees incurred in

recovering the sanctions, against the person making the accusation. For the purposes of this section, "person" includes a witness, a party, or a party's attorney."

As noted above, establishing proof of intent is difficult. The practical value of this safeguard is hard to establish. We did not receive any data on how often this sanction is actually used.

Juvenile Dependency Court - Children's Services Manual ER-180 sets forth a specific procedure for dependency petition requests in cases where a family law court custody dispute exists. The procedure includes several safeguards to protect fathers facing false allegations. According to information provided by DCS:

- Each Regional Dependency Investigation Unit (or field office) maintains at least one person who is specifically trained in Family Law procedures. When a case is passed from the Emergency Response Unit or Child Abuse Hotline, the pre-filing investigation is assigned directly to one of these specialists who is trained in assessing child abuse allegations arising during divorce disputes.
 - Cases with on-going family law involvement receive automatic pre-file investigations, while investigators of more typical sexual abuse reports may bypass the pre-file investigation altogether. Family members involved in the case are interviewed as part of the pre-file investigation.
 - If the attorney for the accusing parent is interviewed or requests information from the Children's Social Worker (CSW), the CSW is required to notify all attorneys involved in the case.
 - If a CSW makes a recommendation for custody to Family Law Court, the CSW must contact both attorneys representing the parents in the family law action and provide them with the recommendation in writing.
3. ***Data on the frequency of sexual abuse allegations arising during divorce is difficult to obtain and frequently not tracked by agencies involved in the process.***

In trying to determine the frequency with which these allegations occur, we found that this data is very difficult to obtain in Los Angeles County. Of all four organizations involved, DCS is the only organization to track child abuse allegations made during family law proceedings and this is tracked only to the level of child abuse in total, not by specific type of abuse, such as sexual

abuse.

Tracking of these cases is performed by the Intake, Detention, and Control (IDC) Unit of DCS and was initiated for two reasons. First, IDC wanted to ensure that the same caseworker would be assigned a case that may have been cleared once, but was referred for a second time. Second, because these cases are an investigator's most difficult case, the unit wanted to make sure that the same caseworkers were not being assigned the most difficult workload. During interviews, we learned of Family Law Court's intention to begin tracking child sexual abuse allegations that arise during mediation and are subsequently referred to DCS.

4. *Sexual abuse allegations made during divorce proceedings occur relatively infrequently, based on the limited data available.*

Based on data from DCS, we found that out of 18,405 cases investigated by DCS in 1993, only 148 were child abuse allegations coinciding with Family Law Court involvement. Family Law Court involvement is defined as those cases where "the referral was made by a representative of Family Law Court, or there was other documentation in the case to indicate that the family was in the midst of a divorce or custody action at the time of the referral."

This figure constitutes less than one percent of total DCS investigations. The number for sexual abuse allegations is probably even lower, because these 148 cases represent all forms of abuse. Although the 148 cases are not broken down by type of abuse, DCS estimates that 90% are sexual abuse allegations, which translates to 133 cases.

Due to media suggestions that sexual abuse allegations during divorce proceedings is a trend in the family law arena, we attempted to discern from available data if the trend is in fact increasing. Unfortunately, DCS has only tracked child abuse reported from Family Law Court for two years, so trend analysis was not possible. Exhibit 5 illustrates the magnitude of the problem for the years 1991-1992 and 1992-1993.

Exhibit 5 - Magnitude of the Problem

Year	1992	1993
# of Child Abuse Reports Investigated	16,813	18,405
# of Child Abuse Reports Investigated with Family Law Involvement	148	148
Percentage of Child Abuse Reports Investigated with Family Law Involvement	.88%	.80%

Source: Los Angeles County Department of Children's Services

It is important to note that these statistics are tracked manually by the Intake, Detention, and Control Unit of DCS and may account for only those cases which are funneled through IDC at a certain point in the investigation process. Cases that have been referred back to Family Law Court early in the process may not have been accounted for. At present, there is no way to determine the number of cases referred back to Family Law for adjudication, although several of the judicial officials in Family Law Court say they hear these types of cases on a regular basis.

In our review of secondary literature, we found some social science research that supports the validity of DCS data. A study by Thoennes and Tjaden (1990) estimates that sexual abuse allegations arising out of custody and visitation disputes occur in less than 2% of the cases. However, the researchers added that this figure is six times greater than the child sexual abuse allegations reported by the general population.

The volume of Grand Jury complaints and media attention suggests that the number of sexual abuse allegations made during custody disputes constitute a significant problem for DCS and the Courts. However, as the data illustrate, we have been unable to document the extent of this problem. Additionally, some complaints may arise in cases where Family Law Court is no longer directly involved since a final custody order may have been entered several

years in the past. In such cases, if an abuse allegation arises, the system may not recognize the matter as one stemming from a divorce situation for purposes of record keeping and disposition.

5. ***Research indicates that there are multiple reasons for allegations of child sexual abuse made during divorce.***

In many instances, mothers have often been accused of using child sexual abuse allegations as the indefensible allegation made in the adversarial setting of divorce proceedings. One attorney was quoted as saying, "There is no better way to throw a monkey wrench into a divorce proceeding than to allege child sexual abuse. Everything immediately screams to a halt and an entirely different light is cast upon the accused parent. The courts are stuck with what to do with these cases. Most of the time they can't prove it happened and they're afraid to gamble that it didn't. This could become the ultimate weapon in the hands of an aggrieved spouse."⁶

A study conducted by Kathleen Faller, Ph.D. (1989) seeks to categorize reasons for sexual abuse allegations that arise during divorce.⁷ Faller found that there were four major categories:

- 1) Mother finds out about the sexual abuse and decides to divorce her husband
- 2) Long-standing sexual abuse is only revealed during the marital breakup
- 3) Sexual abuse has been precipitated by marital dissolution
- 4) Allegation is false.

In the category of false allegations, Faller explains several dynamics. First, Faller recognizes that the stress of marital dissolution may cause hypersensitivity or distorted perceptions in parents. Second, the parent may be observing behavior in the child that could indicate sexual abuse, but might indicate some other emotional issues with the child (e.g., bedwetting and nightmare before or after visitation with the non-custodial parent). Third, the parent may correctly identify sexual abuse, but falsely attribute it to the non-

⁶MacFarlane K. & Waterman J., et al. *Sexual Abuse of Young Children*. p 122.

⁷Faller, K. "Possible Explanations for Child Sexual Abuse Allegations in Divorce." *American Journal of Orthopsychiatry*, 1991.

custodial parent. Finally, the parent might falsely accuse the father with malicious intent, however Faller points out that these cases are very rare and in her case sampling represent only two percent of the cases.

6. ***Research indicates that there is a potential tendency to prejudge sexual abuse allegations made during divorce proceedings as false. Additional research would be needed to determine whether this is true in Los Angeles County.***

The media and other sources have focused on the natural bias of social workers, child evaluators, and therapists to consider child sexual abuse allegations as true. However, in cases where sexual abuse allegations have been made in the context of a divorce or custody dispute, the bias may be just the opposite. Research and practitioners suggest that there is an unconscious bias to consider allegations of abuse in these cases as false. Reportedly, this is due to the complexity of the cases, and a willingness to attribute these allegations to a scheming, vengeful parent.

According to a study by McGraw & Smith (1992), researchers found that "in many cases the simple knowledge that an allegation was made in the context of a divorce or custody proceeding led caseworkers to prejudge the allegation as false." The researchers attribute this to intimidation by the legal system which led caseworkers to modify their clinical processes for fear of scrutiny in a court setting.

7. ***In comparison to Juvenile Dependency Court, cases adjudicated in Family Law Court have greater expense to parents and fewer court services available to both parents and child who lack the means to fund their own services.***

Exhibit 6 summarizes the resources and costs of family law court compared to those of Juvenile Dependency Court. These resources and costs are described below.

Family Law Court -- Family Law Court does not provide a court-appointed attorney to parents or the child. Evaluation of the allegation of sexual abuse may be performed at cost to the parents, averaging \$1200 to \$1500. For court-ordered visitation, the father must hire a professional monitor whose rates could range anywhere from \$20 to \$30 an hour, unless the father has relatives willing to serve as a monitor. Family Law Court does not issue orders for therapeutic services or counseling subsequent to an allegation or substantiation of child sexual abuse.

Juvenile Dependency Court -- Court-appointed attorneys may be provided to the child, the mother, and the father in Juvenile Dependency Court. Investigation of the sexual abuse allegation is provided at no charge using trained professionals in sexual abuse from disciplines such as investigation, medicine, psychiatry, and social work. If the court orders monitored visitation, DCS provides visitation monitors at no charge to the parents.

Juvenile Dependency Court will order social services to be made available to both children determined to be a dependent of the court and their families. The types of social services available from DCS include treatment, counseling and parenting classes. DCS' Child Sexual Abuse Program (CSAP) provides treatment services to victims and parents in Los Angeles County in both Spanish and English. Central Los Angeles Sexual Abuse Unit provides culturally sensitive treatment to inner-city victims of child sexual abuse, as well as offending and non-offending parents.

Additional court resources include a DCS social worker assigned to each courtroom in Juvenile Dependency Court, and courtroom interpreters are available to non-English speaking clients.

**Exhibit 6 -
Summary of Resources in Family Law Court v. Juvenile Dependency Court**

RESOURCES	FAMILY LAW COURT	JUVENILE DEPENDENCY COURT
LEGAL REPRESENTATION FOR PARENTS	At cost of parents	Court-appointed
LEGAL REPRESENTATION FOR CHILD	None	Court-appointed
INVESTIGATION OF SEXUAL ABUSE	Available at cost to parents \$1200 - \$1500	Available at no cost
VISITATION MONITOR	At cost to father \$20 - \$30 an hour	Provided by DCS
THERAPEUTIC SERVICES	Not ordered by the court	Court-ordered services at no cost Access to special programs in the community
COURT-BASED SOCIAL WORKER	Not available	Available
COURT INTERPRETER	Not available	Available

8. *Many parents involved in custody disputes in Family Law Court have modest economic means and limited education.*

According to the California Snapshot Study on Mediation, a study of Family Law cases, "client reports of employment and income revealed that many had very limited financial resources."⁸ The study found that 27% of the clients were unemployed; and of those employed, the average monthly net income was \$1,680. Thirteen percent of those employed earned less than \$700 per

⁸California Family Court Services Snapshot Study Report 1 - Overview: California Family Court Services Mediation 1991 Families, Cases and Client Feedback. January 1992. p 6.

month. As for education, the study found that 25% of parents had no degree higher than a high school degree and 13% of the parents did not have a high school degree or its equivalent.

Implications of these statewide statistics were explained during interviews. Many people in court do not understand the process, cannot afford lawyers, and do not know how to fill out the necessary court forms. An added barrier to education is that state law prohibits judges and clerks from providing any legal or procedural advice to parents involved in a court case.

According to a representative of the Joint Custody Association, "There is really not a good source for paralegal advice available to men," and it is estimated that half the men involved in a custody dispute can not afford a lawyer. It is believed that many of the poor and uneducated who may be accused of child sexual abuse may simply withdraw from custody disputes due to intimidation by the system and a lack of sufficient resources to defend themselves.

While the extent of this problem cannot be conclusively documented, it is clear that when a claim involving child sexual abuse allegations is adjudicated in Family Law Court, a significant number of parents may not have the economic resources to defend their innocence adequately.

10. *Other California counties are addressing the complexity of this problem with innovative strategies.*

Santa Clara County -- A major issue facing Santa Clara County is the length of time it takes for the Department of Social Services to investigate child sexual abuse reports once a Family Law judge has suspended visitation rights for the purposes of investigation. In order to combat this problem, Family Law judges will appoint an attorney for the child who will represent the child, focusing on the child's deprivation from family members and providing necessary pressure for the DSS investigation.

Family Law judges in Santa Clara County also find it useful to order the psychological evaluation and testing of both parents in cases where sexual abuse allegations are made in the context of a divorce. It is believed that both evaluations provide a well-rounded approach to determining whether or not the abuse actually occurred.

Marin County -- In Marin County, it was reported that Juvenile Dependency Court has been reluctant to file dependency petitions where there is an allegation of child sexual abuse in the context of divorce, unless the disclosure was made by someone other than a parent. The result of this reluctance is that most of these cases remain in Family Law Court for adjudication.

Similar to Los Angeles, the Marin County Family Law Court does not have access to the social services usually necessary for child sexual abuse cases. Family Law judges address this shortcoming by appointing a private lawyer to the child. The private lawyer is paid for by the county only when the parents cannot afford the cost. Typically the judge will make an order to divide the cost of the lawyer between the parents.

San Francisco County -- Family Law Court Services in San Francisco County has been able to leverage the services of a non-profit agency called Kid's Turn, where there is concern for the child's safety due to allegations of child abuse. Specifically, Kid's Turn operates the RALLY project which provides supervised visits for families referred by Family Law Court. The supervised visits provide a safe, neutral environment where students can visit with the non-custodial parent while under the supervision of two trained volunteers.

Families are usually referred to the RALLY Project by a family law mediator. Typically, the mediator issues an order determining who will pay the cost of services and the number of visits. RALLY Project services are intended to be transitional until more permanent arrangements can be made.

Kid's Turn also provides an educational program to help parents and children who are coping with divorce or separation. Children and parents participate in six workshops once a week to discuss issues related to divorce. Children are able to communicate their feelings about the divorce, learn methods for dealing with parental conflict, and learn the basic concepts of the family law legal process. Parents learn how divorce affects children and how to deal effectively with their own emotions during divorce.

San Diego County -- The impact of a 1993 San Diego Grand Jury report on the Juvenile Dependency System has been the adjudication of many child sexual abuse cases in Family Law Court instead of Juvenile Dependency Court. Parents alleging abuse in the context of divorce are now being referred by Child Protective Services to Family Law Court to obtain temporary restraining orders.

The Family Law Court is concerned with adjudicating these cases because Family Law Court lacks the resources that are available to Juvenile

Dependency Court. In particular, the Court cited the inability of its department to investigate, follow-up on court orders, provide trained psychologists, and provide court-appointed lawyers to parents and child.

San Diego County has been able to work with the local Bar Association to assemble a panel of attorneys to represent children in Family Law Court. An individual judge explained the importance of these attorneys in preparing and organizing the evidence of the case so that the family law judge is able to discern the details of the case. In cases where the parents cannot afford to pay the cost of the attorney, the county will pay the attorneys \$40 per hour. This is only a temporary solution to the problem of inadequate resources.

RECOMMENDATIONS

1. The Presiding Judge of the Superior Court should appoint a Child Sexual Abuse Allegation Task Force to consider improving the process in Juvenile Dependency Court of adjudicating all allegations of child sexual abuse arising in the context of divorce. The Task Force should be comprised of judicial officials from both Family Law Court and Juvenile Dependency Court, front-line DCS supervisors, and staff members from the Conciliation and Child Custody Evaluation units of Family Law Court Services.

The goal of the Task Force should be to engineer a system which protects children and provides the most expedient and thorough investigation of sexual abuse. The system should provide adequate safeguards to potentially innocent parents. The system should allow for the provision of therapeutic and social services to victimized children, or children who have been victimized by incorrectly believing that they have been sexually abused. Also, the system should have counseling services available to falsely accused parents, as well as offending parents.

In studying this topic, the Task Force should:

- Continue examination of the process flow for these types of cases. Particular attention should be paid to the hand-offs currently occurring between Family Law Court and Juvenile Dependency Court, the timeframes associated with sub-processes, and the cost of litigation to both the County and the parents.

- Consider additional resource requirements that will be necessary for Juvenile Dependency Court, DCS, Family Law Court, and Family Law Court Services given any changes to the current model.
2. The Presiding Judge of the Superior Court should establish a mechanism to gather information and track child sexual abuse allegations arising during divorce by the Department of Children's Services and Family Law Court. This type of data would not require an automated tracking system and therefore could be tracked manually. Data reports should be disseminated among the Presiding Judge of the Superior Court, the Presiding Judge of Family Law Court, the Supervising Judge of Juvenile Dependency Court, the Supervising Judge of Family Law Court, and the Director of the Department of Children's Services on a semi-annual basis. Data could be used to determine:
- Staffing requirements if an organization can demonstrate that these cases require significantly more resources
 - The need for specialized training in this topic area
 - The need for further organizational specialization
 - Supplementary resources for the provision of additional, or varied social services.

Department of Children's Services -- DCS should track the number of sexual abuse allegations with family law involvement at the Field Office level upon initial investigation. DCS should also track the number of cases that have been returned to Family Law Court prior to adjudication in Juvenile Dependency Court. DCS' Bureau of Executive Services should be responsible for compiling this data.

Family Law Court -- Each of the Family Law Branch Courts should monitor the number of child sexual abuse allegations that arise during divorce proceedings. In addition, branch courts should track the number of cases referred to DCS, as well as the number of child sexual abuse allegations adjudicated in Family Law Court.

3. The Supervising Judge of Family Law Court should consider providing more court-based education to parents in divorce disputes. Court-based education should include:

- The impact of divorce on children
- Family Law background and definition of legal terms
- Child custody options available to divorced parents
- Procedures for reporting child abuse
- Penalties for making a false report of child abuse and the effect on children of making false accusations of abuse
- Community resources available to divorcing parents.

The Superior Court pilot project titled, Parents And Children Together (PACT) affords an opportunity to provide much needed education to family law petitioners. The project entails classroom based education to help divorcing or separating couples cooperate and consider the effects of their situation on their children. Plans are already underway to expand PACT to include the Van Nuys, San Fernando, and Torrance districts of the Superior Court. Serious consideration should be given to further expansion of the program, or the referral of parents in other districts to existing programs.

Another model which may be useful to consider is the Domestic Violence Clinic which retains volunteer attorneys and staff to help explain procedures for securing protective restraining orders. Staff members are available to petitioners of the court to provide legal advice or help fill out required paperwork. Consideration should be given to the establishment of a volunteer resource center to assist unrepresented litigants in custody disputes.

APPENDIX

DOCUMENTS REVIEWED

Benjamin, Robert D. (1991). "Mediative Strategies in the Management of Child Sexual Abuse Matters." *Family and Conciliation Courts Review*, vol. 29, 221-245.

Abstract: Presents the theoretical importance and practical applications of mediative strategies in family conflicts where sexual abuse allegations are involved. Argues that the process of mediation allows for effective conflict management because it is premised on systemic problem solving.

Birns, Beverly & Meyer, Shannon-Lee. (1993). "Mother's Role in Incest: Mental Health/Social Service Issues and Case Studies." *Journal of Child Sexual Abuse*. 2(3), 127-135.

Abstract: Discussion of theories provided to account for father-daughter incest. Critical review of traditional theoretical approaches which stress mothers' contributions to father-daughter sexual abuse.

Bradshaw, Tausha; Marks, Alan E. (1990). "Beyond a Reasonable Doubt: Factors That Influence the Legal Disposition of Sexual Abuse Cases." *Crime and Delinquency*. 36(2), 276-285.

Abstract: 350 child sexual abuse cases were examined to determine the influence of certain factors on subsequent prosecution and conviction of offenders. There was a greater likelihood of prosecution and conviction in child sexual abuse cases in which medical evidence and/or a statement by the offender were available and a shorter interval existed between occurrence and reporting.

California Family Court Services Snapshot Study Report 1 - Overview: California Family Court Service Mediation 1991 - Family, Cases and Client Feedback. January 1992.

Abstract: The report provides initial analysis and descriptive results of the Snapshot study about clients and sessions in 75 family law branch courts during a fixed period in June of 1991. The study gathered information from clients about their family composition, income, background, disputes, allegations and their ratings of their mediation experience.

California Family Court Services Snapshot Study Report 3 - California Family Court Service Mediation 1991 - Client Evaluations of Mediation Services: The Impact of Case Characteristics and Mediation Service Models. January 1994.

California Family Court Services Snapshot Study Report 4 - California Family Court Service Mediation 1991 - Mediated Agreements on Child Custody and Visitation. May 1994.

Corwin, Berliner, Goodman, Goodwin, & White. (1987). "Child Sexual Abuse and Custody Disputes." *Journal of Interpersonal Violence*. 2(1), 91-105.

Abstract: Critical review of A.H. Green's proposed criteria for distinguishing between true and false accusations of incest in child custody disputes. The researchers warn that by relying on Green's methods, practitioners will misdiagnose and fail to protect children who are both sexually abused and caught in custody battles.

Faller, K. C. (1989). "Possible Explanations for Child Sexual Abuse Allegations in Divorce." *American Journal of Orthopsychiatry*, 61(1), 86 - 91.

Abstract: Based on a sample of 136 sexual abuse cases, four classes of sexual abuse allegations in divorce are proposed. Implications for clinical practice are proposed.

Gray, Ellen. Unequal Justice: The Prosecution of Child Sexual Abuse Based on a Comprehensive Examination of Criminal Courts. New York: The Free Press. 1993.

MacFarlane, K. and Waterman, J., et al. Sexual Abuse of Young Children, Guilford Press, New York, 1986, pp 121- 150.

McGraw, J.M. & Smith, H. (1992). "Child Sexual Abuse Allegations Amidst Divorce and Custody Proceedings: Refining the Validation Process." *Journal of Child Sexual Abuse*. 1(1), 49-63.

Abstract: The study examines 18 cases of child sexual abuse allegations which revolved around a divorce and custody disputes. Initially, only 5.6% of the cases investigated were believed to be founded by the investigating sexual abuse evaluation team. Subsequent to applying a standardized clinical process of validation, the number of cases categorized as founded increased to 44.4%.

Mason, Mary Ann. (1992). "Social Workers as Expert Witnesses in Child Sexual Abuse Cases." *Social Work*. 37(1), 30-34.

Abstract: Social workers are increasingly called on to testify as expert witnesses in child abuse cases, both the use of their testimony is often challenged on appeal. A study of 20 appellate court decisions in which testimony of social workers was challenged on appeal is discussed.

Tong, Dean. Don't Blame Me, Daddy: False Accusations of Child Sexual Abuse. Norfolk, Virginia: Hampton Roads Publishing Company, Inc. 1992.

OTHER SOURCES

Commission on the Future of the California Courts. *Justice in the Balance: 2020*. San Francisco. 1993.

County of Los Angeles Department of Children's Services. *1990-1991 Annual Report*

County of Los Angeles Department of Children's Services. *Children's Services Manual: Petition Requests on Cases Where A Family Law Court Custody Dispute Exists*. October 3, 1988.

County of Los Angeles Department of Children's Services. *Children's Services Manual: Petition Requests on Cases Where A Family Law Court Custody Dispute Exists*. CSW Desk Guide. July 28, 1989.

County of Los Angeles Department of Children's Services. Memorandum from Beverly Muench to Peter Digre Regarding Random Sampling of Sexual Abuse Allegation Reports. Feb. 11, 1994.

National Center on Child Abuse and Neglect. *National Child Abuse and Neglect Data System - Working Paper 2: 1991 Summary Data Component*. May 1993.

LAWS/RULES

California Penal Code Section 11165.1

California Welfare and Institutions Code Section 300

Los Angeles Superior Court Rule 2.6

California Welfare and Institutions Code Section 304

California Penal Code Section 11172

California Family Code Section 3027

C. GRAFFITTI

BACKGROUND

No crime against property and few crimes in general produce such passionate visceral response as does graffiti vandalism. Reactions to recent events in Singapore illustrate the depth of public anger over graffiti, leading to calls by some that similar harsh punishments be inflicted upon local offenders. The apparent willingness of vocal portions of our community to apply these measures for a property crime seems thinkable only when discussing graffiti. Yet graffiti has been present in most cultures throughout recorded history and some graffiti has generally been tolerated though rarely encouraged. However, most people have little trouble identifying graffiti that is unacceptable at any time. This graffiti can be identified by its destructive component, either destructive to the property on which it is inscribed or destructive to the community in the message it contains. This can be called graffiti vandalism.

Graffiti vandalism costs Los Angeles County citizens uncounted millions of dollars each year. In addition to the costly efforts to restore property damaged by graffiti vandalism, extensive neighborhood graffiti lowers property values, drives away business, instills fear, and generally lowers the quality of life for all. In recent years graffiti "wars" have led to increased violence and the deaths of both taggers and property owners. Graffiti vandalism has appeared in increasing frequency on Southern California freeways, obscuring signs, causing traffic delays, and spreading the image of a problem out of control. In direct response to the spread of graffiti vandalism, local community groups with the sole purpose of combatting graffiti have been formed throughout the County. Budget limitations, personnel reductions, and necessary priority choices by public agencies have made the work of these community groups even more important. To maximize the effectiveness of these groups and better utilize reduced public resources, it is essential that efforts be coordinated.

In May 1993 the Board of Supervisors sponsored a "graffiti summit" which brought together representatives of public and private agencies to exchange information on the problem of graffiti eradication. The County Administrative Officer (CAO), the Multi-Agency Graffiti Intervention Committee (MAGIC), and the Countywide Criminal Justice Coordination Committee (CCJCC) Interagency Gang Task Force were directed to research and prepare a feasible countywide graffiti eradication plan. The group examined information provided by the summit and other sources including submissions from 84 of 88 cities in the county. Meeting with various groups and agencies the information was consolidated to produce a Countywide Anti-Graffiti Plan (Plan) which was

adopted by the Board of Supervisors on September 28, 1993. The Plan report contains information on all facets of the problem of graffiti and its recommendations show a thorough grasp of both the resources and limits of public efforts to eradicate graffiti vandalism.

The primary focus of the committee study was the cooperation and coordination of public and private agencies and, with the adoption of the Plan, most of the questions were answered. This report does not seek to duplicate the information contained in the Plan nor simply restate its findings and recommendations. While progress has been made in implementing the Plan's recommendations, too little time has elapsed for statistical data to be gathered to test the Plan's effectiveness. The Committee has reviewed information from various sources in addition to the Plan (most of those sources participated in formulating the Plan).

PROCEDURES

To examine the problem, committee members read available literature, reports of new techniques, and methods of graffiti eradication. Members toured city streets and observed graffiti clean-up in progress. Interviews were conducted with public officials and private citizens involved in programs to combat graffiti. Additionally, members observed community and city council meetings and discussed concerns with local police and municipal workers. Local and regional news media kept the committee apprised of citizen involvement and interest.

FINDINGS

Coordination

The clearest signal given by any study of graffiti eradication is that no one program or approach will solve the problem. It is complicated by social, economic, emotional, and cultural factors affecting both the causes of graffiti vandalism and the efforts at its eradication. Because of this complexity, frequently persons and agencies involved in graffiti eradication see only one facet of the problem which limits the effectiveness of corrective programs. It is for this reason the Plan designates the MAGIC as the lead agency and directs it to act as a clearinghouse of information and a coordinator of multi-jurisdictional efforts. There are three elements necessary for any effective eradication program: Prevention, Abatement/ Cleanup, and Apprehension/ Punishment. All three of these elements must be present in any coordinated

plan. No one element can accomplish the job by itself. Each element serves to complement the others and thereby increases the effectiveness of each of them.

An effective prevention program will make cleanup easier and effective. Appropriate punishments will do much to prevent further graffiti vandalism. This is an essential fact that cannot be overstated. As effective as cleanup programs are in diminishing the amount of visible graffiti, all of the thousands of hours put into graffiti cleanup will be futile if prevention programs are neglected. The courts and public prosecutors must continue to explore creative ways to get the attention of graffiti offenders. Prevention and cleanup programs sometime serve only to frustrate offenders; there is a need to motivate behavior changes also.

Eradication programs need to be directed to the causes of graffiti vandalism and not merely its effects. To do this effectively, experts divide most graffiti into three broad categories:

Hate Graffiti - which is the least prevalent. This type is characterized as being specifically directed at racial, religious, political, or ethnic groups.

Gang Graffiti - The prominent display of gang names and symbols to designate territory claimed by a street gang to proclaim superiority, memorialize members and challenge enemies, including the police. This graffiti, while localized, is often pervasive in a neighborhood and the most difficult to permanently eradicate.

Tagging Graffiti - Non-territorial type of graffiti vandalism is the most commonly seen in the County. Operating either individually or in loose groups known as "crews", taggers seek recognition by inscribing their identifiable markers or "tags" on objects with the greatest visibility, such as on buses, freeways, high buildings, and billboards. Taggers frequently affix their own tag and that of their crew; often whole crews will pass through an area tagging every surface possible. Some individuals apply elaborate spray paint designs and consider themselves artists. It has been estimated that as many as 3,000 taggers may be operating in the San Fernando Valley alone. Recent trends indicate some tagging crews are adopting the behavior of traditional street gangs and the incidents of violence have risen dramatically.

Eradication programs in the County are still unevenly distributed and few have sufficient resources to support fully integrated anti-graffiti approaches. The Los Angeles County Department of Public Works (DPW) provides funds to more than a dozen community groups for graffiti abatement. The DPW will spend

approximately \$1.2 million on graffiti removal which is far less than the \$13 million spent by the Metropolitan Transit Authority (MTA) and the \$3 million spent by CALTRANS in Los Angeles and Ventura Counties. Insufficient funding for graffiti eradication continues to be a major concern.

One of the few integrated eradication programs is Los Angeles Police Department's (LAPD) Community Tagger Task Force (CTTF) operating in the San Fernando Valley. Activated last year, the program is a model for regional cooperation. Combining active encouragement of citizen involvement, commitment of police resources, and vigorous prosecution of taggers, the CTTF has made inroads into the graffiti problems in the Valley including the felony arrest of members of several major tagging crews. The success of the CTTF program illustrates the importance of uniting all three elements of eradication efforts in a cooperative and coordinated program. In East Los Angeles the County has established a "Zero Tolerance" pilot program which calls for the mobilizing and refocusing existing community resources in a coordinated and sustained commitment including prevention, education, and enforcement, to create a graffiti free environment. If successful, similar programs will be implemented and expanded in each supervisorial district.

Abatement

Abatement programs appear to give the most immediate relief for a community. Labor intensive, largely dependent upon volunteer citizen participation (though increasing numbers of convicted taggers and gang members are being sentenced to community service in graffiti abatement programs), and routinely plagued by shortages of equipment, these programs can make a major difference. Frequently, a diligent paint-out/removal program can have a long term impact. One active program participant reported that as a rule, "If you remove graffiti within two days it will remain off for two months; if you leave it up for two months before removal, it will be back within two days." Except in areas where graffiti vandalism is rare, abatement programs are not sufficient in themselves to eradicate graffiti. For some, the seeming futility of paint-out programs causes frustration as the graffiti continually reappears each time it is removed and some argue that the time and money spent on clean-up should go to prevention programs. That approach, however, would do nothing regarding the graffiti already present and would abandon many areas of our cities to decay. As one citizen expressed it, "Graffiti is a cancer that drains the pride from a community." If nothing else, citizen involvement in paint-out programs builds a sense of community and helps bring people together.

Prevention

Prevention programs equally involve both the public and private sector. While the public agencies concentrate on alleviating the causes of graffiti vandalism by addressing youth development and parent counseling programs, private property owners and communities at large can take steps to protect their neighborhoods through the establishment of neighborhood watch groups and making physical design changes. Owners can make their property less accessible and inviting by erecting barriers to roof tops, increasing exterior lighting, planting vines and vegetation to block off wall surfaces, using pattern painting or dappled paint to "hide" graffiti, and using specialty coatings which resist graffiti application. Retailers, even in cities without ordinances requiring it, can lock up paint and graffiti implements and participate in anti-graffiti support programs such as R-TAG (Retailers Together Against Graffiti). Some successful public agency and government prevention programs include:

- Establishment of curfews: These are controversial and subject to legal challenges but cities such as Norwalk report up to 70% reduction in graffiti. Santa Clarita and Inglewood also report improvement following the adoption of curfews.
- LAPD'S Jeopardy and the Los Angeles County Probation Department's GAPP programs have proven effective in identifying youth at-risk of gang involvement and diverting them into less destructive activities.
- CALTRANS and MTA have developed educational programs to be brought into the schools. LAPD's DARE program and the Los Angeles County Sheriff's Department's (LASD) SANE program already in the schools have been adapted to cover graffiti prevention.
- Many cities operate youth programs providing the opportunity for involvement in sports and social activities. Unfortunately, in a time of reduced government revenues, some cities are unable to continue these programs.

Prevention programs are among the most costly methods of graffiti eradication but are essential for its ultimate success. Prevention programs require the dedication and commitment of professionals trained in youth intervention. Changes in society and loss of funds have reduced the effectiveness and availability of traditional youth programs once provided by schools, churches, and parks. With the number of working single parent families increasing more youths are without proper supervision for much of the day.

Enforcement

Tapping into public anger over graffiti vandalism, community groups have provided effective assistance to law enforcement in the apprehension of taggers, gang members, and other vandals. Grass root efforts in neighborhoods have forged close cooperative ties with law enforcement. Anti-graffiti groups, armed with radios, have manned roof top stakeouts and contributed to the arrest of several major graffiti offenders.

In November 1993 the County established an 800 hotline number to solicit reports of graffiti and information on taggers and their crews. In five months of operation the hotline has received over 400 calls to either report graffiti, request information about anti-graffiti programs, or offer information leading to the arrest of graffiti vandals. Operated by WE TIP, the program offers rewards for successful prosecution of graffiti offenders. Some cities have experimented with reward programs.

In Palmdale a cash reward program was replaced by one which awards goods from local merchants to persons whose information led to the arrest of a graffiti vandal. Some cities and agencies have begun to bill parents for the damages caused by their children or to order parents to accompany their children as they perform court ordered community service. There has also been an increase in civil and criminal actions taken against parents. Recent changes in state law have given law enforcement agencies new tools to deal with graffiti offenders. But most importantly there has been a commitment on the part of law enforcement and the juvenile justice system to create programs directly addressing graffiti.

The District Attorney has pledged resources to graffiti eradication and his office has been a leader in coordinated planning. It is hoped that lower felony standards and increased penalties for misdemeanor offenses will provide greater deterrence and invigorate law enforcement to actively pursue graffiti violaters. However, law enforcement is severely impacted at every level and hard choices will have to be made whether to use limited resources to pursue the high volume of violent crime. The juvenile justice system has been experimenting with certain fast track procedures to speed the handling of graffiti cases using Juvenile Traffic Court citations for lesser offenses and establishing policies for dealing with more costly ones. Additionally, the Juvenile Court will attempt to improve communication between elements of the juvenile system to ensure appropriate handling of each case.

Future

As stated by the CAO, the Board of Supervisor's adoption of the Plan signals a transition of County efforts from policy, planning and development to program implementation. Coordinated, concentrated efforts by local and state government bodies working with community groups, private industry and individuals is necessary to make efficient use of scarce resources. In parts of the County people have little sense of control or confidence about the life they face in the neighborhoods in which they live. The comments of a LAPD sergeant are worth repeating, "When people in this district see that a gang has spray-painted its initials on all the stop signs, they decide that the gang, not the people or the police, controls the streets. When they discover that (it takes) three months to replace the stop signs, they decide that the city is not as powerful as the gang."

FINDINGS SUMMARY

The Committee found the Countywide Anti-Graffiti Plan to be exceptionally well-envisioned, well-organized and most importantly "do-able". The Committee highly commends those involved in its preparation. The plan appendices contain extremely valuable reference and referral data deserving countywide dissemination to all public and private agencies. The reference and referral information should be extracted, updated yearly and prepared in pamphlet format for distribution, perhaps funded by corporate sponsorship.

The day-to-day operation of the Plan has been given over to the DPW. The Board of Supervisors has shown commendable leadership in the establishment of this plan and this support must now continue during its implementation. The added duties and responsibilities of the DPW will require additional funding if the Plan's goals are to be achieved.

The MAGIC appears to be effective in its role of facilitation and coordination of anti-graffiti efforts and the dissemination of information relating to graffiti eradication but its continued effectiveness may be hampered by its lack of permanent staff or budget. Founded by CALTRANS in 1991, and having broad based representation of most agencies and departments involved in the fight against graffiti, the choice of MAGIC as lead agency was a deliberate attempt to avoid additional costs of administration and organization. While there is no interest in creating a new bureaucracy there is a need for greater logistical support. MAGIC is currently chaired by the deputy district attorney in charge of the Juvenile Branch in Pasadena, who provides unfunded services to the agency on a "time available" basis with the support of the Los Angeles County

District Attorney. In the absence of available funds, other departments and agencies should be encouraged to provide personnel and support services to MAGIC.

The effectiveness of MAGIC in providing information and referrals could be enhanced with increased participation of additional municipalities, agencies, and private organizations. The participants in MAGIC gain tremendously from the exchange of information and the regional coordination of activities. The current fiscal environment demands the sharing of resources as a means of multiplying the effectiveness of any single program.

There is a shortage of statistical data gathering in the area of graffiti eradication that is useful in evaluating program effectiveness. Methods are needed to evaluate the comparative benefits, cost effectiveness, and impact of eradication programs such as curfews, rewards, zero tolerance, R-Tag, etc. Systems such as the Juvenile Automated Index (JAI), Gang Reporting Evaluation and Tracking (GREAT), and Tagger and Graffiti Network Enforcement Team (TAGNET) provide law enforcement agencies with the means to compare information on tagger activity that crosses jurisdictional lines and tracks contacts with specific offenders over time. These systems can provide some information on the effectiveness of diversion programs aimed at those target groups but more data is needed.

There is a need for specific effort for the suppression and elimination of graffiti from and in public buildings. Revenue shortfalls have cut into maintenance budgets in most jurisdictions preventing rapid graffiti removal. Each public agency should prepare a graffiti policy designating a single office or person to receive reports of graffiti and direct its removal. All employees should be made aware of graffiti suppression and encouraged to report any incidence of graffiti as soon as possible. In addition, agencies should explore the possibility of establishing volunteer graffiti eradication teams at their place of work to assist in graffiti removal. As an old axiom has it, "That which is owned by everyone is cared for by no one." Public agencies should encourage employees to have pride in their work place.

Graffiti taggers frequently seek out places with the highest visibility to apply their tags. This is often on billboards, freeway signs and overpasses, tops of buildings and other elevated surfaces. This type of graffiti is often the most expensive to remove due to its location and the need for specialized equipment. CALTRANS reports that most of its equipment is currently involved in repairing earthquake damage. Due to its greater impact, this graffiti should be given a high priority for removal despite the higher cost.

Public agencies and private organizations cannot enter onto private property to remove graffiti without the owner's permission. Some cities have adopted ordinances whereby abatement notices may be sent to the property owner demanding removal of the graffiti or allowing public agency access to the property. Due to the length of time and cost involved in pursuing such matters if opposed by the property owner these legal procedures are rarely used. Most property owners will cooperate with graffiti removal by public agencies as long as the property owner does not have to pay. The graffiti often remains until a public agency or private volunteer group will pay for its removal.

The WE-TIP Stop Graffiti Hotline was established countywide in November 1993. The hotline was originally funded with contributions from private industry, CALTRANS and MTA. The CAO was directed to seek outside funding sources to continue this service.

Graffiti vandalism is a blight on our neighborhoods. Its presence, if allowed to remain, has been shown to lower property values, drive customers away from shopping districts, and lower the quality of life of residents by instilling fear and encouraging criminal behavior. Utilization of community redevelopment agency CRA tax increment funds in cities having such redevelopment projects would seem appropriate.

RECOMMENDATIONS

The Grand Jury recommends that the Board of Supervisors:

1. Maintain its support of the implementation of the Countywide Anti-Graffiti Plan and the adoption of the recommendations it contains by providing necessary transitional funding to departments as needed.
2. Continue to publicize and promote participation in MAGIC to local governments and private industry and encourage state and federal agencies involved in the suppression of graffiti to join.
3. Allow and encourage all departments and agencies under their authority participating in MAGIC to make human and material resources available to MAGIC.
4. Request MAGIC prepare the reference and referral information contained in the appendices to the Countywide Anti-Graffiti Plan Report for publication and wide distribution if funds become available.

5. Request MAGIC encourage its members to develop useful, uniform statistical measurements to evaluate graffiti eradication efforts. This statistical information to be collected, collated, and distributed to all members.
6. Request MAGIC recommend to all of its members that highly visible graffiti tagging, especially on elevated surfaces, be given top priority for removal despite the higher costs involved.
7. Request CALTRANS gradually implement a zero tolerance program on Los Angeles County freeways. The greater impact of freeway graffiti justifies the increased emphasis.
8. Request MAGIC and CALTRANS work together to increase the visibility and public awareness of the Stop Graffiti Hotline number available to cellular telephone users while driving the freeway. A suggestion is the addition of an informational sign on the "Adopt a Freeway" sign posts. (Funding to be provided by the sponsor.)
9. Encourage local governments and agencies to work together through MAGIC to share the resources of specialty equipment, such as snorkle trucks, for the removal of graffiti from elevated surfaces.
10. Direct the DPW and other departments under its authority, to undertake a pilot program to establish volunteer employee graffiti abatement teams in selected County operated buildings. If the programs prove successful they should be extended to all County owned and operated buildings and recommended by MAGIC for adoption by its members agencies.
11. Encourage cities having CRA projects to use tax increment revenues to fund graffiti eradication programs that will seek to eliminate graffiti vandalism within their redevelopment zones.
12. Direct the County Counsel to determine if tax increment revenues generated by CRA projects may be solicited and utilized to fund graffiti eradication programs of the District Attorney and Juvenile Court or to support cross-jurisdictional programs for the identification and tracking of graffiti vandals.

SUBCOMMITTEE MEMBERS

Stanley Saperstein
Thomas Yacenda

D. LOCAL DETENTION FACILITIES

BACKGROUND

The Los Angeles County jail system is the largest in the nation with a daily inmate population in excess of 20,000. Each day the Los Angeles County Sheriff's Department (LASD) transports more than 1500 inmates from county and municipal jails to more than 40 court locations for arraignment, preliminary hearing, or trial. Another 40 arraignments are conducted by two-way video. The average length of time in custody for each inmate is 32 days.

In addition to the County operated jail system, 44 municipalities operate detention facilities with a rated capacity of more than 1,800 beds. Approximately 60% of the average daily inmate population is held in pre-trial confinement. The County also confines over 3,600 juveniles in 22 facilities.

The County currently operates two Type III and five Type II major facilities under court-ordered population caps. The remainder of the detention facilities in the County are Type I or Temporary Holding facilities. The current County budget allocated \$248.25 million to the LASD for operation of the County jail system.

PROCEDURES

The inspection of jails and detention facilities comprises a major effort of the Grand Jury each year. The Criminal Justice Committee Committee was assigned the responsibility to organize and direct Grand Jury activities in this oversight area. Committee members reviewed an inspection handbook prepared by prior grand juries which contains inspection forms, regulations, a glossary of terms, and suggested inspection procedures. This handbook is updated yearly.

The Committee consulted representatives of the State Board of Corrections, state and county health departments, and the American Civil Liberties Union (ACLU), which monitors county jail overcrowding following the court ordered population limits. (Rutherford decision)

The Committee divided the County into four geographic regions, identified the facilities in each region, and established the date of the last Grand Jury

inspection for each. The Committee identified 167 facilities and earmarked approximately 30 for priority inspection. Committee members, in teams of two or more, visited the facilities unannounced, inspected the physical condition of the facility, observed facility operations, reviewed required records, and interviewed facility management. A list of facilities visited is provided in an appendix to this section.

As a body, the Grand Jury visited Los Angeles Police Department's (LAPD) Parker Center, LASD's Men's Central Jail, Sybil Brand Institution for Women, and the Peter J. Pitchess Honor Rancho, and received briefings on their operation from management and staff. Additionally, the Grand Jury heard presentations from representatives of the Superior Court, LASD, LAPD, and the Los Angeles County Probation Department which provided information on the issues and problems inherent in the operation of custodial institutions and challenges of responding to changes in public policy and criminal activity.

FINDINGS

While the inspections did not indicate any facility operating below acceptable performance standards, they did expose a system imperiled by age, overcrowding, lack of funds, and hard usage.

Capacities

The 1992 State Board of Corrections Report to the Legislature determined that Los Angeles County required over 11,000 new and replacement beds to comply with Board standards, at an estimated cost to the County of \$300,000,000. The long-delayed openings of the expansion to Men's Central Jail and the Lynwood Regional Justice Center will add over 3,000 beds to the system that are sorely needed. It was reported that budget limitations and hiring restrictions are the primary reasons for the delayed openings.

Public policy changes calling for longer and more certain incarceration for convicted offenders will make increasing demands on the major facilities in the County. It has been suggested that the new "Three Strikes" sentencing provisions will also increase populations of pre-sentenced inmates as more suspects choose trial rather than pleading guilty to receive a less than life-term sentence. No estimates of the possible growth in jail populations as a result of these concerns has been made.

The condition of Type I municipal facilities, temporary and court holding facilities, is often below state standards due to age. Few municipal and court

facilities have been constructed or remodeled in the last ten years. Facilities built before 1978 are exempt from new physical plant requirements and are subject to the codes in place at the time they were built. However, it has been the Committee's experience that all facility managers interviewed attempt to comply with current state standards whenever possible.

Notwithstanding such efforts, many facilities lack sufficient space for supplies, using available space in corridors and common areas to store necessary equipment. Besides reducing open space, this practice creates visual clutter and the appearance of a less than professional operation. Tight quarters, even in facilities that hold detainees for only a few hours, increase the danger to custodial personnel and increase the possibility of dangerous confrontations between prisoners. This problem is compounded in older facilities which may have closed portions of their facility for fire and life safety reasons.

Cleanliness

Money and manpower shortages have placed maintenance on a low priority at many facilities. The daily workload often prevents staff from removing the normal accumulation of rubbish during the day. Generally, from inspection reports, among larger Type I facilities, the LASD maintains the best level of cleanliness. This is probably due to the use of trustees to perform maintenance. Those municipalities using inmate or community service workers also exhibited high standards of cleanliness and general maintenance. LAPD facilities routinely scored lower on Committee visits than other facilities but never below acceptable standards.

Graffiti continues to be a problem at some facilities. This is especially evident in many court holding cells where defendants have access to pencils preparing for court appearances. In a few instances authorities have been able to identify and prosecute individuals for defacing cells while in custody. Well maintained, clean facilities seem to attract less graffiti and defacement than those with a less than professional appearance.

Staff

All facilities visited appear staffed by adequately trained personnel meeting state Title 15 requirements. The merger of the Los Angeles County Marshal's Office with the LASD has not caused any apparent changes in the operation of municipal court holding facilities. Committee members generally received complete cooperation and courteous treatment from management and staff at the facilities visited.

Racial Violence

In January 1994 the Peter J. Pitchess Honor Rancho experienced the worst series of inmate disturbances in its history. On January 9, 1994 as many as 800 inmates at the North County Correctional Facility (NCCF) battled each other as deputies sought for eight hours to quell the melee. The January disturbances were only the largest of many racially motivated fights that have been commonplace in the last few years. In 1993 over 400 inmates and a dozen deputies were injured in racial violence between Hispanic and African-American inmates.

The Peter J. Pitchess Honor Rancho complex holds one-half of all the inmates in the Los Angeles County jail system, over 10,000 prisoners on a daily average. Built to house less than 6,000 inmates, the complex maintains an inmate to guard ratio which is one of the highest in the nation. Staffing shortages are a contributing cause to the outbreak of violence. Inmates are held in five separate facilities from minimum to super-maximum security. Approximately 6,500 inmates are identified as requiring maximum security.

For years the transient nature of the County jail population (average length of stay 32 days) was thought to have prevented the turf battles prevalent in state and federal prisons. However, it has been reported that racial hostilities are so intense that gang rivalries are being set aside as disturbances are being fought along racial lines. The recent violence at the jails has been transported to some courthouses along with the prisoners.

There are several reasons given for the violence and not everyone agrees which is the primary cause. What all parties do agree upon is that no one has yet discovered a workable plan to stop the escalating violence. Some experts reportedly believe that at present, the current round of violence may be unstoppable.

Jails are reflective of the society that maintains them and makes up their populations. Animosity of the streets are carried into the jails where they are exacerbated by gang involvement, overcrowding, and the change in jail demographics. From jail the violence moves throughout the justice system and ultimately back to the streets and even down into the schools. The fighting has been called a "barometer" of what is happening in the streets.

Since 1991, African-American inmates no longer constitute a majority of the jail population and currently are outnumbered 2 to 1 by Hispanic inmates and have been victimized in some of the recent incidents. The violence in the past

has been called a "power struggle" for domination inside the jail system. Some of the violence is attributed to an attempt to take control of street drug distribution and sales outside the jails by means of intimidation.

As an immediate curb on the violence, the LASD has concentrated on segregation, lock-downs, and inmate discipline and hopes that behavior modification and self-help programs may provide long term benefits. Yet experts counsel not to expect even a temporary solution in the immediate future. The LASD has consulted outside resources, including the ACLU, church and community leaders, the County Institutional Inspections Commission, the Amer-I-can Program, and drug and alcohol rehabilitation programs to help develop workable proposals. Internally, the permanent Inmate Disturbances Task Force has seen its promising Progressive Housing Program limited by budget shortages. The program offered cooperative inmates progressively better accommodations and privileges. A lack of financial resources for capital improvements prevents any modification to the dormitory style housing at the complex which allows for the potential involvement of large numbers of inmates when a disturbance occurs.

Racial segregation of inmates is not considered a viable long term solution for either practical, philosophical, or legal reasons though downtown's Men's Central Jail reports some success at identifying and separating inmate leaders from the general population. There is insufficient capacity in the system to segregate prisoners either by race or potential for violence. Segregation could not extend to either the courts or buses in which inmates are transported, both recent sites of violent confrontations. The search for new ideas continues but no jail solution will solve problems that exist outside its walls.

Juvenile Facilities

The Los Angeles County Probation Department Juvenile Institutions Bureau maintains 22 detention facilities with an average daily population of over 3,700 juveniles between the ages of 13 and 18. There are 3 juvenile halls, 18 probation camps, and the Dorothy Kirby Center which handles evaluation and placements. The juvenile halls house pre-sentenced offenders and disciplinary referrals from the probation camps. No rehabilitation programs are generally offered to detainees while housed in the halls. Once sentenced, the juveniles are evaluated and placed in one of several different specific-focus program camps. The Juvenile Institutions Bureau operates drug diversion boot camps, a sports camp, and fire fighting and work camps along with the multi-camp Challenger facility in Lancaster.

Committee members visiting the camps were impressed with the efforts

expended to reach the youthful offender and explore ways to build their esteem. The attempt is to provide them with education, motivation, and skills such as anger management to avoid repeating self-destructive behavior when released back to their homes and communities. Additionally, there is hope to restore the aftercare program to provide a support system for youths transitioning from custody to independence.

Throughout the system the emphasis is on prevention of repeat offenders. Research is under way to develop procedures to identify those most likely to be repeat offenders to better direct resource allocation. As an example, recent studies performed in the state prison system indicate 80% of all inmates were born of teenage mothers. Drugs and gang involvement continue to be the factors most commonly identified in the youthful offender. While the average client of the Probation Department Juvenile Division is a 16 year old property offender, 80% of all detainees have a history of drug use and 20% are charged with drug related crimes. About 12% of the total are female.

Committee members highly commend the educational programs operated in the camps. New arrivals are classified and placed in an education program geared to their skill level. The motivated teaching staffs have developed innovative and challenging programs incorporating classroom computer learning and skills training. Of special note is Operation Graduation which seeks to recognize and reward goal directed achievement with a yearly public graduation ceremony.

The physical evaluations of the facilities generally reflect their relative age. Newer facilities, such as the Challenger Camps, are impressively maintained and reflect a high degree of pride and professionalism. Recent budget uncertainties had negative impact on some of the older facilities. In several cases maintenance had been deferred while decisions to close or keep open some of the camps were being made. All facilities showed a pro-active graffiti prevention and abatement program though occasionally defacement does occur. Facilities do not segregate by gang affiliation as a rule and a point system for rule compliance has proven very effective.

One inspection team expressed serious concern for the security and safety of parents, victims, and witnesses at the Ingelwood Juvenile Superior courtrooms. There appears to be only one security officer for the entire building and, being open to the public, the waiting rooms offer no safety from possible threats and intimidation by gang members or friends of the defendants. In addition, the team noted the dilapidated condition of the courtroom building. Courtroom spectator seating was torn, broken, and in disrepair. Hallway seating varied from beach chairs to old hardwood straight-backed chairs. Paint was peeling from the walls in several locations. The team informed appropriate authority of

the conditions noted at the site and their concerns received a favorable response.

During the inspections of correctional institutions by the Committee no group received higher ratings, or more uniform praise, than the men and women serving in the juvenile institutions. Their dedication, good humor, professionalism, and obvious care for the youth placed in their charge, was always apparent. In April, a veteran probation officer was killed during an escape from the Dorothy F. Kirby Center. This was the first probation department officer to be killed in the line of duty. The death serves as a poignant reminder of the changes occurring in our communities and the increase in violence in our lives.

The Probation Department has long had justified pride in their policy of not carrying weapons in their facilities. A safe and secure environment, free from the threat of violence common to the daily lives of many of the youths, aids the staff in reaching these children and helps teach them that violence is not the only response to anger and frustration. In recent years increasing juvenile violence has caused some to question this policy. Violent crime is appearing in younger populations than in the past and some believe offenders are becoming inured to its presence. Today, unarmed juvenile probation workers are daily facing increasingly dangerous and volatile minors yet continue to perform their duties with compassion, understanding, and a commitment to the youths in their care.

Inspection Standards and Practices

Local detention facilities operate under standards set forth in California Code of Regulations Titles 15 and 24, relevant portions of the Uniform Building Code, and Health and Safety Codes. Compliance with the standards of Title 15 is voluntary and reliant upon the commitment of local jurisdictions to the operation of jails in a reasonable and professional manner.

Several agencies and groups conduct inspections of detention facilities in the County though none have the broad authority of the Grand Jury. The State Board of Corrections conducts biennial inspections of detention facilities and reports compliance to the Legislature. The next report, for inspection years 1992-93, is scheduled for release in May 1994. Eighty per cent of the Board's inspection is in the area of Policy and Procedures which receive most inmate and advocate complaints. Local health and fire departments make annual inspections of facilities in areas of sanitation, food preparation, health services, fire and life safety. In Los Angeles County, the Institutional Inspections Commission reports to the Board of Supervisors on conditions in County run

facilities.

The Committee sought contact with each of these agencies to coordinate inspections, avoid duplication of efforts, exchange information, and receive advice and training. In addition, representatives of the ACLU were contacted to provide information regarding their role as court-ordered monitors of jail overcrowding. The Committee received cooperation from all organizations except the Institutional Inspections Commission with whom the Committee was unable to make contact.

The Board of Corrections was most helpful, providing a copy of the most recent Report to the Legislature, copies of Titles 15 and 24, and draft changes to compliance standards scheduled for implementation in May 1994. Significant changes in these standards will include: increasing allowable time in custody in Type I facilities from 48 to 96 hours excluding holidays, increased training requirements for custodial personnel, increased implementation of written policies and procedures in the area of administrative segregation and health screening, increased medical responsibilities, reduction of hot meals required in some facilities from 2 to 1 per day, and changes in computation of allowable inmate capacity. The Committee requested final copies of these changes be sent when available, along with the Board's Report to the Legislature when published.

Each Grand Jury starts its term with a mandate to inspect detention facilities but with very little information and training in the performance of this mandate. Some information is provided in the Jails Inspection Handbook maintained by the Grand Jury but the Committee identified several additional reference and training resources which should be available at the beginning of each Grand Jury's term.

In addition to copies of Titles 15 and 24 and other applicable codes, the following material would be useful:

- State of California Board of Corrections Guidelines for the Establishment and Operations of Local Detention Facilities
- State Board of Corrections Report to the Legislature (current edition)
- Annual Report of Los Angeles County Inmate Welfare Fund
- Reports of the Los Angeles County Institutional Inspections Commission, Health Department, Fire Department on local detention facilities

In addition to very useful reference data, the Board of Corrections report contained information regarding training resources available to the Grand Jury. According to the report, the Board provides specialized training to select audiences, as requested, including jail managers, local health departments, and grand juries. The Board is required to make copies of their written inspection reports to the detention facility administrator, the county or city chief administrative officer, the presiding superior court judge, and the grand jury. These reports can be very useful to jurors untrained and inexperienced in inspections.

RECOMMENDATIONS

The Grand Jury recommends that the Board of Supervisors:

1. Commit necessary funds to the LASD to hire personnel and provide operating expenses for the new Central Regional Detention Facility (Lynwood Regional Justice Center) and the expansion of Men's Central Jail (Twin Towers) in order that they might open as soon as possible.
2. Direct LASD to instruct all detention facility managers, especially court holding facilities, to make graffiti abatement and prevention a priority and utilize anti-graffiti paint or coatings when repainting cells.
3. Identify racial violence in the jail system as a critical concern and respond favorably to proposals of the LASD Inmate Disturbance Task Force by providing funds to implement potential solutions such as the Progressive Housing Program.
4. Direct the Los Angeles County Probation Department to conduct a security audit of all juvenile facilities and suggest steps to be taken to improve the safety of personnel. Upon completion of the security audit, the Probation Department should examine the question of authorizing the use of personal defense safety equipment by probation officers.
5. Ensures that the Grand Jury is placed on the distribution lists of relevant inspection reports and information on legislative and administrative proposals relating to the operation of local detention facilities.
6. The Grand Jury recommends that its successors contact the State Board of Corrections each year to request inspection training assistance and to receive information on emerging issues regarding local detention

facilities. It also recommends that, in addition to agencies with regulatory supervision for local detention facilities, the Grand Jury contact the ACLU each year in their role as monitors of the Rutherford decision, with regard to jail overcrowding.

APPENDIX

SITE VISITS

LAPD Facilities

Devonshire Division
Harbor Division
Hollywood Station
Los Angeles Airport
North Hollywood Station
Pacific Division
Rampart Division
Southwest Division
Van Nuys Jail Division
West Los Angeles Station
Wilshire Division

LASD Facilities

Antelope Valley Station
Crescenta Valley Station
East LA Station
Lakewood Station
Lennox Station
Lomita Station

Municipal Facilities

Bell
Beverly Hills
Compton
Culver City
El Segundo
Glendale
Hawthorne
Hermosa Beach
Inglewood
Long Beach

Court Holding Facilities

Antelope Valley MCL & SCL, Juvenile
Compton MCL, SCL, Juvenile
Culver City MCL
Glendale MCL & SCL
Hollywood MCL
Inglewood MCL & SCL,

Juvenile Facilities

David Kenyon Center
Dorothy Kirby Center
Los Angeles Dependency Court
Camp Fred Miller
Camp Joseph Scott
Challenger Youth Camps
Camp David Gonzales
Camp Scudder

Lost Hills Station
Marina Del Rey Station
Men's Central Jail
Peter J. Pitchess Honor Rancho
Santa Clarita Station
Sybil Brand Institute
West Hollywood Station

Manhattan Beach
Palos Verdes
Pomona
Redondo Beach
San Fernando
Santa Monica
South Gate
Torrance
Vernon

Pasadena MCL, SCL, Juvenile
Pomona MCL & SCL
San Fernando MCL & SCL
San Pedro MCL & SCL
Santa Monica MCL & SCL
Torrance MCL & SCL

Inglewood Juvenile Court
Long Beach MCL & SCL
Malibu MCL

West Los Angeles MCL

DOCUMENTS REVIEWED

State Board of Corrections, Report to the Legislature, 1992
California Codes, Title 15, 24
Uniform Building Codes
Health and Safety Codes
State Board of Corrections Inspection Forms
Type I Detention Facility Medical Screening Forms
Camp Scott Initial Orientation Form

EDUCATION COMMITTEE

MEMBERS

Warren Pietro, Chairman
Arline Ames
Walter Coombs
Robert Lathrop
Stanley Saperstein
Ralph Shaffer

EDUCATION COMMITTEE

INTRODUCTION AND SUMMARY

The Education Committee investigated several subjects that affect the education of Los Angeles County school children and the expenditure of educational resources. These actions by the Committee were in response to citizen complaints and issues raised by interested parties.

The educational institutions of the County contend with all of the problems of our society at large. As examples, the school districts must deal with violence, changing family structures, substance abuse, changing demographics that produce linguistic and cultural barriers, budgetary challenges and a host of other issues.

During this Grand Jury's tenure many educational issues were addressed by legislative or initiative action. This Committee elected to examine the following issues:

A. Review of Real Estate Transactions Conducted by the Los Angeles Community College District

The Los Angeles Community College District (LACCD) has been faced with severe budgetary restraints while changing demographics of the City have altered the LACCD's role in the educational process. The Board, at the same time, acted on several administrative recommendations that resulted in the LACCD purchasing a building to use as a new District Headquarters, then leasing another structure for the same purpose. The Committee, using its contract auditor, inquired into the fiscal justification for these actions.

B. Review of the Los Angeles Unified School District's (LAUSD) Process for Assessing the Merits of Entering into an Agreement to Support an Increase in the Los Angeles Central Business District Redevelopment Area Tax Increment Cap.

The Los Angeles Community Redevelopment Agency (LACRA), using its ability to generate property value growth in certain areas by the use of tax increments, requested a raising of the CRA's cap in the Central Business District. Prior to this action a previously agreed upon limit had to be waived by interested parties, one of whom was the LAUSD. This,

on first examination, appears to represent a loss of tax benefits to the LAUSD. To evaluate the merit of their actions the Committee, acting through its contract auditor and in conjunction with the Government Operations Committee CRA Subcommittee, inquired into the full fiscal impact of the Board's decision to waive benefits from that portion of their taxing rights.

C. Bilingual Education - The Effectiveness of Competing Theories and Practices in the Teaching of English to Students With Limited English Language Skills.

Sustantial immigration of foreign nationals into the County has required an educational response to the challenge of students who have little or no ability to communicate in English. Both State and Federal legislation mandate that districts address this problem.

Because of the controversial nature of the topic, the Committee has attempted to study, by interviews and research, the issues that must be considered, and to make several recommendations.

Citizen Complaints

As of June 1, 1994, the Committee received five citizen complaints. Of these, two of the complaints resulted in audits, and three have been investigated, with responses made to two complaints.

The subjects of these complaints are:

- A Community College District's Real Estate Transactions
- Charges of Impropriety Against a School Official
- Ineffective Management of a Middle School
- Agreement by a School District to the Raising of a Redevelopment District Cap
- Miscellaneous Complaints Against a Community College District

A. REVIEW OF REAL ESTATE TRANSACTIONS CONDUCTED BY THE LOS ANGELES COMMUNITY COLLEGE DISTRICT

BACKGROUND

The 1993-94 Los Angeles Grand Jury received a complaint regarding two real estate transactions executed by the Los Angeles Community College District (LACCD or the "District"). These transactions involved the purchase of a building at 4050 Wilshire Boulevard to be used as a District headquarters building and the subsequent lease of a building at 770 Wilshire Boulevard for the same purpose. The building at 4050 Wilshire (4050), having never been occupied, will be placed on the market for disposition. The District moved into the 770 Wilshire building (770) during August 1993.

The concern is that District management acted improperly and without sufficient guidance in these transactions, and that District funds are not being utilized commensurate with the fiduciary responsibility of a public agency.

The Grand Jury decided to pursue this matter to determine if any procedural violations occurred in the conduct of the transactions and whether the transactions were handled in a professional and systematic manner. Specifically, the Grand Jury sought answers to the following questions:

- 1) Was the purchase of 4050 Wilshire a mistake that could have been avoided?
- 2) Was it reasonable to lease 770 Wilshire when 4050 was vacant?
- 3) Are the terms of the lease favorable to the District?
- 4) Were there improprieties in either transaction?
- 5) Did the District follow reasonable procedures in each transaction?

These questions are answered under the Conclusions subheading in the Findings.

The Grand Jury retained Price Waterhouse, their contract auditors, to investigate this matter and prepare this report. Price Waterhouse performed four tasks in this audit. These tasks were:

Task 1 - Collect and review background material

Task 2 - Conduct interviews

Task 3 - Analyze data/develop findings and recommendations

Task 4 - Prepare draft report.

Description of Properties

Purchased Property -- 4050 Wilshire is a nine-story office building containing 97,094 square feet (sf) of net rentable space. It is located on the southeast corner of Wilshire Boulevard and Norton Avenue in the Mid-Wilshire district of Los Angeles. A parking lot sufficient for 203 vehicles is adjacent to the building. A second lot is across the street with suitable space for 103 vehicles. A third, unimproved parcel of approximately a third of an acre was also included in the sale. The third parcel is zoned residential. The building was completed in 1964. The District purchased the site and building from the Estate of James Campbell, a trust based in Hawaii which owns commercial and office buildings and raw land across the United States.

Leased Property -- 770 Wilshire is a nine-story office building containing 98,136 sf of net rentable space. The building was completed in 1972 and is located at the corner of Wilshire Boulevard and Flower Street in downtown Los Angeles. The building is owned by Seven Seventy Delaware, Inc. a partnership controlled by the Government of Singapore Investment Corporation (GSIC), a government-owned corporation which owns real estate assets around the world.

Chronology of Events

This section describes the significant events regarding the two real estate transactions in chronological order:

- | | |
|--------------------|--|
| 1987 through 1990 | District officials conduct evaluation of various facility options. District currently occupying headquarters space at 617 West Seventh Street in downtown Los Angeles. |
| August 1990 | 4050 Wilshire Building in the Mid-Wilshire district added to list of potential space considerations. |
| August 22, 1990 | District Board of Trustees (Board) approves non-binding letter of intent to purchase 4050. |
| September 10, 1990 | Charles Dunn Company retained to conduct due diligence inspections of |

4050.

October 3, 1990	District Board supports establishment of a \$5 million renovation budget. Acquisition agreement for 4050 approved by Board.
October 25, 1990	Appraisal of 4050 completed. Building and land appraised at \$11.4 million subject to buyout of existing lease.
November 28, 1990	District Board authorizes issuance of \$30 million in certificates of participation (COPs). \$17.5 of proceeds earmarked for purchase and renovation of 4050.
December 18, 1990	Escrow closes on 4050. Building purchased for \$12.5 million including commissions.
February , 1991	Asbestos abatement work commences at 4050.
October 16, 1991	Board approves architect and seismic retrofit agreements.
November 6, 1991	Board approves project management agreement.
December 6, 1991	Extension of 617 West Seventh Street lease executed.
June and July 1992	Capital Assets Committee of District Board of Trustees initiate inquiries into other relocation options.
July 29, 1992	Second project management firm retained for 4050 after initial vendor declares bankruptcy. Board approves authorization to refund COPs issue.
October 1992	Notifications regarding bid openings for 4050 renovation.
October 14, 1992	Capital Assets Committee of Board reviews additional relocation alternatives. Interest is expressed regarding 770 Wilshire alternative.
October 15, 1992	CB Commercial is appointed exclusive agent to represent District in relocation of headquarters in downtown Los Angeles.
October 21, 1992	Board takes tour of 770 building.
November 1992	Negotiations begin with owner of 770.
December 16, 1992	Renovation contract for 4050 placed on Board agenda but withdrawn pending result of relocation alternative analysis. Instructions given to District's negotiator regarding 770.
January 27, 1993	First analysis comparing 4050 and 770 presented to Board.
February 1993	Lease negotiations continue on 770.
March 10, 1993	Second analysis comparing 4050 to 770 presented to Board. Board approves lease terms on 770. Board approves transfer of security related to COPs issuance to other assets in order to unencumber 4050 building.

March 31, 1993	770 lease executed.
April 27, 1993	Board approves architectural services agreement for 770 building.
May 26, 1993	Board approves agreements for relocation services and systems furniture.
June 23, 1993	Board approves agreement for moving services.
August 23, 1993	770 lease is effective. District personnel begin moving into 770 Wilshire.
November 12, 1993	Appraisal completed on 4050. Building and land valued, as is, at \$9.1 million.
January 13, 1994	Grubb & Ellis selected as exclusive agents for sale of 4050 Wilshire.
May 1994	4050 Currently on the market.

FINDINGS

Feasibility of 4050 Wilshire

The District conducted an informal relocation analysis during the three to four years prior to the purchase of 4050. Professional services were obtained for the purposes of conducting an appraisal of the property, inspecting the building, and representing the buyer in the transaction. None of these professionals performed any detailed analyses of various relocation alternatives as this was out of the scope of their contracts. The typical procedure for large organizations planning a relocation may or may not include an alternative analysis depending on the usual practice and procedure of the organization. In contrast, an appraisal is almost always performed. In this case, the price paid for 4050 was supported by the appraisal.

The analyses performed and decisions made based on these analyses were based on a policy decision that the District should own their headquarters space. According to anecdotal information, this decision was based on an assumption that ownership costs in the long term would be cheaper than leasing.

With the benefit of hindsight, the decision to purchase space ultimately proved less economical compared to the lease alternatives which were available subsequent to the purchase of 4050. In addition, the value of 4050 decreased from \$11.4 million to \$9.1 million during the three year period from September 1990 to September 1993. This decrease is commensurate with the general

experience of commercial real estate markets in southern California during that period. This decline in real estate values resulted from a lessening in demand for space, overbuilding during the late 1980's, a nationwide recession, and the multiplier effects of large-scale defense restructuring which negatively impacted employment and economic growth in Los Angeles County.¹

By 1990, when 4050 was purchased, many real estate developers and investors, recognizing a softening market, had ceased any additional investment in real estate assets. Softening real estate equity markets would soon after be incorporated into offered lease rates as declines in absorption of commercial and office space would be felt in the marketplace. This softening had not yet become common knowledge among much of the business community, although it soon would be.

From a current perspective, it is unclear whether District officials managing the relocation would have been fully aware of changing market conditions. It is possible that an experienced relocation consultant may have been able to provide some guidance on market conditions and their ultimate impact on lease/buy decisions, but as mentioned earlier, this type of service was not part of the scope of services retained during that time period. Further, it was not a firmly established practice among agencies such as the District to hire this type of specialized service.

One consideration is the assumption of risk which ownership entails. In recent years, building standards have increased in scope to encompass stricter life safety systems, provisions for disabled individuals, fire safety, seismic safety, etc. These stricter standards are particularly troublesome for older buildings which must be brought up to code. In many respects, an older building represents a lot of unknowns since the full cost of compliance is not apparent until the work has commenced.

The owner or purchaser of a building bears the responsibility and cost for bringing structures up to code. Real estate investors are willing to assume this risk because of the potential residual value when the property is sold at a later time. For space users with different objectives other than return on investment, it is often best to offset this risk to a landlord by leasing. In addition to the benefits of being able to offset risk, leasing space usually results in cheaper operating costs, particularly if the landlord utilizes non-union contractors for security, maintenance and janitorial services. In addition, tenants usually enjoy

¹ The Los Angeles real estate market may have been tainted by the 1992 civil disturbances although values had already substantially declined by that time.

better management because most institutional landlords (such as GSIC) contract with quality property management firms to maintain the value of their investment.

Feasibility of 770 Wilshire

Lease terms for the 770 Wilshire building are extremely competitive. These terms include:

- Free rent for the first two years;
- Below market rent of \$12 per foot for the next three years;
- No obligation to pay operating expenses for the first five years;
- Subsidized operating expenses after the first five years (tenant is only required to pay the increase in operating expenses over a base year (year 5) rather than the entire prorated amount);
- \$3.6 million in tenant improvement allowances (\$37 per sf) to be used as the tenant wishes. In this case, these allowances effectively reduce the cost of moving and providing ancillary parking to zero.

770 Wilshire has an unusual floor configuration. The elevators are at the side of the building rather than in the central core. This reduces the potential for subdividing the floorplates and makes the building less marketable on the lease market. However, the building is ideal for a single user who can use entire floors (such as the District). The District is also a stable tenant with dedicated funding. The District would normally be a much sought-after tenant. All these factors combined, along with the generally soft leasing market, help explain the competitive terms offered to the District.

In addition to competitive terms, 770 Wilshire is owned by a large, institutional landlord, GSIC. A landlord such as GSIC is likely to provide quality building services.

Factors which make the lease less attractive include:

- The lease is actually for 12 years with an option for an additional 8 years. The lease was structured in this way in order to avoid the restrictions of Section 81530 of the California Education Code which limits leases to twelve years. Should the District opt not to exercise the option, lease rates in years 11 and 12 increase substantially in order to

recover the landlord's costs. The district has the option to sublease and retain one half of the profit but, as indicated earlier, the building's floorplate configuration make subdivision difficult and reduce the marketability of the building. Subleasing may be very difficult. In addition, the building is an older class B building. Most likely the District will have to occupy 770 Wilshire for the entire lease term including the option period.

During the early part of 1993, CB Commercial, the brokerage firm representing the District as well as GSIC on the 770 space, prepared several analyses comparing the economics of leasing 770 Wilshire as opposed to occupying owned space at 4050 Wilshire. These analyses were presented to the Board of Trustees on January 27 and March 10 of 1993 and were the major justification for leasing 770. The main criteria when comparing the alternatives was to reduce occupancy costs on an annual basis, especially during the early years of the lease. This criteria was a reaction to severe budget reductions due to the state's fiscal crisis. The analyses show that occupancy costs are in fact reduced during the early years of the lease.

The District did not have an independent third party review the analyses to determine whether an objective approach was used. Price Waterhouse performed an independent analysis as part of this audit to check various assumptions. We compared the two alternatives based on the total cost differential over the twenty year lease term both on discounted and non-discounted bases. We also use three scenarios for selling the 4050 building: selling for 8, 6 and 4 million dollars. These results are presented below:

(Amounts in thousands)

(Figures may not sum due to rounding)

Non-discounted cash flows:	<u>770 Costs</u>	<u>4050 Costs</u>	<u>Difference</u>
4050 sold for \$ 8 million:	\$ 47,916	\$ 53,847	\$ 5,932
4050 sold for \$ 6 million:	50,754	53,847	3,093
4050 sold for \$ 4 million:	53,593	53,847	254

Discounted cash flows:	<u>770 Costs</u>	<u>4050 Costs</u>	<u>Difference</u>
4050 sold for \$ 8 million:	\$ 20,486	\$ 26,402	\$ 5,917
4050 sold for \$ 6 million:	21,842	26,402	4,560
4050 sold for \$ 4 million:	23,198	26,402	3,204

Our conclusion is that the lease is an economically attractive option compared to occupying 4050 Wilshire. Just how attractive 770 is in comparison depends on how much 4050 can be sold for.

Policy Framework

Public agencies and professional investors have different objectives with regard to procuring real estate. Whereas a professional investor has a finite hold period in mind, after which an investment is sold and the residual value is captured, public agencies theoretically operate into perpetuity. Therefore, the ultimate residual value of an investment is inconsequential since the proceeds are likely to be reinvested in another facility.² Realizing appreciation above and beyond the future facilities needs of the agency is not consistent with the mandate or mission of most public agencies.

Since professional and institutional investors rely on residual value to fully or partially recover a capital investment and provide an acceptable return on investment, incentives exist to maintain competitive lease rates. In addition, investors are likely to control operating expenses through contracting out building services, sometimes using non-union labor. These factors generally allow public agencies to lease space at more economical terms than if the agency had purchased space and employed higher cost public employees to maintain the space. In addition, excluding any consideration of residual value, which in any case a public agency would have difficulty realizing, in any alternative analysis will decrease the benefits of a purchase option. Excluding residual value is in keeping with the typical analytical objective of controlling occupancy costs rather than maximizing return on investment.

² Residual value may in fact be realized under some scenarios. For instance, if the District were to eventually consolidate the administrative functions at an existing District facility, the residual value from a headquarters building site could be reinvested for another beneficial use. In addition, land purchased and held for future contingencies is frequently sold with a residual which can be used for other beneficial purposes.

Public agencies should give serious consideration to the benefits of leasing when making space procurement decisions. Scarce capital is better utilized in activities which are consistent with their mandates and mission rather than in purchasing real estate assets.

Conclusions

The following are the Committee's questions with answers based on the results of Price Waterhouse's investigation:

- 1) Was the purchase of 4050 Wilshire a mistake that could have been avoided?

Purchasing 4050 Wilshire was not the optimal relocation alternative given the District's objective of controlling occupancy costs. Leasing space appears to be a far more economic alternative given the benefit of hindsight. It is unclear whether or not the District could have avoided selecting the less economical alternative. Experienced real estate professionals and investors had noticed the beginnings of a softening market in 1990 and taken note of several trends which would soon impact real estate equity markets in Los Angeles.

The procedures followed by the District, (e.g., appraisal, inspections, etc. - which did not differ markedly from most public agencies), did not include retaining an experienced professional who would be able to advise the District on these trends and their impact on meeting the District's objectives. Had the District sought the advice of a professional, they may have been able to take advantage of a weakening leasing market and obtain a favorable long term lease alternative to purchasing a building. However, due to the timing of the transactions and conditions in the market, this is not an assured conclusion.

- 2) Was it reasonable to lease 770 Wilshire when 4050 was vacant?

The terms of the 770 lease are so favorable that the District will be able to save money in the initial years of the lease even after continuing to pay a portion of the debt incurred to purchase 4050. In the latter years of the lease, the 4050 alternative is less costly; however, this is offset by the District's objective of saving money in the short run. In addition, the 770 alternative is more economical if cash expenditures are analyzed to account for the time value of money over the term of the lease.

- 3) Are the terms of the lease favorable to the District?

The terms of the lease are excellent, reflecting a weak leasing market, tenant quality, and the limited marketability of the 770 building.

- 4) Were there improprieties in either transaction?

Based on the information made available to Price Waterhouse, it appears that both transactions were conducted in accordance with established procedures.

- 5) Did the District follow reasonable procedures in each transaction?

Procedures were followed in both transactions which were common practice for public sector agencies. However, greater use of professional relocation consultants during the initial review of space alternatives could have helped ensure the selection of the most economical alternative.

RECOMMENDATIONS

The County Board of Supervisors request the District's Board of Trustees:

- 1) Review policies with regards to obtaining space. Lease alternatives should always be considered unless the space requirement is of a specialized and unique nature (e.g., a courthouse, medical facility).
- 2) Establish a facilities procurement procedure whereby a professional relocation consultant should be retained in any transaction with an estimated purchase price or capitalized lease value of over \$10 million.

APPENDIX

Glossary of Terms

Absorption	The rate at which building space is utilized on the market. A common measure of leasing activity in a particular market.
B Class Building	An building which is not considered to less attractive from a tenants perspective than an A class building. B class buildings are usually ten to fifteen years or older and lack many up-to-date amenities found in newer buildings.
Brown Act	Sections 54950, et. seq. of the California Government Code

	which address policy making by governing bodies of public agencies.
COPs	Certificates of Participation (COPs). A financial instrument similar to a lease revenue bond. Issuers make lease payments to the holders of COPs. Security is a first lien on the leased asset. Commonly used by public agencies to finance assets such as buildings, computer systems, etc.
Floorplate	The configuration of the floors of a building. Takes into account wall angles, elevator shafts, internal columns and walls, etc.
GSIC	Government of Singapore Investment Corporation (GSIC). A government controlled investment company which invests in real estate assets.
Hold period	The period of time an investment is held by an investor.
LACCD	Los Angeles County Community College District (LACCD).
Net rentable area	Also called net usable area. The floorspace of a building which can be used or leased to tenants. Generally excludes common areas, utility space, parking garages, etc.
Residual value	Remaining proceeds after the sale of an asset. Commonly refers to the profit remaining after a building is sold and any loans or encumbrances are satisfied.
sf	Square feet. A common unit of measure used for building space.
Sublease	A lease executed by a tenant who is vacating all or a portion of their own leased space. The original lessee becomes a Master Lessor and the new tenant holds a sublease. Occurs when a tenant relocates to new premises and has time remaining on their original lease.
Tenant improvement allowance	Funds provided to a tenant by a landlord to convert unfinished space to a state fit for occupancy. Commonly used as an incentive to attract a tenant.

Documents Reviewed

Lease for 770 Wilshire
 Board of Trustees Presentation, Educational Services Center, March 10, 1993
 Board of Trustees Presentation, Educational Services Center, January 27, 1993
 Meeting Minutes, Board of Trustees meeting, March 10, 1993
 Meeting Minutes, Board of Trustees meeting, January 27, 1993
 Meeting Minutes, Board of Trustees meeting, December 16, 1992
 Debt service schedule for COP issue
 1989 Annual report, Estate of James Campbell

Appraisal on 4050 Wilshire, October 25, 1990, Landauer Associates
Appraisal on 4050 Wilshire, November 12, 1993, California Economic Research
Chronology of events pertaining to 770 Wilshire project, LACCD
Chronology of events pertaining to 4050 Wilshire project, LACCD
Meeting minutes, LACCD Board of Trustees, Capital Assets Committee, October 14, 1992
Response to Trustee inquiry regarding comparative analysis, May 14, 1993
Excerpt from 1985-86 Los Angeles County Grand Jury report
Report of the Concerned Citizens of Los Angeles (CCOLA)

B. REVIEW OF THE LOS ANGELES UNIFIED SCHOOL DISTRICT'S PROCESS FOR ASSESSING THE MERITS OF ENTERING INTO AN AGREEMENT TO SUPPORT AN INCREASE IN THE LOS ANGELES CENTRAL BUSINESS DISTRICT REDEVELOPMENT AREA TAX INCREMENT CAP

BACKGROUND

Before January 1, 1994 when there was a change in state law, taxing entities such as school districts negotiated pass-through agreements with Community Redevelopment Agencies (CRA). The purpose of such negotiations was to offset the financial impact of CRA's on property tax revenues to school districts.

The Grand Jury is one of the few agencies charged with the oversight of Redevelopment Agencies. The Committee is interested in understanding how the Los Angeles Unified School District (LAUSD) assessed the potential loss of property taxes in a recent pass-through agreement with the Los Angeles Community Redevelopment Agency (LACRA).

The LAUSD along with other affected taxing entities, agreed in December 1993 to raise the CRA's cap on revenues from property tax increments in the Los Angeles Central Business District (LACBD) (redevelopment area) from \$750 million to \$7.1 billion. The 1993-94 Grand Jury asked its contract auditor, Price Waterhouse, to undertake an investigation to review the LAUSD's decision-making process regarding this agreement.

Scope of the Study

The specific scope of the study was the following:

- Review LAUSD's procedures for determining the amount of tax increment gained or lost as a result of entering into this agreement.
- Review LAUSD's procedures for approving the December 1993 pass-through agreement, including public input and board involvement.
- Evaluate the terms of the agreement.

Tax Increment Financing

The distribution of property tax revenue is changed when a redevelopment agency establishes a project area. After the base year for a project area is established, revenue from increases in assessed valuation flow into the CRA.

The practice known as Tax Increment Redevelopment (TIR) was established to promote urban intervention. The theory behind TIR is that, since renewal ends up paying for itself in higher property tax revenues, cities should be able to use part of this anticipated tax "increment" to fund renewal in advance. Cities can do this by declaring a part of their city a blighted redevelopment area. After this declaration, all gains in property taxes in this project area produced after the date of official designation are earmarked for spending by the city's redevelopment agency (including increments from general inflation on preexisting structures). The city then acquires land, clears some buildings, and subsidizes development, with costs paid by current tax increment revenues or more commonly, by bonds floated for the purpose.

The theory behind redevelopment is to breathe new life into deteriorated and blighted areas which are plagued with a variety of physical, social, environmental, and economic conditions which act as a barrier to new investment by private enterprise.

History of the LACBD Redevelopment Project

The LACBD was formed in 1975 by the LACRA to alleviate blight in downtown Los Angeles. When the LACBD was created, the CRA law did not require a limit on the total tax increment which could be received by an agency for a project area. In 1977, the City and CRA settled a lawsuit challenging the validity of the redevelopment plan. In this stipulated judgment, the city and the agency agreed to limit the total tax increment proceeds allocated to this project area throughout its existence to \$750 million. The stipulated judgment resulted from a lawsuit filed by Los Angeles City Council member Ernani Bernardi. Mr. Bernardi was joined in the lawsuit by the County of Los Angeles, Los Angeles County Flood Control District, Los Angeles Community College District, LAUSD, Los Angeles County Superintendent of Schools, and other interest groups.³

In 1986, Senate Bill (SB) 690 required that all redevelopment plans have a tax

³Stipulation to Enter Judgment, Ernani Bernardi, et. al., Plaintiffs vs. City Council of the City of Los Angeles, November 1977.

increment limit. As a result, the Los Angeles City Council adopted an ordinance to set the cap on the LACBD at \$7.1 billion. However, because the 1977 Stipulated Judgment established a \$750 million legal revenue limit, the LACRA believed it was necessary to negotiate with the other taxing entities to reach an agreement on modifications to the 1977 stipulated agreement.⁴

By 1993, it became apparent that new law would be enacted that would complicate negotiations regarding the LACBD. One such impending law was AB 1290 which would restrict the distribution of pass-through revenue to taxing entities (e.g. school districts). When the prospects of the enactment of Assembly Bill (AB) 1290 (statutes of 1993) approached, it stimulated the LACRA to conclude agreements or face opposition from the LACBD taxing entities in increasing the LACBD cap to \$7.1 billion.

Just prior to the January 1, 1994 effective date of AB 1290, which would severely limit the LACRA's and the various taxing entities negotiating flexibility, the LACRA reached agreements with most of its taxing entities (LAUSD, Los Angeles Community College District, and County of Los Angeles but not the County Superintendent of Schools). The agreements call for LACRA to make tax sharing payments to the taxing entities in exchange for their support in modifying the Stipulated Judgment to allow the LACBD to operate under the Los Angeles City Council approved tax increment limit of \$7.1 billion and avoiding the restrictions of AB 1290.

AB 1290 Statutes of 1993 Community Redevelopment Law Reform Act

The Community Redevelopment Reform Act featured one key change in redevelopment law which would have had a major impact on LAUSD in establishing a pass-through agreement after December 31, 1993. Some of the key changes to the law include the following:

- A statutory pass-through is required if a redevelopment plan is amended after January 1, 1994 to increase the tax increment revenue over the life of the plan, to extend the deadline on incurring debt, or to extend the deadline on redevelopment activities.
- Under pass-through agreements after January 1994, of the total amount paid, 43.9 percent shall be considered to be property taxes and 56.1

⁴Katz Hollis Report, Volume XVII No 2, May 1994.

percent shall not be considered to be property taxes.

- Local education agencies that use funds received pursuant to this section for educational facilities shall spend these funds at schools that are:
 - within the project area
 - attended by students from the project area
 - attended by students generated by projects that are assisted directly by the redevelopment agency, or
 - determined by a local education agency to be of benefit to the project area.

PROCEDURES

Price Waterhouse began field work on April 18, 1994. Information for this report was gathered through conducting interviews, reviewing documents relevant to the pass-through agreement and state law. Price Waterhouse interviewed representatives of the LAUSD and the California Legislative Analyst's Office. To understand LAUSD's course of action prior to entering into the December 16, 1993 pass-through agreement, we reviewed all of the documents which led to the signing of the agreement including:

- School Board Minutes, Motions and Resolutions
- LAUSD testimony before the Los Angeles City Council
- LAUSD staff recommendation to the Board to enter into the pass-through agreement with the LACRA.

A complete list of people interviewed is provided in Appendix A. The remainder of this report presents our findings and recommendations resulting from the research and field work of the Committee and Price Waterhouse.

FINDINGS

In the next section of the report, we present our findings on the process LAUSD followed prior to entering into the December 21, 1993 pass-through agreement with the LACRA.

1. *If the LAUSD did not enter into the December 21, 1993 pass-through agreement, AB 1290 (1993) would have dramatically limited the funding*

LAUSD could have received in any agreement after January 1, 1994.

According to the terms of the pass-through agreement, the LAUSD entered into this agreement with the CRA to "...support additional projects and activities to eliminate blight and improve the Project Area and to make funds available to the school District for needed facilities and improvements as contemplated by this agreement. "

As a result of this agreement, the LACRA agreed to pay LAUSD, beginning in fiscal year 1994-95 and in each subsequent fiscal year, 10% of the net tax increment for that fiscal year. The tax increment payments are to be deposited into the LAUSD's Capital Projects and Improvements Fund. However, if payments into the LAUSD's Capital Projects and Improvements Fund would result in the loss of State funding, the District may receive payment by one of the following:

- Non-profit corporation to be formed by the LAUSD
- Fund established by the CRA for the deposit of LAUSD payments in an interest-bearing account or accounts

The LAUSD projects a 5% growth rate in assessed value of property within the LACBD Project Area. The LAUSD's fund would receive a cumulative total of \$348.4 million in revenues from 1994-95 through 2024-25..

AB 1290 was established to prevent CRA's from entering into lucrative tax sharing agreements with local taxing entities as a way to eliminate challenges to questionable redevelopment projects. The author of AB 1290 expressed concerns that the agreements with LACRA and other taxing entities within the project area does not comply with the spirit of AB 1290.

If LAUSD had entered into this pass-through agreement after January 1, 1994, the LAUSD would be subject to a statutory pass-through. AB 1290 Section 33607(a)(3)(a) provides the formula for funding statutory pass-through as follows:

Of the total amount paid each year pursuant to this section to school districts, 43.9 percent shall be considered to be property taxes... and 56.1 percent shall not be considered to be property taxes.... and shall be available to be used for educational facilities.

Therefore, if the LAUSD had entered into a pass-through agreement

after January 1, 1994, 43.9 percent of total tax increment received by LAUSD would be considered property taxes. As a result, the State would receive a share of the property tax revenue. This means LAUSD would receive \$195.45 million through the life of the agreement versus the \$348.4 million it negotiated in the December 21, 1994 pass-through agreement.

2. *There were some concerns expressed about entering into the December 1993 pass-through agreement by the LAUSD School Board.*

On December 13, 1993, the Board met in a special session to consider a report by the LAUSD staff recommending Board authorize and approve a contract with the CRA. After reviewing the staff report, four of the Board members voted to adopt the recommendations and enter into the agreement with the CRA. However, one of the Board members dissented and voted against entering into agreement. One of the main concerns offered for this dissent was the possibility that funding from the CRA could lower State revenues.

3. *The formula which determines LAUSD's share of revenue from the state revenue limit. State appropriations to the school district are not related to property tax diverted by the LACRA from the LACBD. Therefore, it appears that the December 1993 agreement could provide a windfall for LAUSD.*

The LAUSD derives its revenue from a formula prescribed by Proposition 98. This formula guarantees schools a minimum level of funding. The proposed statewide average funding for Kindergarten through twelfth grade for fiscal year 1994-95 is \$3,199 per pupil. The LAUSD's 1993-94 average revenue limit is \$3,113.92 per pupil. The total revenue limit income to LAUSD is determined by multiplying \$3,113.92 by the Average Daily Attendance (ADA) of all K-12 students. The sources of funding for the revenue limit are local property taxes and the State's General Fund. Because of this minimum funding level, LAUSD is not directly affected by the level of property tax income. The State must fund the LAUSD up to the revenue limit regardless of the amount of property tax collected.

Exhibit II-I

Per ADA Amount by Type of School District*
(Estimated Averages for 1994-95)

Elementary	\$2,952
Unified	\$3,129
High School	\$3,621

Excludes categorical funding such as Special Education, Integration, Lottery, School Improvement Program, State Textbooks and Gifted Source: School Services of California

With the exception of any new legislation affecting school funding or CRA reform laws, the \$348.4 million revenue the LAUSD will receive over the life of the December 21, 1993 pass-through agreement will provide LAUSD funding over and above funding provided under Proposition 98.

The California Attorney General was asked to render an opinion by a member of the California Senate on a question, whether tax increment funds given to a school district constitute "property tax revenue" required to be deducted in computing the amount of a school district's state general aid.

The Attorney General concluded that tax increment funds given by a redevelopment agency to a school district do not constitute "property tax revenue" required to be deducted in computing the amount of the school district's general aid.⁵

Though an Attorney General's opinion does not have the force of law, it is frequently used to help governmental officials understand how to interpret specific laws.

4. *The California Legislative Analysts Office (LAO) and other state officials are concerned that increasing the LACBD cap to \$7.1 billion would have a substantial impact on State revenues.*

⁵California Attorney General, Opinion No. 90-501, By John Van De Kamp, Attorney General, Rodney O. Lillyquist, Deputy

The LOA believes that if the LACBD tax increment limit were increased to \$7.1 billion, the cost to the State would be \$30 million annually and \$1.7 billion over twenty seven years or a present value of approximately \$800 million over the period of the agreement.⁶ The costs represent the estimated amount of revenue the State is obligated to pay school districts within the LACBD Project Area as local property tax loss "backfill" (e.g. LAUSD and Los Angeles Community College District).

PROJECTION OF BACKFILL THE STATE WILL PROVIDE TO SCHOOL DISTRICTS IN THE LACBD AREA VERSUS PROJECTION OF TAX INCREMENT RECEIVED BY SCHOOL DISTRICTS

Exhibit II-II

Fiscal Year	State Backfill to LACBD School Districts (all dollars are in millions)	LAUSD School Districts Tax Increment Revenue (all dollars in millions)
1994-95	30	3.6
1995-96	30	3.9
1996-97	30	4.2
1997-98	30	4.6
1998-99	30	4.9
1999-00	30	5.2
2000-01	30	5.6
2001-02	30	6.0
2002-03	30	6.4

⁶California Legislative Analyst's Office, Letter to the Honorable Assembly Member Phillip Isenberg, March 1, 1994.

2003-04	30	6.8
2004-05	30	7.3
2005-06	30	7.7
2006-07	30	8.2
2007-08	30	8.8
2008-09	30	9.3
2009-10	30	9.9
2010-11	30	10.5
2011-12	30	11.1
2012-13	30	11.8
2013-14	30	12.5
2014-15	30	13.2
2015-16	30	13.9
2016-17	30	14.8
2017-18	30	15.6
2018-19	30	16.5
2019-20	30	17.4
2020-21	30	19.6
2021-22	30	20.6
2022-23	30	21.7
2023-24	30	22.8
2024-25	30	24.0

Source: LAUSD Realistic Growth Scenario spreadsheet dated 5/10/94
California Legislative Analyst's letter dated March 1, 1994

RECOMMENDATIONS

1. The LAUSD should establish an accounting of tax increment revenue received from the December 21, 1993 pass-through agreement to enable analysis of amounts expended. In particular, the accounting should facilitate periodic review to determine the amount of funds expended on facilities located in the LACBD Redevelopment Area.
2. The 1994-95 Grand Jury should monitor legal challenges and implementation of the LACRA-LAUDS pass-through agreement to verify the agreement is operating as planned. Monitoring should include identification of how funds are expended.

C. BILINGUAL EDUCATION

BACKGROUND

A noted semanticist has stated that a common language is the glue that holds a nation together. It is perhaps for this reason that State and Federal statutes mandate that students enrolled in public schools who have limited ability to use the English language be brought to a reasonable level of English proficiency as quickly as possible. The Federal legislation requires only that the underlying learning theory be sound, its implementation be effective, and its effectiveness be established by evaluative procedures. This simple directive has evolved into a most complex set of arguments and programs debated in the language of professional educators.

Forty three percent, nearly one half million, of the County's students are not fluent in English. Much of the cost of providing bilingual instruction for these students is met by programs such as The State's Economic Impact Aid, Federal "Chapter I" Funds, federal Emergency Immigrant Education Assistance program, National Origin Desegregation Assistance program, and the federal Bilingual Education program. Whether these federal monies provide for the full extra cost of the programs is difficult to assess since students' needs may cut across several programs and funds are shifted about in a manner difficult to fully evaluate. Though the cost of bilingual education is an issue, the primary area of dispute is over one point: How quickly should we move the students toward full English language competence? This, of course, largely determines the size of the program.

The Committee identified three general approaches to the teaching of English to foreign speaking students:

TOTAL IMMERSION

The student is placed in an environment of nearly all English based instruction.

EARLY EXIT FROM THE BILINGUAL PROGRAM

The student is given substantial English exposure and moved to an all English class as soon as possible, i.e, three years or less. Lessons are often repeated in each language. English speaking students are sometimes placed in these classes to encourage them to learn the other language.

DELAYED EXIT FROM THE BILINGUAL PROGRAM

The students are taught academic subjects in their native language and, at a gradual pace over perhaps six or more years, are shifted to full English instruction.

The arguments for and against each of the above approaches are as follows:

Those **IN FAVOR OF TOTAL IMMERSION** say:

- Most of our ancestors successfully learned English in this manner.
- It exposes the child to English at the earliest possible age when, arguably, they are best able to learn language.
- Nearly 90% of foreign speaking students speak Spanish, hear it at home, hear it in the street and shops and hear it on their Spanish language TV and radio. If they do not receive maximum English language exposure in the school their motivation to learn it will be weak.

Those **OPPOSED TO TOTAL IMMERSION** say:

- This approach delays the students' academic progress while they struggle with the English language.
- Students can learn "Street English" by this method but do not have the depth of understanding of English other methods provide.
- It is damaging to the students' self esteem to feel pressured to learn English and the children may feel it devalues their culture.

Those **IN FAVOR OF RAPID EXIT** from the Bilingual Program say:

- Research shows that academic results are almost identical to total immersion and is easier on the child.
- It reduces the problem of communication between teacher and student.

Those **OPPOSED TO RAPID EXIT** from the Bilingual Program say:

- Small children, hearing lessons in both languages, will often wait to hear it in the language they know best, tuning out the one they do not understand.

- Some immigrant parents object to what they perceive as any kind of delay in the learning of their child's new language, English.

Those **IN FAVOR OF DELAYED EXIT** from the Bilingual Program say:

- Academic subjects taught in the students' native language will be more meaningful to them and the conversion to English usage is best delayed until this is accomplished.
- Self esteem and pride in their own culture is encouraged by Delayed Exit.
- Some studies show academic scores are lower for several years under Delayed Exit but eventually, later in the child's education, may exceed those of other methods.

Those **OPPOSED TO DELAYED EXIT** from the Bilingual Program say:

- Studies support the idea that a child's acquisition of a second language is best attained by abundant input and output of language usage, and not by translation from a highly developed first language.
- The learning of English, a statutory requirement, is delayed without limit.
- A policy of delaying students' exit from bilingual programs causes the cadre of bilingual instructors to grow in numbers unnecessarily.
- Late Exit encourages continued use of the native language tending to isolate the students as they mature in an English speaking nation.

A search of the literature reveals that any of the aforementioned points of view may be supported or refuted.

The Committee believes that only the welfare of the child, family and society at large must be taken into account.

FINDINGS

1. Studies on the subject of Bilingual Education may be used to support many varying points of view.
2. Funding for bilingual instruction is based on the number of Limited English Proficiency students in the program. This may act as a disincentive for the districts to move students to full English proficiency

classes as rapidly as possible. The districts would no longer receive additional funding for these students.

3. Delayed learning of English by students who speak other languages has sometimes aroused concern among their parents.
4. Accountability demanded by the State Board of Education has tended to be in terms of the type of bilingual program used at the District level, rather than the success of the students in becoming English proficient.

RECOMMENDATIONS

The Grand Jury recommends that:

1. The Board of Supervisors establish a three year independent commission to study and select the optimum approach to the teaching of English to students who have a native language other than English.
2. The Board of Supervisors request State authorities design financial support schedules for the bilingual programs that permit reasonable time limits for each students' training.
3. The Board of Supervisors recommend to the school districts of the County that a clear consent document be designed that will ensure that parents of non-English speaking students are aware of the English language learning options open to their child.
4. The Board of Supervisors request increased accountability by school districts for their students' progress in the learning of the English language. Accountability should be in terms of time needed to learn English, cost to learn English and effectiveness of method in the learning of English.

APPENDIX

DOCUMENTS REVIEWED

"A Chance to Succeed: Providing English Learners With Supportive Education", Commission on California State Government Organization and Efficiency, July, 1993.

"Bilingual Immersion: A Longitudinal Evaluation of the El Paso Program", Russell Gersten, John

Woodward and Susan Schneider, March, 1992.

"On Course: Bilingual Education's Success in California", Stephen Krashen, Douglas Biber, 1988.

"Charts and Tables Based on the 1993 R30-LC, Language Census Data", Presented at the Bilingual County Coordinators Network Meeting, September, 1993.

"LEP Program Guide", California Department of Education, September, 1993.

"Meeting the Challenge of Language Diversity", Paul Berman, et. al., February, 1992.

"Longitudinal Study of Structured English Immersion Strategy, Early-Exit and Late-Exit Bilingual Education Programs", J. David Ramirez, February, 1991.

"READ Perspectives", Robert E. Rossier, et. al., 1993

GOVERNMENT OPERATIONS COMMITTEE

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GOVERNMENT OPERATIONS COMMITTEE

INTRODUCTION

As directed by the Grand Jury, the Government Operations Committee is authorized to look into matters relating to the operations of government within Los Angeles County. This oversight function covers activities of all cities and municipal corporations; specialized agencies such as the Community Redevelopment Agency (CRA), MTA, and Metropolitan Water District (MWD); non-profit agencies engaged in fund-raising in the County; various entities such as water districts and special improvement districts; contract services and other such functions.

PROCEDURES

Under this broad mandate, the Committee considered several subjects that might be the object of a preliminary investigation, leading to a formal audit. A number of possibilities were agreed upon and presented to the Grand Jury for approval:

The following general subjects received Grand Jury approval:

1. Community Redevelopment Agencies*
2. Office of the District Attorney
3. Los Angeles Sheriff's Department
4. Water Resources
5. Los Angeles County Marina*
6. Contract Services*

*Citizen complaints were received on these topics

During the course of the Committee's deliberations other matters were presented to the group for preliminary consideration; these included Satellite Airports such as Torrance and El Monte. Subcommittees on these subjects reported on their findings. No formal investigations were conducted because of time restraints or ongoing investigations by the District Attorney or other agencies.

Early in its term the Grand Jury was informed that, in the past, there had been little oversight exercised by the Grand Jury over departments headed by

elected officials. Some of these officials had taken the position that they were answerable only to the voters. The Grand Jury took the position that all County activities were subject to Grand Jury scrutiny.

An investigation was begun into the effectiveness of data processing and computer systems in the Los Angeles County Sheriff's Department. This was withdrawn due to a perceived conflict of interest.

As to the Los Angeles Marina, it was determined that one aspect of that inquiry which was based on a citizen's complaint, should be referred to the District Attorney.

An informational study regarding the functions of court interpreter services was initiated for possible future performance review.

The Committee investigated the County's action in diverting all money in the San Gabriel Canyon Recreation Fund into the County General Fund. The Recreation Fund, collected as a parking fee, was established by agreement with the United States Forest Service in 1988 to augment money budgeted for recreation improvements in the canyon. Facing a budget shortfall, the County in 1992 removed the entire \$188,000 then remaining in the account.

In response to inquiries from the Committee, the County Counsel ruled that the County was authorized to divert the funds even though the fees were levied for the express purpose of relieving parking congestion and improving recreational facilities in the canyon. The Grand Jury questions the misuse of users' fees. To sweep funds, as the County did in this matter, raises doubts about the validity of the arguments for user fees since they are justified on grounds that the service cannot be paid for by the General Fund and that the burden should be borne by those benefitting from the service.

Other matters that came before the Committee related to complaints in accordance with long standing procedures whereby citizens were urged to present matters to the Grand Jury when they believe rights are violated or where there is evidence of improper conduct by county officials. Thirty such petitions were presented to the Committee for consideration.

Formal audits based on preliminary studies were recommended in three matters that were initiated by the Grand Jury. These three are the Community Redevelopment Agency (CRA) of Monterey Park, the Los Angeles County District Attorney's Office, and Water Resource Analysis.

A. Review of the Monterey Park Redevelopment Agency

The Grand Jury received several formal complaints, as well as informal communications, from citizens concerned with the operation and practices of the redevelopment agency in their community. The Grand Jury commissioned Price Waterhouse to conduct a formal audit of aspects of the CRA of Monterey Park as representative of common CRA practices in Los Angeles County.

Additionally, in conjunction with the Education Committee, the Committee participated in a formal audit conducted by Price Waterhouse of the agreement between the City of Los Angeles CRA and the Los Angeles Unified School District relative to lifting the cap on CRA expenditures in the Central Business District redevelopment zone.

B. Community Redevelopment Agencies (Subcommittee Report)

The issue of Community Redevelopment Agencies in Los Angeles County was exemplified by the filing of a citizen's complaint regarding activities of the Monterey Park CRA. In conjunction with the audit conducted by Price Waterhouse, the Subcommittee also reviewed this topic.

C. The Los Angeles County District Attorney's Office Performance Audit

The 1993-94 Grand Jury identified and ranked issues of concern within Los Angeles County. One of the most important issues identified by the Grand Jury was a review of the District Attorney's Office. Since a review had not been conducted for several years, it was concluded that a formal management review process would be undertaken by the Committee.

D. The Los Angeles County District Attorney's Office (Subcommittee Report)

A post-verdict juror survey was conducted in conjunction with the overall management study of the District Attorney's Office.

E. The Condition of Water Resources in Los Angeles County

All of Los Angeles County is marginally humid. The cities and rural areas in the county depend on both imported water and water extracted from the ground which has collected during winter rains. Both are finite. Their

availability has not, and currently is not, a factor considered in the process for planning growth in the County. Recently, legislation was introduced requiring planners to identify water resources of reasonable reliability that can service additional growth before the growth is approved. While management of water resources can be controlled, population cannot be controlled. To ignore this fact is to invite decreasing standards of living.

A. REVIEW OF THE MONTEREY PARK REDEVELOPMENT AGENCY

BACKGROUND

After receiving several citizen complaints questioning the effectiveness of redevelopment activities in the City of Monterey Park, the 1993-94 Grand Jury decided to review the City's redevelopment practices. As part of this review, Price Waterhouse was asked to examine Monterey Park's Freeway Development Project No. 1 as a case study. The objectives of the study are to assess the following:

1. The degree to which the redevelopment agency has met its goals as stated in the redevelopment plan for Freeway Development Project No. 1.
2. Impact of Freeway Development Project No. 1 on schools and special districts of Monterey Park.
3. Review of Redevelopment agency actions to comply with state requirements regarding (a) determination of blight and (b) provision of low and moderate income housing.

Though the focus of our study is on a single project within the City, it is important for the reader to have some context in which to place our findings. The following information on the Monterey Park Redevelopment Agency provides some perspective on the overall organization and management of the City's redevelopment function.

Monterey Park Redevelopment Agency

The Monterey Park Redevelopment Agency (Agency) was activated in 1969 under provisions of the California Community Redevelopment Law. The Monterey Park City Council acts as the legislative body of the Agency, and the City Manager serves as Executive Director. The Agency currently has 7.7 full-time equivalent staff positions. It works with developers and private businesses in the development of new projects and the rehabilitation of existing structures.

Since its creation, the Agency has adopted four redevelopment projects, two of which have been merged. Exhibit 1 provides an overview of the four redevelopment projects for FY1991-92, the year prior to the merger. The Agency currently has three redevelopment areas: (1) Atlantic-Garvey

Redevelopment Project No. 1, (2) Merged Redevelopment Project (formally Freeway Development Project No. 1 and the Central Commercial Redevelopment Project), and (3) Southeast Redevelopment Project. This review focuses primarily on Freeway Development Project No. 1 (Freeway Project) and some of its key management issues.

Exhibit 1
Overview of Monterey Park Redevelopment Projects for FY1991-92

	Atlantic-Garvey Redevelopment Project No. 1	Freeway Development Project No. 1	Southeast Redevelopment Project	Central Commercial Redevelopment Project
Year Established	1972	1974	1985	1987
Number of Acres	519 acres	40 acres	190 acres	185 acres
Tax Increment Revenue	\$2,849,561	\$30,294	\$0	\$953,309
Tax Increment Revenue Deposit into Housing Fund	\$323,640	\$3,046	\$0	\$95,314
Administrative Cost	\$932,964	\$85,778	\$0	\$112,703

PROCEDURES

On January 18, 1994, Price Waterhouse began field work consisting of the following activities:

1. **Kick-off Meeting** -- Conducted a kick-off meeting with the Mayor, City Manager, Economic Development Director, City attorney, accountant, and development consultant. Objectives of the review were explained and the City was asked for its cooperation. The City cooperated fully and provided the documents Price Waterhouse requested as well as a narrative it prepared on Freeway Project.
2. **Literature Review** -- Surveyed existing written materials on redevelopment law, regulations, and policy.
3. **Interviews** -- Interviewed City and Agency staff including the Director of Economic Development, Finance Director, Associate Planner; County personnel from the Auditor-Controller and Chief Administrative Office;

and redevelopment observers from the State Department of Housing and Community Development, Southern California Association of Governments, Community Redevelopment Association, and California Debt Advisory Commission.

4. **Document Review** -- Reviewed thousands of pages of documents including redevelopment plans, housing set-aside resolutions, city ordinances, annual reports, audited financial reports, and correspondences between the Agency and County.

The limited scope of this review required that we focus only on the Freeway Project.

Redevelopment law has evolved and changed significantly in the past 20 years since the creation of Freeway Project. Our evaluation takes this into account. Using this project as a case study, we developed findings and recommendations to improve redevelopment management practices. While Freeway Project was small (40 acres), we do believe the case history provides valuable insight into redevelopment practices, how unforeseen events can have a significant impact on development opportunities and how one local agency addressed these challenges.

FINDINGS

Redevelopment law allows much discretion in local decisions. We found no evidence that the Agency had done anything that would exceed their authority. However, we did identify several opportunities for improvement in redevelopment management practices, based upon the case history of Freeway Project. Also, we found that the role of state agencies could be strengthened.

While this report is intended for the benefit of Monterey Park Redevelopment Agency, it is also hoped it will benefit others who are responsible for, or interested in, redevelopment.

1. **Although it is not required by redevelopment law, the Agency did not conduct a formal risk assessment prior to commencing the project area.**

A formal and systematic effort to identify risks prior to commencing a project can produce effective tactics to prevent losses or mitigate losses when they occur. In the case of Freeway Project, we could not find evidence of such formal and systematic risk assessment prior to the commencement of the redevelopment project area.

For instance, although most Freeway Project parcels have been developed, there have been a few impediments to achieving revenues from property taxes and completing development of a few remaining parcels. These unanticipated problems include:

- **Voter initiative** - Proposition 13 and resulting change in state law to limit revenue available from property taxation
- **Market conditions** - economic downturns and lack of financing for hotel development
- **Public agency intervention** - acquisition of three parcels for public use by Los Angeles County and Cal State University, Los Angeles.

Whether the Agency could have identified any one of these problems that occurred is arguable. Our finding is not meant to second guess the planning and decision support regarding Freeway Project. Instead, it points to an area where more formal and systematic attention could make a difference. This becomes all the more important in larger scale projects where the risk of loss is greater. Formal risk assessment gives an organization an opportunity to consider developing alternative strategies and contingency plans.

2. **Although it is not a requirement of redevelopment law, the Agency did not establish clearly defined objectives for the Freeway Project against which progress towards stated goals can be assessed.**

The Agency created the Freeway Project with the goal to eliminate blight and to create land usage as specified in Community Redevelopment Law. We know that among the objectives of the project was to retain two major employers within the City: Ameron and Lincoln Savings and Loan Association. However, the redevelopment plan itself does not identify measurable objectives. Objectives are statements that define the specific result or impact an organization plans to make in order to support the outcome expressed in its goal(s). For an organization engaged in redevelopment, it is particularly important to have formally documented objectives. This is because redevelopment projects, once established, exist for a long time. Without objectives, it becomes very difficult to consistently measure progress towards meeting a goal. Performance evaluation is more likely to be subjective and inconsistent.

3. **Although it is not a requirement of redevelopment law, the Agency did not define the types or levels of costs and benefits expected for the Freeway Project.**

The Agency should allocate its resources to redevelopment projects based on the service or accomplishments the project area will create. The Agency did not have effectiveness or efficiency indicators which link the costs associated with the Freeway Project to specific benefits that will result. We could not identify any criteria to determine whether an appropriate level of resources have been expended for the outcomes of the Freeway Project or whether management of the project area has been efficient.

- 4. Redevelopment law does not require State agencies to maintain data against which the performance of one community redevelopment agency (CRA) can be compared with that of other CRA's.**

As noted in the above findings, there are a number of ways to assess performance of an agency. One way is to measure performance compared to stated goals and objectives. Another is to measure an agency's performance compared to that of like organizations. However, existing public information on CRA's does not directly address performance measures. The State Controller maintains a record of CRA financial transactions and indebtedness while the State Department of Housing and Community Development collects information on the contribution and use of CRA housing funds. The annual reports generated by both state agencies focus on activities (what CRA's are doing). They do not provide measures of efficiency or outcomes. Without this information, it is difficult for an agency to identify performance benchmarks.

- 5. It is difficult to discern the specific annual accomplishments in the Agency's recent Annual Reports.**

Redevelopment law requires the Agency to prepare and submit an Annual Report to the City Council and to the State. However, the current Annual Report has limited use for communicating annual accomplishments. For instance, facing an unfavorable real estate market, the Agency has been unable to locate a hotel developer. Without a discussion of this in the Annual Report, it is impossible for the reader to be assured of the current status and progress of Freeway Project.

- 6. Although it is not a requirement of redevelopment law, the Agency does not evaluate the results of housing rehabilitation programs when making housing set-aside findings.**

The Agency reports the amount the City has allocated to housing rehabilitation programs as documentation to exempt it from making the full 20% housing set-aside. Funds allocated for housing rehabilitation indicates the level of input the City is committing. It does not, however, reflect actual program results. The City provides in its departmental Program Summaries (part of its Annual

Budget) the actual number of units rehabilitated. The Agency does not make any reference to this data in its Annual Reports. We did not identify any Agency attempts to detect potential gaps between the City's projected efforts to meet housing needs with the actual efforts realized.

- 7. The impact of the Freeway Project on schools and special districts is low because it contains a small number of parcels and generates limited tax increment revenue.**

The Freeway Project is unique in that it consists of only six parcels totalling 40 acres, three of which are owned by government entities and two are undeveloped. Its impact on taxing entities is low because the Agency receives limited tax increment revenue for this redevelopment area.

- 8. State agencies which collect information on all CRA's do not monitor CRA performance.**

Oversight of the Agency is limited because there is no external authority that monitors its performance. The State Controller maintains records of the Agency's financial transactions and statements of indebtedness. The State Department of Housing and Community Development keeps track of its housing set-aside contributions and the creation of new housing. However, neither of these state agencies review the accuracy or implications of the data the Agency submits. In fact, the State has not conducted a comprehensive study of California redevelopment activities since 1985, and prior to that, 1975.

RECOMMENDATIONS

While the following recommendations address management improvements for the Agency, they reflect management principles that may help to enhance the performance of other CRA's, as well.

- 1. The Agency should ensure that each project area has measurable goals and objectives against which redevelopment progress can be evaluated.**

Measurable goals and objectives will help the Agency stay on track as well as allow a more thorough review of its annual accomplishments. The Agency can use such information to monitor performance and to identify issues and accomplishments for internal and external reporting.

- 2. The Agency should develop three to five year management plans with outcome performance measures and review them annually.**

A revolving three to five year plan requires the Agency to be forward-looking and self-adjusting. The Agency should set both short and long term goals and objectives and revise them as appropriate. The Agency should develop and use such a plan to ensure that it is making sufficient progress for each redevelopment project and that all redevelopment activities support the mission and goals of the Agency.

3. The Agency should conduct formal risk assessment and develop contingency plans prior to major commitments.

Whenever significant change is planned (e.g., long term commitment of real property), an analysis of costs and benefits as well as alternatives should be developed. A formal (e.g., "pro forma") analysis provides both an audit trail and a basis of discussion for alternatives.

4. In large scale or complex projects, the Agency should consider retaining the services of an independent financial/business advisor.

We found numerous examples of the appropriate use of redevelopment consultants, real estate analysts, attorneys, and auditors. To supplement this, when major (large dollar amounts or complex) project decisions are to be made, the Agency should seek an independent financial advisor with a business management background. This advisor should provide a fresh perspective and insights on project-specific issues as well as Agency-wide business concerns. The advisor may identify alternatives the Agency might not have considered on its own.

5. The Agency should corroborate information used to support its annual housing findings with related information found in other reports.

The Agency should monitor both housing program inputs (i.e., annual funding allocations) and outputs (i.e., number of housing units rehabilitated) to develop a better picture of the City's progress towards meeting low and moderate income housing needs. Such analysis would help determine the effectiveness of existing housing rehabilitation programs and whether the Agency needs to design an alternative program using its low and moderate income housing fund.

6. The 1994-95 Grand Jury should commission a study on the feasibility of establishing benchmarks concerning the performance of CRA's in the County of Los Angeles.

The Grand Jury could oversee the development of the recommended study to be completed by a qualified professional. This study should lead to a benchmarking system that is:

- **Collaboratively prepared** -- CRA's in the County should help identify the types of benchmarking information most valuable to them.
 - **Non-intervening** -- Benchmarking information should be provided to CRAs for their voluntary use.
 - **Focused on effectiveness** -- The extent to which redevelopment projects in the County have met their goals and/or contributed to desired outcomes.
 - **Balanced** -- Including measures of efficiency regarding Agency's performance as an organization.
 - **Enables peer group analysis** -- Benchmarking information should be presented in a way that acknowledges the variety in CRA's and identifies the key characteristics that would group similar CRA's together.
7. **The Board of Supervisors should recommend that the State develop performance measures for which CRA's are responsible to report.**

While the State may not have the resources to monitor the performance of CRA's, it can help to make the appropriate performance data available. By compiling and publishing basic performance measures (e.g., percentage of increase in assessed valuation, number of new jobs created), the State would provide a basis for more objective public evaluation of redevelopment practices.

APPENDIX

DOCUMENTS REVIEWED

Documents from the Monterey Park Redevelopment Agency

Annual Financial Reports, 1989-1993

Annual Reports, 1991-1993

Annual Reports of Financial Transactions of Community Redevelopment Agencies, 1991-1993

City Ordinances Concerning Freeway Development Project No. 1, Central Commercial

Project, and Merged Redevelopment Project

Communications Between Agency and County Regarding Merger Concept
Fiscal Review Committee Report Regarding Merged Project Amendment Area
Housing Set-Aside Findings and Resolutions
Pass-Through Agreements for Freeway Development Project No. 1
Pass-Through Agreements for Central Commercial Project
Program Summaries, 1991-1993
Market Studies for Hotel Development
Redevelopment Plan for Central Commercial Project
Redevelopment Plan for Amendment No. 1 to the Merged Development Plan
Report to Council for the Merged Redevelopment Project Amendment

OTHER REFERENCES

- Auditor General of California, *A Review of Tax Increment Revenues Provided to School and Community College Districts from Redevelopment Project Areas*, December 1990.
- California Debt Advisory Commission, *The Use of Redevelopment and Tax Increment Financing by Cities and Counties*, 1985.
- California Redevelopment Association, *Citizen Guide to Redevelopment*. Second Edition, 1994.
- California State Department of Housing and Community Development, *Redevelopment Agencies in California: The Effect of Their Activities on Housing*, FY 1990-92
- Logan, J.R. and Molotch, H.L., *Urban Fortunes: The Political Economy of Place*. Berkeley, CA: University of California Press, 1987, pp. 174-5.

B. COMMUNITY REDEVELOPMENT AGENCIES

BACKGROUND

For nearly fifty years California law has encouraged local communities to engage in projects to eliminate urban blight. Redevelopment, as it came to be called, was a post-World War II continuation of the Great Depression's New Deal programs, a popular and effective tool directed toward public housing, slum clearance, modernization of decaying downtown areas, and erection of municipal facilities.

While many cities desired to rebuild their central cores, funding was a major obstacle until voters approved Constitutional Amendment #55 in 1952, authorizing the use of property tax dollars for that purpose. In the 1950's property taxes were by far the primary source of local revenue for cities, counties, schools, and special districts. Advocated as a measure that would grant relief to taxpayers, proponents argued that the cost of redevelopment would be met by using "tax increment" - the property tax revenue derived from the increased assessed valuation that would result from redevelopment - instead of a city's general fund. The city, through a community redevelopment agency, would borrow against future tax revenue to pay the initial cost of development, thereby avoiding a threat to the financial stability of the city's treasury. Repayment would come from future property taxes collected on the enhanced value of property freed from blight. Using tax increment financing, residents would be able to maintain existing city services while at the same time modernizing their city.

The official argument in the 1952 voter's handbook spoke glowingly of projects that paid their own way, of a tax increment system that was fair and equitable, and of financing redevelopment without an additional levy upon the already overburdened taxpayers. In response, voters approved the measure two to one.

Despite this incentive, cities were slow to take advantage of the tax increment feature. By 1965 only 46 cities and counties had established Community Redevelopment Agencies (CRA's), and only 32 projects had actually been initiated. From 1966 to 1975 112 additional agencies were created and 172 projects added. With an increasing need for funds, cities utilized the law to develop projects that they hoped would enhance their property tax revenue. With land values soaring and assessed valuation increasing, the wonder of tax increment financing as promised in 1952 seemed at hand. Redevelopment was

a way for cities to cash in on the seemingly endless real estate boom.

By 1978 voter backlash against rising home property taxes that accompanied frequent reassessments and tax rate increases resulted in passage of Proposition 13, which not only served to cap taxes on homes but on commercial property as well. It rolled back assessments to 1975 levels and froze the tax rate at 1% of assessed value. While this provided tax relief for property owners, it vastly altered the role of the property tax in government financing. Although property values continued to rise with new construction and reassessment upon resale, the limitations imposed by Prop. 13 made tax increment a less attractive incentive for redevelopment than it had been.

In the 1980's financially strapped cities, increasingly dependent upon the state to make up for Prop. 13 losses, utilized redevelopment to increase other sources of revenue: the sales tax, primarily, but also hotel taxes and other fees which could be generated by redevelopment projects. From 1981 to 1985, 117 agencies were established, the largest single number in any five year period in CRA history. The 205 projects that were formed in the early 1980's, comprising almost one-third of all the CRA projects created to date, were also a five year record .

As of June, 1992, the last date for which published statistics are available, 381 California cities and counties had CRA's, encompassing a total of 605 projects. In Los Angeles County, 70 of the 88 cities and the County have established CRA's with 186 project areas.

The growth of CRA's throughout the state and, in particular, in Los Angeles County has brought forth in recent years critical comment from taxpayers who believe the promise of the 1952 ballot proposal that they would be relieved of a great financial burden through tax increment financing has not been achieved. Instead, an increasing number of critics see CRA's as simply money-shifting schemes that, under the guise of alleviating blight, transform a property tax that would have gone to provide services through other taxing agencies into a redevelopment project that generates sales taxes and other taxes for city governments. They charge that CRA's provide great benefits to developers while taxpayers both pay the bill and face a diminution of services. Professor William Fulton writes:

"Redevelopment may be the single most powerful planning tool available to local governments in California. It is also perhaps the most widely abused and twisted tool available to local governments in California."

In 1993 the legislature passed a major CRA reform bill, AB 1290, which went into effect on January 1, 1994. The bill was strongly supported by CRA

lobbyists who feared that unless the worst abuses were corrected a more sweeping reform measure would be adopted. Critics argue that the law will only lead to larger projects to ensure that CRA's continue to collect their revenue despite the reforms.

Some critics are convinced that the tax increment scheme of financing redevelopment has placed an undue burden on taxpayers. They believe that the public must either forego badly needed municipal and county services or acquiesce in the imposition of "parcel assessments," user fees, or other devices in order to finance traditional services such as police, libraries, and schools. The state, which was counted on to "back-fill" budget shortfalls, faces severe fiscal problems. The recently proposed 1994-95 Los Angeles County budget predicts a deficit of over \$184 million and may lead to the closure of jails, libraries, parks, recreation, and museum programs.

Responding to these concerns, the Grand Jury's Community Redevelopment Subcommittee has undertaken a study of CRA practices. In addition, the Subcommittee conducted a formal audit of a single CRA - Monterey Park - and, in conjunction with the Grand Jury's Education Committee, audited agreements the Los Angeles City CRA made to implement its plan to raise the Central Business District's spending cap from \$750 million to over \$7 billion. The Subcommittee examined other CRA's without formal audits.

PROCEDURE

Responding to a citizen's complaint, the Subcommittee focused on the Monterey Park CRA. After hearing from leading experts on community redevelopment, reading literature on the subject, and meeting with individuals concerned with redevelopment, the Subcommittee gained Grand Jury approval for a formal investigation of the Monterey Park CRA in the belief that it represented a typical redevelopment agency.

Price Waterhouse was engaged to audit the Monterey Park CRA. Time and monetary constraints required that the audit be limited to a single project. Freeway Project #1, which could be studied with the time and resources available and which reflected problems related to CRA's elsewhere in the county, was selected. Subcommittee representatives joined with Price Waterhouse to meet Monterey Park CRA officials and staff, visited the Freeway Project area, and met with the complainants.

Under the sponsorship of both the Government Operations Committee and the Education Committee, Price Waterhouse audited the December, 1993,

agreement between the Los Angeles City CRA and the Los Angeles Unified School District relating to the Central Business District redevelopment project cap.

While the audits were underway, the Subcommittee continued to collect information on other aspects of redevelopment agencies, contacting state, county, and local government administrators involved in community redevelopment.

FINDINGS

1. **CITIZENS HAVE LITTLE ACCESS TO ACCURATE CRA SOURCE MATERIAL.** There is no central depository within the County for reports and statistical information necessary to fully understand CRA's. Citizens wanting to know the impact of CRA's on other agencies such as schools or protection services, or the effect of tax diversions on state finances, cannot readily find such data. The County collects its own raw data but no longer prepares the table that once accompanied every property tax bill showing the amount of money diverted by individual CRA's. Those state reports that are available, including the State Controller's annual "Financial Transactions Concerning Community Redevelopment Agencies of California," often contain inaccurate, incomplete, and unverified information.

2. **DIVERSION OF TAX DOLLARS TO CRA's CAN MEAN FEWER SERVICES ARE AVAILABLE.** Under CRA law, when a project is created, the assessed value of property within the project area is frozen as of that year insofar as tax distributions are concerned. Each taxing agency is entitled to a portion of the taxes collected from that frozen base, but as the value of property rises, the only agency entitled to tax the increased value is the CRA. The total amount of property tax dollars diverted to CRA's in Los Angeles County is as follows:

1974-75	-	\$30,500,000
1978-79	-	\$51,437,591
1989-90	-	\$360,117,809
1990-91	-	\$407,242,222
1991-92	-	\$483,275,175

(Statistics were unavailable for 1992-93 and 1993-94 at the time this report was prepared. For the state as a whole, \$1.3 billion was diverted in 1991-92.)

The major losers in tax increment diversions are the County (and the people who receive the services it provides) and the state. The County general fund loses approximately 27 cents of every dollar diverted. With this frozen tax base, the County's general fund is expected not only to maintain the present level of service, but to expand it to meet demands created by CRA development and normal area growth. The general fund is responsible for the most basic County functions: fire, sheriff, libraries, parks, health, and other services.

While the state was not originally a direct participant in property tax allocation, it has become involved as a result of Prop. 13 (property tax) and Prop. 98 (school finance). Prop. 13 drastically reduced the property tax rate, rolling the assessed valuation back to 1975 and fixing the maximum tax at 1% of assessed valuation, with an annual increase of no more than 2% for inflation. This means that the annual property tax on an average-priced home that has not been resold since 1978 is not enough to support the services - schools, fire, police, etc. - that it requires. (While figures are not available for Los Angeles County, Prof. Fulton reported that a Yolo County official estimated it took a \$500,000 home to generate taxes sufficient to meet the services demanded). With the property tax base further reduced by CRA tax diversions, the county has resorted to various user fees.

State law requires that any property taxes lost to schools through redevelopment be back-filled by the state. Currently over 40% of the state budget goes to education. In order to maintain the spending levels mandated by Prop. 98, the state has been forced to take a larger share of property taxes from local government, especially counties.

In the taxing area that constitutes the Los Angeles Central Business District (a CRA project), educational accounts collectively are currently entitled to over 47 cents of the tax dollar. Whatever portion of that amount the CRA diverts from local schools becomes the responsibility of Sacramento. (CRA's statewide currently divert about \$500 million from schools annually). When the Central Business District project reaches its \$750 million cap, property taxes available for educational purposes from that area alone would amount to \$30 million annually, reducing the state's burden by an equal amount. Should the spending cap be raised to \$7.1 billion, diverting even more property taxes from education, the State Legislative Analyst estimates that the back-fill will cost the state \$1.7 billion over the next 27 years.

In effect, property owners are taxed to support local schools only to find that their tax dollars are diverted to another purpose. They must then

pay additional taxes to the state to fund local education. CRA's have used the argument that the state will back-fill any funds lost to the schools as a way to recommend CRA's to the public (Santa Clarita).

Tax increment financing thus becomes a forced contribution, affecting not only the residents within the city establishing a CRA, but those outside as well. Taxpayers in cities without projects subsidize cities that have them when they are compelled to pay user fees or other taxes to supply services that would have been paid for with tax dollars diverted to CRA's.

Critics contend that the increase in assessed valuation within CRA's, used to justify tax diversions, is not solely the result of CRA activity, but occurs in part through private development and the resale of property. In recognition of this fact, the base year on which tax increment is computed could be updated periodically, thereby granting to the other taxing agencies a greater share of the tax dollar with which to provide basic services.

The ability to provide those services is also hindered by CRA's that hold property in agency ownership for years, not subject to taxation, while waiting for a hotel or trade center to locate there (Monterey Park). In the meantime, schools and other agencies entitled to pass-throughs are denied sorely needed tax dollars. An incentive is needed to encourage CRA's to return property to the tax rolls more promptly. Unless the problems of government financing are settled quickly, the impact of CRA tax diversion will worsen.

3. **THERE IS NO SPECIFIC AGENCY WITH OVERSIGHT AND AUDIT POWER.** CRA's are largely exempt from governmental oversight by any agency other than the Grand Jury. In January, 1993, the State Department of Finance was given authority by SB 1711 to sue redevelopment agencies. However, the department receives no redevelopment reports and has no active monitoring system in place, nor does it act unless notified about areas of concern by outside sources.

Prior to adoption of AB 1290 in 1993, fiscal review committees composed of government agencies affected by tax diversions offered a means of protection against questionable projects. As members of a committee, the county and other taxing entities had authority to negotiate with a CRA regarding a proposal, seeking modifications or even rejection of it if able to prove detriment or burden. Taxing agencies were more concerned, however, with obtaining a share of the tax increment than with the merits of the project. While citizens sued to

stop a project, the county and schools sued only to settle.

AB 1290 has abolished fiscal review committees, replacing them with an automatic pass-through whereby the CRA must share its tax increment with other taxing agencies. CRA's are now without any real form of governmental oversight at a project's formation and with only limited amounts thereafter, yet the reason for passage of 1290 was the perception that cities had abused redevelopment law. With the minimal oversight once provided by fiscal review committees gone, there is no reason to believe that cities will conform any better than before.

Private citizens are rarely in a position to act as effective watchdogs, although they may be selected to serve on a Project Area Committee. (See below). State law clearly delineates the time period in which citizens may protest a proposed CRA project. Once those deadlines have passed - and they provide a very narrow window of opportunity for protests - there is almost nothing citizens can do about questionable projects. Lack of information and the inability to comprehend complicated financial data are only part of the difficulty they face. They are also unable to gain much insight from the local media, whose reporters often lack sophistication in such matters.

A lawsuit, the cost of which deters most private citizens, is one of the few measures available once statutory deadlines for opposition have passed. The courts, however, have restricted this "oversight through litigation" by limiting evidence to issues and information contained in the official record when the project was adopted and limiting standing of those who may bring suit .

4. **SOME CRA's INCUR EXCESSIVE ADMINISTRATIVE AND PROFESSIONAL COSTS.** The State Controller's 1991-92 Annual Report revealed several projects in Los Angeles County where administrative and professional expenses exceeded 60% of the total CRA expenditures in that fiscal year. Such expenditures, often for costly litigation in matters only tangentially related to CRA activity, create an atmosphere of hostility toward CRA's in general. When consultants and other professionals serve several CRA's simultaneously and are paid bonuses for their services, the public questions the purpose of redevelopment.
5. **CITIZEN INVOLVEMENT IS MINIMAL IN MOST CRA PLANNING.** Project Area Committees (PAC's) are required at the formation of a CRA residential project, but once the project is approved, there is no continuing citizen involvement with the plan. CRA's are not required to reassemble the PAC if the plan is subsequently amended. While some

CRA's have voluntarily organized citizen or business advisory committees as successors to PAC's, the law does not require that and most CRA's do not utilize them. The state only sets minimum standards regarding the creation of PAC's. Cities can, and should, do more.

Some CRA officials complain that PAC's are troublesome and obstructive. What that may mean is that the CRA has not done its job in opening a partnership with residents by carefully explaining the project to them. In some communities, particularly those requiring low income housing, CRA's have been accused of insensitivity to local needs, of serving downtown interests only, and of failing to fulfill their promises. Effective use of PAC's might do much to diminish this criticism, either by demonstrating to the public that the projects are desirable or by responding to criticism and amending the projects.

6. **CRA's HAVE NOT MET THE SPIRIT OF AFFORDABLE HOUSING REQUIREMENTS.** Although the expressed purpose of CRA activity is blight reduction, the greatest need is the least supplied: low and very low income housing. Home ownership is vital to the stability of a neighborhood and to that end state law requires that redevelopment agencies establish Low and Moderate Income Housing Funds. To increase the supply of affordable housing, they are required to set aside annually at least 20% of a project area's property tax increment. These funds should serve as the greatest local resource in addressing affordable housing problems in Los Angeles County, yet this resource is not being fully utilized.

Despite a documented critical shortage of affordable housing in Southern California, redevelopment agencies have taken advantage of provisions in community redevelopment law to exempt themselves from the 20% minimum set-aside requirement. In the State Controller's 1991-92 Annual Report only 19 of 88 agencies in the County reported tax increment transfers to Low and Moderate Income Housing Funds and only 12 agencies reported expenditures subsidizing affordable housing. In 1993 the State Department of Housing and Community Development determined that 61 of the 89 redevelopment agencies in Los Angeles County were out of compliance with state law.

Excluding the Los Angeles City CRA, which has a notably active housing program supplying over \$112 million in low and moderate income housing support in 1991-92, CRA's contributed less than one-half of the required 20% tax increment set-aside countywide. (Note: Data provided to state agencies is not verified for accuracy and several independent reviews have shown a wide discrepancy between information provided

by the State Controller's Office and the State Department of Housing and Community Development.)

Deposits made to Low and Moderate Income Housing Funds are not a guarantee that funds will be expended for affordable housing. In recent years the unspent balance in these funds has increased 20% per year. In July, 1992, the state estimated that \$222 million was available for immediate housing assistance.

In 1991 a Southern California Association of Governments Task Force studied redevelopment issues relating to affordable housing needs. As a result of its own studies in this area the Grand Jury Subcommittee substantially concurs with the findings and recommendations of that report and commends it to the attention of the Board of Supervisors.

7. **A BROAD DEFINITION OF BLIGHT HAS LED TO ABUSE.** Community redevelopment began with the reasonable intention of removing blight from the state's urban areas. Defining blight, however, was another matter. While the legislature provided guidelines, the power to declare an area blighted rested with city officials. Vast areas of open space within the County, in regions that had never been urbanized, were found to be blighted (City of Industry). Desert landscape was designated as blighted (Palmdale and Lancaster). Even range land became a blighting influence (Hidden Hills). Ultimately entire cities were declared by their officials to be suffering from blight (Hawaiian Gardens).

The absence of objective criteria for the determination of blight and the lack of local or state agency oversight (see Finding #3) often creates great confusion for residents who witness apparently viable portions of their city declared blighted. In Monterey Park for example, the City was legally able to proceed with adding 175 acres to the Merged Project Area despite a finding by the County Taxing Entities Fiscal Review Committee that the area was not, in their opinion, blighted and that its addition would be an abuse of redevelopment law.

Since blight was by law a precondition for redevelopment, CRA's were required to find that blight existed in order to justify any project. To bring in major sales tax generators, such as Wal-Mart or Price Club, commercial areas were designated blighted because they generated less sales tax than desired. Legitimate businesses of long standing in a community faced condemnation because they no longer fit the image sought by the CRA.

Growing criticism led to a redefinition of blight in AB 1290, dividing it

into physical and economic categories. In order for a CRA to determine that blight exists, the area's deficiencies must be so great that only redevelopment can reverse the condition. But the legislature failed to establish objective standards for determining that. Professor Fulton notes that the existence of irregular lots - a factor listed by law as a cause of blight - would permit a CRA to declare all of San Francisco a blighted area. It is only the pursuit of supermalls and superstores that requires such large parcels.

The difficulty is that truly blighted areas will not produce enough tax increment or sales tax to provide profit, especially in the first few years. Land and buildings have often remained vacant for many years since, even with subsidies, developers cannot predict a profit. The Los Angeles Central Business District project, established in 1975, is often cited as an example: a vast area of downtown Los Angeles punctuated with a few "trophy buildings" and pockmarked with poverty and deteriorating, vacant structures.

8. **SOME CRA's CREATE BLIGHT IN THEIR ATTEMPT TO FIGHT IT.** Construction of shopping malls, subsidized by CRA contributions, has a negative effect on businesses that remain on "Main Street." The mall stores are frequently chain operations headquartered outside the local community. The rent in these malls, even when subsidized by CRA write-downs, may be beyond the reach of long established local businesses that must remain located in what might now become a deteriorating part of town. Locally owned business thereby suffers and another potential CRA project for blight removal is created.

Certain essential businesses, which by their nature produce only a marginal income for their owners, need to have low rent in order to survive. Consequently, defining blight in terms of revenue produced endangers many small businesses that could not exist if forced to pay rent for space in modern malls.

Development of a strong, stable community in which business can sometimes flourish requires supporting small, local businesses that tend to produce more employment in the long run, than in subsidizing national chains. This also aids local residents with a stake in their community who will provide leadership in the city's affairs.

9. **CRA's HAVE BECOME A HIDDEN, LESS DEMOCRATIC, LAYER OF CITY GOVERNMENT.** In all the County's cities except Los Angeles CRA directors are the members of the city council. As CRA directors they engage in activities that council members would be reluctant, or without

power, to undertake. Bonded indebtedness, for example, can be incurred by a CRA without voter approval. A city council, on the other hand, can float bonds only if two-thirds of the electorate approves. As a result, while a majority of Burbank voters supported a school bond issue, it failed because of the two-thirds rule. Yet only three CRA directors in that city would be needed to commit future tax dollars for decades as debt service for a shopping center without a vote of the electorate.

CRA's possess many other powers of city government without the safeguards that would exist if similar actions were taken by a city council. Because of the necessity to protect the system of bond financing, decisions by CRA's are virtually irreversible by the electorate once the legal deadlines have passed. CRA's have used the power of eminent domain to acquire private property for private development, while the traditional use of eminent domain by city councils has been to take property for public use. CRA's, citing the necessity of redevelopment, are much freer than city councils with public funds in the form of subsidies, rebates, "loans" to developers with which to pay property taxes, and other forms of financial incentives to private business.

Citizens feel alienated by the professional bureaucracy that tends to run CRA's. Critics contend that council members are usually unsophisticated about matters of redevelopment and rely heavily on the CRA staff and paid consultants. They are thus unable to answer questions about projects and refer citizens to the CRA office. CRA planning often reflects the vision of non-residents, such as the executive director, the city manager or an outside consultant, none of whom may have to live with what they create.

10. **CRA's OFTEN OVERSTATE THE FINANCIAL BENEFITS OF REDEVELOPMENT.** Redevelopment agencies frequently pay dearly for the acquisition of private property that is then resold to a developer at a fraction of its value. The loss resulting from this land write-down, often in the millions of dollars, is justified on grounds that the increased assessed value resulting from redevelopment will more than make up for the initial loss. In addition, CRA's argue that the cost of assembling the parcels and preparing them for redevelopment is greater than a private developer could pay.

This claim overlooks several factors. The increase in assessed value is not solely a consequence of redevelopment. Much of it is due to the almost continuous escalation in land values throughout the county since World War II. The market value and, therefore, the assessed value of

even land with aging buildings has increased. Frozen by Prop. 13 limits, however, such property may have remained assessed at considerably less than market value if it had not been resold for some time. Resale alone, without redevelopment, would create a significant increase in property taxes. Nor can it be demonstrated that private development would not have taken place had the CRA not acted.

CRA money is not "new" money, nor is it "free" money. CRA funds are simply tax dollars diverted from traditional purposes to redevelopment. Yet CRA's continue to promote their projects with the argument that they do not cost taxpayers anything. The burden should be on CRA's to explain to the public why the loans, subsidies, rent rebates, and write-downs to some of the nation's richest corporations are in the best interest of the city.

CRA's cannot eliminate the boom/bust cycle. No matter how extensive their projects, they can neither jump start the construction industry nor turn around the national or regional economy. Tax increment financing is advantageous in time of growth but worsens municipal finance problems during depressed or stagnated economic periods. Redevelopment based on 45 year projections presupposes economic constants that are not guaranteed. Nor can planners accurately predict voter attitudes that might drastically alter the potential success of a project. Prop. 13, passed by an electorate angered over rising property taxes, forced many projects to the brink of default. Ignoring that reality can only lead to serious financial difficulty for CRA's.

The inflated expectations offered by CRA's to win support for their projects are a primary cause of public discontent with redevelopment. Citizens feel they have been deceived when projects fail to live up to the promises that accompanied the proposal. The result is a loss of credibility on the part of the CRA and a growing belief among voters that something is amiss at city hall .

11. **"REDEVELOPMENT COMPETITION" AMONG CITIES IS COUNTER-PRODUCTIVE.** CRA's long ago stopped being primarily an agent of urban renewal. With the passage of Prop. 13, the primary fundraising function of local government has been the pursuit of revenue-producing office and commercial development, in order to be responsive to constituents who do not want services cut or taxes raised. Since the late 1970's cities have concentrated heavily on enticing businesses to relocate within their boundaries through the use of CRA funds, largely for the purpose of increasing their sales tax revenues.

This has led to increasing economic rivalry among neighboring cities despite the fact that economists agree that the only way to economic survival in Southern California is through regional cooperation and planning, not cutthroat competition. Covina and West Covina seek each other's automobile dealerships. Palmdale and Lancaster vie for major sales tax generators. Several San Gabriel Valley cities have negotiated for the same Wal-Mart. Irwindale spent millions to lure the Los Angeles Raiders out of the Coliseum.

Lateral movement of business from one city to another does not increase the county's net property value nor does it increase the total sales tax. As noted by operators of small pet shops when Lancaster successfully bid for a PetSmart outlet, the only way to increase the sale of pet supplies is to increase the city's animal population, not the number of pet stores.

Opening a store will have some positive effect within the community where the business locates, but it has an equally debilitating effect on the city it departed. At the same time, the costs involved in intercity competition, in the form of financial incentives offered to the business in question, must be paid for by taxpayers in both communities.

While only a small portion of the sales tax dollar is designated for the city in which the sales occur, for some cities it is now a major source of income. By use of zoning regulations and CRA enticements to business, cities such as Industry (with a 1990 population of 631 but annual taxable sales of \$1.6 billion) have captured an enormous revenue from sales tax. At the same time, by refusing to allow residential construction within the city and by refusal to annex neighboring unincorporated areas, Industry has kept this tax revenue from being used to support the services required by a city with a normal mix of residential and commercial development.

Regional malls, such as the one in Industry, draw customers from a wide area, but the municipal portion of the sales tax stays in one place. It drains money from surrounding cities without utilizing it to provide services for them. A change in tax allocation legislation would reduce the intercity competition for sales tax generators.

Furthermore, this race to acquire sales tax generators is symptomatic of an underlying problem with CRA's: the transformation of CRA's from agencies concerned about blight to agencies seeking short-term economic gain. From the visionary goal of the 1952 ballot proposition, in which the ideal city was one free of slums, CRA's have evolved into

agencies evaluated on the basis of their profitability and return on investment.

By concentrating on sales tax generators, they encourage development that produces low paying jobs that may not be of long duration. Large retailers create low wage jobs for employees who cannot afford to commute long distances. Low wage employees can only afford low income housing. If the city providing low wage employment does not also offer low income housing, neighboring cities get the worst of both worlds: no sales tax, increased demands on dwindling housing and residents more likely to need municipal services due to low income .

The failure of White Front, Zody's, Ole's, Builder's Emporium and other once-prized sales tax generators, often standing vacant for extended periods, raises doubts about the long-term value of discount retailers. Few CRA's have devoted enough energy and thought to creating an industrial base that offers their residents the benefits of a more permanent and career oriented employment that industry can provide. Municipalities cite state policy that does not allow them to collect sales tax revenues on the non-retail sale of manufactured goods as a serious disincentive to the pursuit of industrial development.

12. **CRA PROJECTS ARE OFTEN AMENDED, EXTENDING THEIR LIFE FAR BEYOND THE TIME LIMIT SET AT THEIR CREATION.** It is rare for a project to end at the time originally designated for its termination. By 1989, for example, only 3% of all CRA projects in the state had been completed. Instead, CRA directors regularly amend their projects, adding additional years in which tax increment can be collected.

This amendment is often accompanied by an increase in the cap, the amount of money that can be expended in a project area. Alhambra recently raised its cap by several hundred million dollars and Los Angeles, as noted previously, is seeking court permission to lift the Central Business District cap.

Projects are also amended to increase the area they encompass or to merge two or more projects. These amendments may have more to do with economic difficulties encountered in paying debt service than to blight (Monterey Park).

AB 1290 has placed limits on the length of such extensions but no longer recognizes a cap on the tax increment to be collected. Failure to complete a project within the period stipulated at its beginning raises questions about the ability of CRA's to cope with the blight they were

set up to correct.

While the existence of blight justifies creation of a project, until AB 1290 was adopted there was no requirement that blight be eliminated. Projects may run for years without a significant inroad on the squalor that precipitated them. Current law allows for a redevelopment agency to extend a project for ten years past its scheduled termination date if it finds that blight still exists. Conversely, an agency may continue to incur indebtedness and undertake new projects even if blight has been eliminated before the termination of a project area.

AB 1290 requires agencies to hold public hearings to develop five year implementation plans containing the specific goals and objectives for an area, the specific projects and expenditures to be made implementing the plan, and how such expenditures will eliminate blight. These plans are to be reviewed within three years of adoption and are renewable every five years. For new redevelopment projects adopted after January 1, 1994, additional information must be contained in the implementation plan with more detailed reporting requirements. However, the new requirements do not address the consequences of either failing to achieve the goals and objectives of the implementation plan or achieving blight elimination ahead of projected plan termination limits.

13. **LONG-TERM DEBT IS ENCOURAGED BY CRA LAW.** The amount of tax increment diverted to a CRA is a sign of debt, not accomplishment. By law, tax increment is only available to CRA's that are in debt. Once the debt is paid, property tax increment is not available to the project. This encourages CRA's to remain in debt in order to collect the annual increment. Even if no debt payment is due in a particular year, a CRA is entitled under AB 1290 to collect increment based on the total debt that remains, provided that the increment and other funds available to the agency do not exceed the debt balance. A loan from the city's general fund thus qualifies as grounds for collecting tax increment (Covina), although the loan need not have a repayment schedule.

Los Angeles County CRA's had a collective debt of \$8.5 billion as of July 1, 1991. The result is that a considerable portion of CRA tax increment is paid out in interest on long-term debt.

14. **THERE IS NO CLEAR DISTINCTION BETWEEN CITY AND CRA RESPONSIBILITIES FOR FUNDING PROGRAMS.** It is reasonable for a CRA and the city to jointly pay salaries of professional staff who perform services for both entities. A problem arises, however, when funds from either the city or CRA are used to fund activities normally funded by the

other. The Grand Jury has received complaints that city money is used to finance CRA activities. At the same time, the Grand Jury has heard from critics who argue that traditional city functions are being financed out of CRA funds. South Pasadena, for example, has used CRA funds to finance its opposition to extension of the Long Beach Freeway. Many cities have used loans from their general fund to finance CRA activities. AB 1290 made only a limited effort to deal with this problem.

The key to successful reform is to change the law so that CRA's are not encouraged to do the wrong things. At present, the law rewards the CRA that remains in debt.

15. **IF A CRA DEFAULTS ON ITS DEBT, IS ANY OTHER GOVERNMENTAL AGENCY OBLIGATED TO RESCUE IT?** The Subcommittee repeatedly asked this question of experts. While legally cities may have no obligation to bail out their defaulting CRA's, from a practical standpoint it is unlikely that a city would permit a CRA bankruptcy. City credit and credibility are too closely intertwined with the CRA, especially since CRA directors are almost always the city council. While the county seemingly has no obligation in event of a default, the state may well be involved inasmuch as CRA's are technically state agencies.

RECOMMENDATIONS

The Committee recommends that the Board of Supervisors:

- 1A. Authorize an appropriate county agency to maintain a public file where annual reports, statements of indebtedness, and other relevant materials from all CRA's in the county are located.
- 1B. Direct the Auditor-Controller to prepare an annual report enumerating the total amount of tax dollars diverted to CRA's within the county during each fiscal year.
- 1C. Reinststitute the practice of mailing an annual chart showing CRA property tax diversions with the property tax bill.
- 2A. Support state legislation that would limit the amount of property tax dollars that can be diverted to CRA's.
- 2B. Support state legislation that would require CRA's to make in lieu property tax payments to affected taxing agencies when CRA-owned

property is kept off the tax rolls beyond three years.

- 2C. Support state legislation that would periodically change the year on which tax increments are based so that other taxing agencies could take advantage of the increase in assessed valuation before the termination of a CRA project, provided there is sufficient tax revenue to service debt.
- 3A. Support state legislation that would create and fund an agency in each county with oversight authority in redevelopment activities, including mandated set-asides for housing, and authority to challenge projects that appear to violate redevelopment law.
- 3B. Request, until an oversight agency is created, that the Attorney General take action against CRA's whose activities are deemed to be in conflict with CRA law and seek legislation to empower the Attorney General to review and reject project applications and amendments.
- 3C. Support state legislation that would allow plaintiffs to present evidence unknown at the time of a CRA project's adoption that tends to show the project was not in compliance with state requirements.
- 3D. Support state legislation allowing renters in a city the standing to sue a plan for non-compliance.
- 4. Support state legislation to set expenditure limits with regard to excessive administrative, professional, and consultant fees.
- 5. Support state legislation that would continue Project Area Committees throughout the life of the project.
- 6A. Urge the state to vigorously enforce sanctions on those CRA's that have done little to meet state housing mandates.
- 6B. Support legislative changes suggested in the 1991 report of the Redevelopment and Housing Task Force of the Southern California Association of Governments.
- 6C. Support state legislation to establish uniform accounting systems for all state and local CRA reports.
- 7. Support state legislation to adopt objective criteria for the determination of blight.

8. Support state legislation designed to discourage dispossession of existing businesses and residents in order to attract businesses that the CRA deems to be more desirable for the community.
- 9A. Support state legislation requiring that approval by a two-thirds vote of the local electorate be required to authorize creation of a CRA project area.
- 9B. Support state legislation prohibiting the use of eminent domain for the advancement of private interests.
10. Support state legislation standardizing the financial forms used to estimate profit and loss from a proposed redevelopment project, with the stipulation that such forms accurately reflect the real costs of such projects .
- 11A. Support state legislation designed to further discourage CRA's that try to lure businesses from other California cities by using their tax increment to provide incentives.
- 11B. Continue to advocate state legislation for redistribution of sales tax revenue to discourage cities from using redevelopment as a means of enticing sales tax generators into their communities and to restore badly needed revenues to counties.
- 12A. Support state legislation shortening the lifespan of CRA projects now permitted by AB 1290.
- 12B. Support state legislation restricting an agency's ability to amend project areas to specific reasons related directly to the area.
- 12C. Support state legislation that requires periodic review of project area progress in alleviating blight and that would prohibit an agency from incurring additional debt once blight has been substantially eliminated.
13. Support state legislation that would encourage CRA's to fund redevelopment on a pay-as-you-go basis.
14. Support state legislation that would clearly distinguish activities that CRA's can pay for from those more properly the obligation of cities.
15. Support state legislation that clearly prohibits cities, counties, and the state from assuming any financial responsibility in the event that a CRA defaults on its debt.

SUBCOMMITTEE MEMBERS

Ralph Shaffer, Chairman
Saundra Huff
John Wilson
Thomas Yacenda

APPENDIX

DOCUMENTS REVIEWED

Assembly Bill 1290 (1993).
Argument in Favor of Assembly Constitutional Amendment #55 (1952).
California Redevelopment Association, "Citizen Guide to Redevelopment in California," 1994.
California Redevelopment Law (Health and Safety Code).
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---, Report to City of Los Angeles Ad Hoc Committee on the Budget Crisis, Mar. 19, 1993.
Fiscal Agreements By and Between the Community Redevelopment Agency of the City of Los Angeles and the L.A.U.S.D., the L.A. Community College District, and the County of Los Angeles, Dec. 21, 1993.
Goldfarb and Lipman, "Analysis of AB 1290," 1993.
---, "Redevelopment and Affordable Housing," Rev. 1991.
Monterey Park Community Redevelopment Agency, "Annual Report," 1990-93.
---, "Annual Financial Report," 1990-93.
The Planning Institute, School of Urban and Regional Planning, University of Southern California, "Los Angeles at an Economic Crossroads," 1992.
Senate Bill 1711, Bergeson, Feb. 20, 1992.
Senate Committee on Local Government, "Redevelopment Agency Housing Programs," Dec. 1991.
Southern California Association of Governments, "Redevelopment and Affordable Housing Resources: 1990-92," Oct., 1993.
---, "Redevelopment and Affordable Housing Resources: Findings and Recommendations," Sept., 1991.
State Controller, "Annual Report Concerning Financial Transactions of Community Redevelopment Agencies," 1990 to present.
State Housing and Community Development Dept., "Redevelopment Agencies in California: The Effect of Their Activities on Housing," April, 1988.
Superior Court, County of Los Angeles, Case #C136398, "Stipulation to enter Judgment," and "Judgment," Nov. 22, 1977.
Lloyd Von Haden, "Redevelopment, Boon or Boondoggle?" 1992.

In addition, task force members read over 250 articles from local and regional media, examined a random sampling of annual reports from CRA's within the county, read all past Los Angeles County Grand Jury Final Reports dealing with CRA's, and studied Grand Jury Final Report excerpts on CRA's from several other counties.

SITES VISITED

Monterey Park Freeway Project #1.
Redevelopment zones in Burbank, Covina, Glendale, Lancaster, Long Beach, Los Angeles, Palmdale, Pasadena, So. Pasadena, West Covina.

C. THE LOS ANGELES COUNTY DISTRICT ATTORNEY'S OFFICE PERFORMANCE AUDIT

INTRODUCTION/SUMMARY

Fuller & Company, Inc. was retained by the 1993/94 Los Angeles County Grand Jury (the Grand Jury) to conduct a performance audit of the Los Angeles County District Attorney's Office (the DAO). To this end, the Grand Jury posed and asked that we conduct necessary assessments to answer four questions pertaining to the management performance and effectiveness of the DAO. Following are these questions and our answers to them:

- **"Are the (DAO's) goals and objectives compatible with financing available to the DAO?"** The DAO has a well-formulated mission statement and equally well-formulated goals and very general objectives. They are clear and appropriately ambitious. However, these goals and objectives have little chance of being fully realized given the financing now available to the DAO and likely to be available in the foreseeable future. For the DAO to be able to realize its goals and objectives, it will need more attorneys, more support staff and more equipment - funding for these critical elements is not now available. Additionally, it will need to develop more precise and time-constrained objectives. Moreover, the DAO will need to develop better general management, operational and staff support systems. This could probably be best accomplished in the context of an overall strategic plan for the DAO.

Importantly though, the dedication and operational creativity of the District Attorney and his staff will, we are convinced, permit the DAO to move incrementally toward accomplishing its goals and objectives even in times of severe financial constraint. Dedication and creativity notwithstanding, the issue of adequacy of funding and improved management systems are of critical importance to the operational effectiveness of the DAO.

- **"Does the organizational structure focus its resources toward achieving (the DAO's) goals and objectives?"** The structure of the DAO is adequate, with minor exceptions, to support achievement of its goals and objectives. However, unless the units are properly staffed, supported and managed, the adequacy of the structure is of minimal importance. In this context, there is a need for enhanced function descriptions for all units within the organization, position descriptions,

performance measures and management oversight.

- **"What type of management system can be established in the DAO?"** To operate with maximum effectiveness and efficiency, the DAO needs to have in place improved management systems, processes and procedures necessary to support any large organization, e.g., planning, budgeting, performance measurement and evaluation, records management, and management information. It also needs management systems, processes and procedures designed to support its specialized functions and activities, e.g., case assignment, case tracking and management.

A number of the traditional and specialized systems, processes and procedures needed by the DAO are in place and functioning adequately. Others are either performing inadequately or are not in place. In subsequent sections of this Report, we specify the strengths and weaknesses of DAO systems and offer recommendations for the strengthening or establishment of specific systems essential to the operational effectiveness and efficiency of the Office.

- **"What recommendations can be made (to increase) the economy and efficiencies in the areas studied?"** The implementation of a series of recommendations in the areas of organization and staffing, budget and finance, operations and support processes is necessary to strengthen the operating effectiveness and efficiency of the DAO. These recommendations, developed on the basis of our fact-finding and analysis are presented in the final section of this Report.

BACKGROUND

Pursuant to the Official Government Code, as amended in 1980, Section 26500, "The District Attorney is the public prosecutor, except as otherwise prohibited by law... The public prosecutor shall attend courts, and within his/her discretion, shall initiate and conduct on behalf of the people all prosecutions for public offenses. When the District Attorney is not engaged in criminal proceedings in Superior Court or in civil cases on behalf of the people, he (the District Attorney) must respond to magistrates when requested...and perform other specific duties as mandated by the Official Government Code."

The net effect of Section 26500 of the Official Government Code is to mandate that the District Attorney is the chief prosecutorial agent for the County which he/she represents. Under normal circumstances, this broad mandate would make the DAO one of the most important government agencies in the County. However, when one public opinion poll after another indicates the number one

concern of the American public is the fear of crime, and in Los Angeles County where arrests for violent felonies have increased by 74.9 percent since 1983, the DAO has monumental importance.

Los Angeles County, similar to many other governmental entities across the nation, is facing a severe budget crisis. For Fiscal Year 1993/94, the County's budget deficit is projected at approximately \$184 million. In an attempt to bring the expenditures more closely in line with its revenues, the Chief Administrative Officer of Los Angeles County and the Board of Supervisors have initiated a number of measures, including a moratorium on hiring and various restrictions on budget enhancements for all County agencies. As have other agencies of the Los Angeles County government, the DAO has felt the impact of austere budget policies. Since 1991, the DAO has experienced a net loss of 51 prosecutors.

This project was commissioned by and conducted under the auspices of the 1993/94 Los Angeles County Grand Jury (the Grand Jury). In addition to its almost universally known function of hearing evidence in potential criminal cases and deciding whether or not to return a True Bill of Indictment, an important aspect of the work of the Grand Jury is the investigation of various issues of relevance to the operations of the Los Angeles County government. Consistent with this mandate, the primary purpose of this project was to conduct a performance audit with the intent of identifying opportunities for improving the management efficiency of the Los Angeles DAO in the face of severely limited financial and operational resources and increasing service demands. The District Attorney's Subcommittee, Government Operations Committee (the Committee) was responsible for establishing the project's framework and overseeing its implementation.

PROCEDURES

The scope of and approach to this project were structured in a manner intended to maximize the degree to which an objective and timely audit could be conducted of the DAO. Following is an overview of both the scope and approach:

Project Scope - This project consisted of a performance management audit of the DAO. Its scope was comprehensive in that it consisted of a review of all aspects of the DAO necessary to determine the degree to which the DAO has management and operational policies and practices in place to carry-out its mandated responsibilities effectively and efficiently. Specific questions of the Grand Jury to be answered by the project were:

- "Are the (DAO's) goals and objectives compatible with financing available to the Department?"
- "Does the organizational structure focus its resources toward achieving (the DAO's) goals and objectives?"
- "What type of management system can be established in the DAO?"
- "What recommendations can be made (to increase) the economy and efficiencies in the areas studied?"

Project Approach - To answer these questions, we developed and implemented an approach designed to: 1) identify facts and circumstances relevant to each question, 2) draw conclusions based on these facts and circumstances, and 3) develop recommendations to improve the overall management effectiveness and efficiency of the DAO.

To this end, we:

- **Reviewed Pertinent Written Material** - To ensure that we were aware of essential facts related to the DAO (e.g., its structure, staffing, processes and procedures), we reviewed copious amounts of written material, including 74 documents consisting of more than 2,000 pages. This material included, but was not limited to:
 - .. Budgets
 - .. Operating policies and procedures
 - .. Goals and objectives established by the District Attorney
 - .. Various internal memoranda.
- **Conducted Extensive Interviews** - Much of the essential information and insights collected during the project came about through a series of extensive interviews at all levels within the DAO. Specifically, we conducted 73 interviews with DAO personnel from the following two groups:
 - .. **Executive Personnel** - This category of interviews consisted of the District Attorney, the Chief Deputy District Attorney, the three Assistant District Attorneys, selected Head Deputies, Bureau Chiefs and Special Assistants. During the course of these interviews, which averaged more than two hours each, we sought the perspective of senior management concerning current problem areas of the DAO and alternative solutions.

.. **Non-management Personnel** - To ensure a balanced view of the DAO, we conducted interviews with non-management personnel, e.g., line prosecutors. The specific purpose of these interviews, which lasted approximately one and one-half hours, was to determine the degree to which basic management systems, processes and procedures are in place and/or adhered to - including:

- Goals and objectives
- Position descriptions, i.e, the degree to which they are in place, consistently understood and followed
- Adequate resources to carry-out prescribed tasks
- Management oversight
- Adequate time for trial preparation
- Performance reviews
- Opportunities for career advancement
- Employee training programs.

From time-to-time during the course of this project, we found it necessary to conduct follow-up interviews with certain senior level personnel, such as Mr. Gil Garcetti (the District Attorney), Mr. Mike Tranbarger (Special Assistant to the District Attorney and subsequently (via promotion) the Director of the Bureau of Special Operations), and Mr. John Bernardi (Director of the Bureau of Management and Budget). The primary purpose of follow-up interviews was to clarify and/or enhance information received previously. Some of these interviews were conducted in person, while others were carried-out via the telephone.

- **Met with Chief Administrative Officer of Los Angeles County** - Our purpose for meeting with Ms. Sally Reed was to gain a better understanding of the current and foreseeable budget constraints of Los Angeles County, and the likely impact of such financial limitations on the DAO.
- **Conducted On-site Work Observations** - We observed work methods and flows in the Complaints Division, Central Trials and various Branch and Area Offices.
- **Attended a PIMS Briefing** - The Project Team attended a briefing on the capabilities of the "Prosecutor's Management Information System" to understand how the system would function and to gauge its impact on DAO operations.
- **Interfaced With Our Project Liaison** - Mrs. Audrey Collins, Assistant

District Attorney, who has since accepted an appointment as a Federal Judge, served as our project liaison within the DAO. In this capacity, she and/or her designees scheduled interviews and acted as conduits of project-related information. Throughout this project, we held informal project-related informational exchanges with Ms. Collins and her staff. Mrs. Collins and other DAO staff personnel were very available, cooperative and forthright in their efforts to appropriately assist our Project Team.

- **Participated in Periodic Meetings with the Grand Jury** - As an initial step in this project, we met with the Audit Committee and the Government Operations Committee. These meetings provided:
 - .. An understanding of some of the key issues and problem areas of the DAO.
 - .. A consensus on the scope of the project and overall methodology for its execution.

Throughout the duration of this project, we maintained regular contact with our Project Officers, the Committee. In addition to periodic informal briefings, we prepared and presented four formal Progress Reports. These Reports were dated January 27, 1994; March 4, 1994; April 11, 1994; and April 27, 1994. Additionally, we met with the Government Operations Committee on January 4, 1994; February 19, 1994; and February 29, 1994. During our meetings, and in our Reports and accompanying briefings, we presented and received feedback on our interim findings, conclusions and recommendations.

We are confident the approach taken to this project:

- Facilitated obtaining considerable detailed information from which we were able to identify the principal strengths and weaknesses of DAO operations.
- Enhanced the level of cooperation of the DAO by ensuring that personnel at all levels were actively involved in the project.
- Resulted in practical and implementable recommendations to strengthen the overall effectiveness and efficiency of the DAO.

FINDINGS

In this section of the Report, we present our findings. It is important that these

findings be viewed in the context of the external and internal environments in which the DAO functions.

External Environment

Much is expected of the DAO. Numerous surveys indicate that crime - particularly violent crime - is the highest concern of citizens. Despite the fact that overall crime is down across the country, and that no city in Los Angeles County was ranked among the nation's 15 "most dangerous cities" in a recent survey, that is not the perception of the average person who is constantly exposed to a media litany of violent crime reports. Simply put, citizens of Los Angeles County want the police to catch the criminals and they want the DAO to prosecute them and get them off the street for a long time. Accordingly, it is relatively meaningless in terms of citizen demands and expectations that: 1) Los Angeles County, similar to other units of government, has only a limited amount of funds available for criminal justice and other essential activities; 2) various police forces in Los Angeles County may be understaffed; and 3) the DAO is clearly understaffed.

As we indicated earlier, the fear of crime is the number one concern of the American public. Accordingly, the DAO functions in an external environment with high expectations that are difficult to manage. Because expectations are absolute, it appears that anything short of total success - even though "total success" in prosecutorial activities is practically impossible - gives rise to a perception of inadequacy. That perception exists in some with regard to the DAO. Specifically, there is a perception - no matter how inaccurate - that the DAO "can't win the big one". This is so despite the fact that the DAO has won a number of high profile cases in recent years, e.g., the Night Stalker Trial, the Keating Trial and the Cotton Club Trial. At the same time, the DAO was not successful in the Rodney King Trial, the Reginald Denny Trial or the first Menendez Brothers Trial. In the crime panic that has understandably gripped the nation, the defeats will be remembered long after the successes and foster a perception of the DAO that is far short of accurate. This is unfortunate but it is also reality in today's society.

Internal Environment

The internal environment of the DAO is one in which there is a constant effort to meet an increasing demand for services with decreasing resources. Many of the shortcomings that will be presented subsequently can be traced to this situation.

Before presenting our findings, it is important to point out that the functions and responsibilities of the DAO are exceedingly important to the safety of the

citizens of Los Angeles County. To do its job well on a continuous basis, the DAO must have enhanced management systems and operational controls, and the necessary financial and staff resources. This is not the case now.

For purposes of presentation, we have divided our findings into the following categories:

- Organization and Staffing
- Budget and Finance
- Operations
- Support and Processes

Importantly, these categories are not mutually exclusive in that a finding in one category typically impacts, and is impacted by, findings in others.

ORGANIZATION AND STAFFING

Organization

The Los Angeles County DAO is comprised of 2,581 employees - 887 attorneys and 1,694 support personnel. In February of this year, District Attorney Gil Garcetti restructured the DAO to improve its operating efficiency. We reviewed this structure and found that:

Chief Deputy District Attorney - The establishment of the position of Chief Deputy District Attorney should enable the District Attorney to appropriately devote the majority of his time to executive policy and external matters while the Chief Deputy assumes principal responsibility for day-to-day operations.

Organizational and Geographic Spans-of-Control - The spans-of-control of the District Attorney and the Assistant District Attorneys are fairly narrow while those of the Bureau Chiefs appear to be rather broad, e.g., they have too many direct reports. For example, one Bureau Director has six Branch Offices, three Area Offices and four Satellite Offices reporting to him. The Branch Offices range in geographic location from the Antelope Valley to Torrance; the Area Offices extend from Newhall to Inglewood; and the Satellite Offices extend from Calabasas to San Pedro.

Managers and Criminal Attorneys - The percentage of managers to criminal attorneys is low (8.2 percent) when compared to other large county district attorney offices. For example, in Alameda County, CA, the management staff is 29.7 percent of the criminal attorney's staff; in Manhattan County, managers are 12.9 percent of total criminal attorneys.

Bureau of Management and Budget - The Bureau of Management and Budget is structurally out of place. This Bureau is charged with management and budget-related responsibilities throughout the DAO, yet it reports to one of three organizational equals. This could cause problems.

Staffing

The single most important resource of the DAO is its staff. To operate with maximum effectiveness and efficiency, the DAO must have the sufficient number of staff to handle its caseload and the quality of the staff must be high.

Over the last five Fiscal Years (1990-1994), the total staffing of the DAO has remained relatively flat (2,581 employees in 1994 versus 2,550 employees in 1990) in that there has been a net gain of only 1.22 percent during this period. More importantly, actual staffing has decreased by 8.8 percent since 1992 even though there has been a substantial increase in the number of felony cases filed by the DAO. The Los Angeles District Attorney has placed high emphasis on maintaining an attorney and support staff that is reflective, to the degree practical, of the community his Office serves. To this end, he has sought to enhance the levels of participation by females and minorities at all levels.

Among our specific findings in the staffing area:

- **Prosecutorial Staff Ratios** - The current staffing level of the DAO is not sufficient to accomplish either its goals or general objectives on a consistent basis. With a substantial increase in criminal cases, the DAO has been forced to reduce its staff by 51 criminal attorneys.

When the staffing of the DAO is compared to prosecutor operations in the nation's 22 largest counties, the DAO:

- Has only 7.8 felony prosecutors per 100,000 residents as compared to New York County (Manhattan) and Cook County (Chicago) which have 33.7 and 11.3 prosecutors per 100,000, respectively
- Has 231.8 reported violent felonies per prosecutor, while Santa Clara County has only 60.8, New York County only 82.3 and Cook County has 166.4 violent felonies per prosecutor
- **Staffing by Units** - The staffing of various units of the DAO is not related to volume or type of cases. Staffing in the Branch and Area Offices is on the basis of courtrooms rather than on the basis of caseloads. Attorneys

have been assigned to special units such as Workers' Compensation and Automobile Insurance Fraud, which are largely grant and state funded, to avoid attorney lay-offs.

- **Job Descriptions** - Job descriptions do not accurately reflect the current content and responsibilities of each position. Without sound job descriptions, it is virtually impossible to develop any meaningful performance standards. This means that performance reviews must be almost totally subjective.
- **Staff Morale** - Staff morale is understandably low. While the DAO is staffed to a large degree by highly committed individuals, we observed that staff morale was not as high as would be expected from such an active Office. We believe the key factors contributing to current morale include the belief by a number of staff members that the DAO:
 - Suffers severe understaffing
 - Lacks adequate financial resources to fund employee compensation and operational support
 - Provides inadequate trial support, e.g., visual aids, forensic and pathological analyses, expert witnesses
 - Has inadequate support systems, e.g., personal computers and voice mail
 - Has weak secretarial and administrative support
 - In some instances, individual attorney weaknesses are committed to writing before talking with the attorney about them
 - Does not provide sufficient opportunities for career planning, development and advancement
- **Career Planning and Development** - The DAO does not currently have in place a sufficient program for career planning and development. Additionally, the DAO does not have in place provisions for "two-track" career development, i.e., a trial-directed track and management/administrative-directed track.
- **Pay Scale** - The pay scale for the DAO is rather constricted. Approximately 95.5 percent (848 out of a total of 888) of the deputy district attorneys earn between \$51,756 and \$96,829. This degree of

constriction affects recruitment possibilities and the potential for pay increases for existing attorneys.

- **Staff Training** - The DAO has a well-established program for providing professional training for its staff. In calendar years 1992 and 1993 and through April 9, 1994, the DAO held 151 separate training seminars for its staff attorneys. The subject matter of these training sessions consisted of areas such as: juvenile law, jury instructions, computer courtroom graphics, management, domestic violence, and sex crimes. It is our understanding that the DAO-sponsored training seminars are generally very effective and well presented. This notwithstanding, there appears to be a need for more training, particularly in highly specialized areas. Some attorneys indicated that due to budget constraints they were compelled to pay their own transportation costs and registration fees to attend externally-held training programs.

BUDGET AND FINANCE

The single most pervasive and debilitating problem affecting the DAO and the effectiveness and efficiency of its operations is its financial condition. Like other agencies of the Los Angeles County government and governmental units across the nation, the DAO is forced to function with severely constrained finances. With Los Angeles County facing a potential deficit of \$184 million for Fiscal Year 1993/94, it is highly unlikely that the County will be in a position to provide the DAO with substantial relief from its financial plight.

In our review of the budget and financial area of the DAO, we found that:

- **Relatively Flat Budget** - The budget has remained relatively flat over the past five Fiscal Years as evidenced by:
 - Between Fiscal Years 1989/90 and 1993/94, the DAO's criminal budget increased from \$111.2 million to \$122.6 million, or 10.3 percent; when adjusted for inflation at 3 percent per annum, the DAO's budget has decreased by 2 percent
 - Since Fiscal Year 1991/92, the budget for the DAO has been reduced (not adjusted for inflation) by 5.4 percent, from \$122.6 to \$119.6 million in the 1993/94 Fiscal Year
 - Over the past year, the DAO budget was reduced by 4.9 percent from the previous year; from \$125.8 million to \$119.6 million
- **Loss of Criminal Attorneys** - Since 1991, the DAO has lost 51 criminal

attorneys through attrition because it could not afford to replace them. Approximately 120 attorneys were removed from criminal trials; 69 were transferred to grant funded units and 51 were not replaced.

- **Budget Request** - The DAO submitted a budget request for 1994/95, calling for a net County cost increase of 38 percent. The County has asked the DAO to operate at the same budget level as the current year.
- **Proposition 172 Funds** - Although Proposition 172 established a one-half cent sales tax to provide adequate funding for public safety services, senior officials of the DAO indicated that the County has reduced its level of funding by the amount the DAO is allocated from Proposition 172 funds. This appears to be inconsistent with the intent of the Proposition and leaves the DAO severely short of funds.
- **Non-Fee Prosecutions** - The DAO prosecutes, on a non-fee basis, misdemeanors for cities in Los Angeles County that do not have city attorneys. The cost of this unreimbursed service diverts funds from County prosecutions.
- **Contract Cities Program** - Under the Contract Cities Program, the DAO provides certain local ordinance-specific prosecutorial services to various cities within Los Angeles County. The rates the DAO charges do not appear sufficient to recover its full direct and indirect costs.
- **Cost Accounting** - The DAO does not have in place a cost accounting system sufficient to determine and assess the costs of the various operating units, nor of specific cases.

OPERATIONS

With a population in excess of 9 million, Los Angeles County is the largest county in the nation; Cook County, Illinois is the second largest with about 5.5 million. Accordingly, the Los Angeles DAO is the nation's largest local prosecutorial agency. In pursuing felony cases, the DAO follows a well-structured eight-step process. An overview of the recent prosecutorial activities of the DAO follows:

- **DAO Caseloads** - In calendar year 1992, the DAO reviewed 100,356 felony cases and 264,601 misdemeanor cases; of these cases, 71,030 felony cases and 250,770 misdemeanor cases were filed.
- **Key Facts: Population, Crime and Prosecutors** - Since 1991, the population of Los Angeles County has increased by 1.3 percent. During

the same period:

- Felonies per prosecutor increased by 12.1 percent.
- Violent felonies per prosecutor increased by 12.5 percent.
- Felony prosecutors decreased by 7.1 percent.

Notwithstanding the simultaneous increase in criminal activity and decrease in staff, the DAO has been relatively successful in court; this is evidenced by:

- **Felony Success Rates** - Of the 52,905 felony cases tried in 1992, the DAO realized a 93.6 percent conviction rate; in 1991, the DAO obtained a conviction rate of 94 percent on 54,071 felony cases.
- **Misdemeanor Success Rates** - Of the more than 173,835 misdemeanor cases tried in 1992, 99.4 percent resulted in convictions; in 1991, the DAO realized a 99.2 percent conviction rate on 172,693 misdemeanor cases.

The District Attorney has established a mission and a set of clear goals and sub-goals for the DAO. He has also published policy statements regarding what attorneys can expect from the DAO, what the DAO expects of attorneys and a list of "special" concerns. These documents are excellent guidelines for the direction he wants the DAO to take. And, to a degree, there has been an infusion of an upbeat tone about the DAO and its work. However, despite the documented success of the DAO, there are still a number of issues involving DAO operations that remain unresolved. Specifically:

- **Limited Prosecutorial Staff** - The DAO staff is spread too thinly in nearly all prosecutorial areas. At some point, the DAO must decide what its priorities are, what business it can afford to be in given decreasing resources and increasing service demands, what type of cases it is able to pursue, and on what others it will pass. The simple fact is that the DAO cannot successfully do everything it wants to do, or that is expected of it, as long as it has its current staffing and financial constraints.
- **Limited Plans for Improving Operational Efficiency** - Even though goals exist, the DAO does not have adequate formal and specific plans in place for increasing its operational efficiency in the face of continuing resource constraints.
- **Case Investigations** - The DAO is forced to devote an inordinate amount

of time and staff resources to case investigations that should be handled by various arresting law enforcement agencies. As one DAO executive said, "Its been 20 years since [a certain law enforcement agency] followed a case through to trial."

- **Special Operations** - The future of certain divisions of the Special Operations Bureaus is unclear. The DAO operates a number of special divisions funded by grants and fines. These divisions include: Consumer Protection, Environmental/OSHA, Workers' Compensation and Auto Insurance Fraud. Because a budget shortfall induced a hiring freeze, which precluded the DAO from hiring additional staff for these divisions, the District Attorney has transferred criminal attorneys into them. These transfers, coupled with normal attrition, have contributed to a decrease of 120 (13.6 percent) criminal attorneys available for court since 1991.

- Given the increase in criminal cases, the District Attorney has posed the possibility of eliminating the special divisions and returning the criminal attorneys to the prosecution of violent criminal cases.

- **"Three Strikes and You're Out"** - "Three strikes and you're out" will likely increase the already heavy caseload of the DAO. Many prosecutors have indicated they will be reluctant to entertain plea bargains since certain felony convictions, no matter the severity of the crime, will count as a strike.
- **Case Assignments** - There does not appear to be sufficient criteria for assigning cases to those "most" qualified to prosecute them. Additionally, the DAO does not appear to have sufficient criteria for determining the circumstances for terminating an ongoing case.

OPERATIONAL SUPPORT

By the very nature of the "business", the normal environment in a county prosecutor's office is cacophonous and chaotic. In the case of the Los Angeles DAO, the degree of chaos is exacerbated by: 1) the sheer volume of cases it must handle, 2) the fact that the DAO is not adequately staffed, and 3) management practices that are in need of improvement. The level and quality of operational support available in such an environment is a principal determinant of the effectiveness and efficiency with which the organization functions.

The DAO must have two types of operational support: 1) sound support processes, systems and procedures; and 2) staff and general support. There are

issues concerning both support areas in the DAO.

Support Processes, Systems and Procedures

We found that the DAO has some essential support processes, functioning at varying degrees of efficiency, already in place or under development. We also found that other needed processes are not in place. More specifically:

- **Operational Planning and Control Processes** - The DAO does not have an established operational planning and control process. Without sufficient staffing or financing, it is critical that the DAO plan its operations carefully so that it can maximize the efficient use of resources it does have. This means it must have a process for determining priorities and for allocating resources in accordance with those priorities. Such a process does not exist in the DAO.
- **Records Management** - Records management, in general, is inadequate. For example, there is no disaster recovery plan for lost or damaged information, nor is there an adequate system for storage of case files.
- **Performance Evaluations** - The performance evaluation process needs to be better structured and applied. Specifically, the categories in which the attorneys are evaluated should all tie directly or indirectly to one or more of the goals of the DAO; and, the ratings should accurately reflect the level of performance. When a majority of the persons reviewed receive the highest rating, the standards are obviously too low and the evaluation is virtually meaningless.
- **Prosecutors' Information Management System (PIMS)** - This system which was recently developed by the international accounting firm of Price Waterhouse should substantially improve case management within the DAO.
- **Non-Reimbursed Out-of-Pocket Costs** - Some attorneys reported having to, themselves, pay transportation and parking costs for witnesses. Others reported paying for trial support items such as visual aids.

Staff and General Support

In addition to the need for adequate operational processes, systems and procedures, the DAO also has a need for strengthened staff and general support. For example:

- **Physical Condition of Facilities** - The physical working conditions in some

offices are poor and not conducive to maximum productivity.

- **Law Libraries** - Some law libraries within the DAO are not current in that they do not have the most up-to-date case law available.
- **Technology** - The lack of universal availability of modern technology probably adversely affects the efficiency of case preparation, e.g.:
 - Personal computers
 - Word processors.
- **Secretarial Support** - While the great majority of the support staff is undoubtedly good, if not outstanding, some improvement is needed in certain essential skill areas. The potential for inadequacies on the part of the secretarial staff is particularly high when the DAO is compelled to retain temporary workers in specialized areas.

Excellent support is critical to DAO operations. Without sufficient staff, processes, systems, procedures and other support, mechanisms must be designed to serve as a staff multiplier.

RECOMMENDATIONS

In this final section of our Report, we offer a series of recommendations that, individually and collectively, are designed to respond to the problems identified in previous sections and enhance the operating effectiveness and efficiency of the DAO. Importantly, none of these recommendations alone is capable of fully addressing the operational weaknesses that have been identified. Equally important, these recommendations cannot all be implemented immediately, nor can their benefits be immediately realized. Accordingly, it will be important for the DAO to develop a prioritized implementation plan. We are confident that if the recommendations presented below are implemented in a well-planned and monitored manner, the operational effectiveness and efficiency of the DAO will show continuing improvement.

The main body of our recommendations are presented under the same headings as our findings. Specifically:

- Organization and Staffing
- Budget and Finance
- Operations
- Operational Support

GENERAL

Prior to the presentation of recommendations specific to the above-referenced categories, we offer the following general recommendations which cut across each of the categories and will affect them all:

- **Conduct a Five-Year Strategic Plan for the DAO** - This plan should contemplate future operations of the DAO in light of current and foreseeable internal (e.g., the budget crisis) and external (e.g., "three strikes and you're out") factors; based upon such factors, update and/or develop:
 - *A Mission Statement* that reflects the District Attorney's vision for the DAO.
 - *Goals* that envision broad areas of accomplishment consistent with the DAO's mission statement.
 - *Objectives* that spell-out specific measurable and time-constrained activities directed at accomplishing the stated goals. For each objective, resources required for implementation should be projected in the following areas:
 - .. Human - people and organization
 - .. Physical - facilities and equipment
 - .. Organizational Support Systems - policies and procedures
 - .. Financial - sources and uses of funds.
 - *Strategies* that make provisions for issues essential to the implementation of stated objectives, such as: legislative changes, cooperative efforts with other large enforcement agencies, informing the public, and informing the DAO staff.
 - *Action plans* that spell-out for each objective issues such as: primary and secondary responsibility, timing and costs. In developing the action plans, the DAO must be mindful of the fact that in light of limited resources, the number of programs for change that it will be able to undertake and control will probably be limited. Therefore, the establishment of priorities will be absolutely essential.
- **Continue the policy of obtaining meaningful advisory assistance from local law firms and universities** - It is our understanding that Mr. Garcetti has done a very good job in seeking certain pro bono management

advisory services from local law firms and other institutions. However, in light of the ongoing increases in the public's demand for services, limited resources and absolute need to undertake a number of management enhancement-related initiatives (such as those contemplated in this Report), we strongly recommend that the DAO seek greater levels of pro bono assistance. It is important to note that prior to inviting any outside parties in, the DAO must be clear on: the specific scope of services it wishes to be performed, the expected final product and the timeframe for completion. Moreover, it must have internal resources available to appropriately assist those providing the external services.

- **Continue to communicate on a regular basis with the Los Angeles Chief Administrative Officer and the Board of Supervisors to ensure that they are properly and fully informed relative to the pertinent operational and financial issues of the DAO** - An additional purpose of such dialogue would be for the DAO to learn of impending county mandates which could impact the financial and operational status of the DPO.
- **Enhance the current practice of meeting regularly with other senior members of the local law enforcement community** - Potential participants would include, but not necessarily be limited to: the Los Angeles Police Department Chief of Police, other LA County-based Chiefs of Police, the Los Angeles County Sheriff and the Directors of the Los Angeles District Office of the Federal Bureau of Investigations and Drug Enforcement Agency. The purpose of these meetings would be to conduct mutual briefings in areas of common concern and to discuss the potential for a joint crime abatement program.
- **Assess and appropriately respond to the results of the sample survey sent to jurists and a cross section of former jurors** - We recommend that the DAO carefully review the results of this survey. It should pay particular attention to comments pertaining to the courtroom effectiveness of DAO attorneys.

ORGANIZATION AND STAFFING

To begin resolution of the organizational and staffing issues confronting the DAO, we recommend that the DAO:

- **Transfer the Bureau of Management and Budget to the Chief Deputy District Attorney** - Inasmuch as this Bureau has DAO-wide responsibility for management and budget-related issues, we believe it would serve the DAO's best interest to have it report directly to the Chief Deputy District

Attorney instead of to an Assistant District Attorney.

- **Commission a comprehensive study of special Operations** - We recommend that this study focus on the cost and operational effectiveness of divisions within the Special Operations Bureau. Additionally, we recommend that the study assess the pros and cons (cost and operational) of moving functions currently performed by special operations to Branch Area or Central Operations.
- **Commission a study to determine the extent to which special assistants and other management personnel could possibly devote more of their time to trying cases** - We do not question the need for or the effectiveness of Special Assistants and other management personnel. However, in light of the severe shortage of staff resources, we recommend that the DAO determine the advantages and disadvantages of requiring Special Assistants and selected management personnel to spend more time on trial-related activities.
- **Review and, where necessary, revise all position descriptions to accurately reflect the duties and responsibilities of the position** - We strongly recommend that the DAO move quickly to review and update all position descriptions. This would serve two needed important purposes. First, the process of developing functions and position descriptions. The DAO could ensure that each function and position are appropriate and necessary in light of the current and foreseeable needs of the DAO. Secondly, once the position descriptions have been finalized they should be used as a first-step in establishing performance standards for each staff member.
- **Establish quantifiable performance measures for all positions** - These performance standards should be tied directly to the requirements of the employee's position description and the objectives established for the employee's unit. These measures should cover senior managers, as well as all other staff members.
- **Develop a five-year staff development plan** - This staffing plan should anticipate the required staff size and mix to accomplish the objectives that will be envisioned by the DAO's strategic plan.
- **Establish a career counseling and development program for DAO attorneys and support personnel** - Establish a career development program that allows for reasonable advancement opportunities for those who, by virtue of their expertise and/or inclination, decide to pursue careers specifically directed at trial-related or management/administrative

activities. In no case should an attorney feel the need to leave the courtroom in order to advance his or her career.

- **Work with the Los Angeles County Civil Service Commission to review the current pay scale in the DAO** - Seek to revise the pay scale in order to create a broader separation between the lowest and highest attorney levels. It is important to take into consideration the pay scales that competing institutions make available to competent attorneys.
- **Review the adequacy of all existing internal training programs and enhance them as necessary** - Given the increasing complexity of the various duties that the DAO performs, and the fact that some attorneys indicated that they felt compelled to seek outside training, we recommend that the DAO review the adequacy of its training program. Where enhancements are necessary, we further recommend that the DAO seek pro bono assistance from local law schools to develop and possibly teach new courses.
- **Review and update as appropriate all of the DAO's policies and procedures** - Policies and procedures should be reviewed for their adequacy and appropriateness in light of current and foreseeable laws, regulations and managerial mandates affecting the DAO. Those that are inadequate should be updated or retired. New policies and procedures should be prepared on an as-required basis.
- **Establish positions for interns, law clerks and/or paralegals** - The purpose of these positions would be to perform certain support functions currently done by special assistants and other personnel.

BUDGET AND FINANCE

Issues in this area will prove the most difficult for the DAO to resolve because it is not in charge of setting its budget. However, as it is currently among the most important areas to the effective and efficient operation of the Offices, the issues raised in the findings section must be addressed. To this end, we recommend that the DAO:

- **Work with the County to review and enhance, as appropriate, the current method for allocating property taxes to compensate the DAO for prosecuting misdemeanors for cities that do not have their own prosecutors.**
- **Charge rate for prosecutions carried-out in the contract cities program sufficient to fully recover actual direct and indirect costs.**

- **Seek a change in state law to enable asset forfeiture funds to once again accrue to the DAO.**
- **Identify and aggressively pursue additional grants from Federal, State and private sources.**
- **Conduct an overhead value analysis to identify overhead activities and costs which could possibly be contained, reduced or eliminated.**
- **Establish a cost accounting system that allows for accumulating and allocating both direct and indirect costs.**

OPERATIONS

Operations is the heart of the DAO. Accordingly, how well or poorly it functions in this area determines the degree to which it performs its mandated mission. In this area, we recommend the DAO:

- **Strongly consider not accepting cases for trial that have not been thoroughly investigated by arresting law enforcement agencies - This is a matter that should be discussed and "worked-out" in meetings with other local law enforcement executives.**
- **Establish written procedures for initially accepting cases and prudently managing those that are accepted. In light of the current state of diminishing resources and increasing service demands, the DAO must prioritize and carefully manage its work activities.**
- **Develop and maintain an updated staff capability matrix - This matrix should contain current pertinent information on all prosecutors. Information to be included, but should not necessarily be limited to: education, career history, in-service training, case/trial history and location.**
- **Review current practices for assigning cases - To the degree possible, the following factors should be taken into consideration: 1) experience of the prosecutor in the subject matter of the case, 2) availability, and 3) accessibility, e.g., location of the prosecutor versus the location of the trial.**
- **Provide adequate support resources for all trials - Ensure that attorneys have access to appropriate levels of support for all cases the DAO decides to pursue.**

- **Implement a time tracking system for all staff to track how much time is devoted to individual cases or cases by type** - The information, after a period of time, can also be used to assist in developing performance standards.
- **Review the duties and performance of calendar deputies** - The intended purpose of this recommendation is to seek ways of improving the effectiveness of the calendar management function.
- **Conduct random analyses of old cases to determine if any trends exist with regard to the number of charges filed and the number of convictions obtained** - Adjust the DAO filing practice on the basis of the results of the analysis.

OPERATIONAL SUPPORT

Without effective support, the DAO cannot function. For this reason, we recommend the Office:

- **Develop and implement an operational planning and control system** - This system should produce short-term plans, i.e., one to two years consistent with the comprehensive plan recommended earlier. Additionally, the system should also include a monitoring and control mechanism that will allow managers to identify problems in operational plan execution and to make the adjustments necessary.
- **Substantially enhance the DAO Records Management System to facilitate file control, storage and retrieval** - To the extent possible, dormant case files should be placed on microfiche.
- **Improve housekeeping and maintenance of offices to provide better physical working conditions for the staff** - It is sometimes very difficult to motivate employees who work in unkempt conditions. Since the DAO needs maximum effort from its staff, it should make all reasonable efforts to appropriately improve the housekeeping and maintenance of those Branch and Area Offices that are in need of such.
- **Commission a study to determine the most cost efficient way to update and make adequate all DAO libraries** - This is very important since prosecutors frequently must rely upon library research to properly prepare for cases.
- **Enhance the technological capability of the DAO in areas such as personal computers and voice mail** - Conduct an analysis to identify all

areas in which technology can be used by the DAO on a cost effective basis.

- **Immediately enhance the security of all case files** - Until a comprehensive records management system is developed, we recommend that the DAO consider the possibility of making greater use of off-site storage of older or dormant records.
- **Develop a comprehensive disaster recovery plan** - The purpose of this plan would be to enhance the possibility of retrieving lost manually-kept or computerized information in the event of a disaster.
- **Institute a "Suggestion Box" to provide staff with a mechanism for making anonymous and/or confidential suggestions or comments** - Provide recognition and/or rewards for employees who advance "outstanding" cost-cutting and/or management enhancement-related ideas.

The recommendations that have been presented, when implemented, will substantially improve the operating effectiveness and efficiency of the Los Angeles County DAO. However, successful implementation will require a strong commitment by the District Attorney, his senior staff and all other personnel within the DAO. Based on our knowledge of Mr. Garcetti's vision for the DAO and his interest in enhancing current management practices, we are highly confident a commitment to implement the recommendations presented in this Report will be forthcoming.

SUBCOMMITTEE MEMBERS

Audrey Lynberg, Chairman
Eugene Harding
Saundra Huff
Young Park
Ralph Shaffer
John Wilson
Thomas Yacenda

APPENDIX

DOCUMENTS REVIEWED

Los Angeles County Grand Jury Final Reports: 1989-90, 1990-91, 1991-92 and 1992-93
Functions and Responsibilities of the District Attorney
RESCUE: District Attorney/Firefighters Youth Program
Abolish Chronic Truancy: A Program to Stop Crime Before it Starts
AIDS Testing Notification for Victims of Sexual (and other) Assaults
Bad Check Enforcement Program
Child Support: "You Owe it to Your Kids"
Domestic Violence: There is a Way Out
Hate Crimes Threaten the Foundation on Which Our Country Was Created: Equally for All Citizens
Victims: Know Your Rights
Child Abuse - Protecting Our Children is a Fundamental Responsibility
Workers Comp Fraud is No Paid Vacation
Workers' Compensation Fraud
Los Angeles County District Attorney Public Service Educational Videos
Project L.E.A.D. - Legal Enrichment and Decision-making
Shortstop Long Beach
Los Angeles County District Attorney Biennial Report (1987-1989)
D.A. Focus: Community Crime Prevention Newsletter, July, August, September, October, 1993
D.A. File, July 1993, December 1993
1993 National District Attorney Survey Reporting - Population, Staffing and Crime Rate Information
Legal Policies Manual, June 1990
Personnel Policies Manual, June 1978
Narcotics Law Manual, Second Edition - Spring 1989
Selected Topics in Narcotics Cases - Second Edition - Spring 1989
Appraisal of Promotability Procedures
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D. THE LOS ANGELES COUNTY DISTRICT ATTORNEY REVIEW (Subcommittee Report)

BACKGROUND

A special Subcommittee was appointed and assigned the District Attorney's Office (DAO) project. The Subcommittee met with the District Attorney and Assistant District Attorney to discuss areas of concern. The Assistant District Attorney was assigned as the project liaison.

PROCEDURE

The plan of action designed for the DAO review process included four separate steps. The first step was to provide an overview of the DAO by presentations from the different department managers on selected issues. Second, a tour was scheduled for the Subcommittee to review the 17th floor of the Criminal Courts building to understand the progression of a case. Third, the Subcommittee developed objectives for a professional management study and fourth, a survey questionnaire was designed for mailing to selected criminal trial jurors and judges.

District Attorney's Office Review

The DAO presented a program for one full day, on selected issues, to provide an overview of the operations of the different departments. The managers provided the Grand Jury with invaluable working knowledge of the DAO. The Grand Jury ranked each presentation on a scale of 1-10. Scores ranged from 8.2 to 9.1.

One separate presentation was conducted by a university professor to provide the Subcommittee with information on how to assess organizational effectiveness.

Case Progression Tour

The Grand Jury Legal Advisor and Head Deputy of Central Operations provided a tour of the 17th floor to explain the progression of the cases from the complaint desk through the assignment of the case to the courts. In addition, the process of case preparation time, case assignment, case management by

the calendar deputies, and the matrix of logs of the court schedule were explained and discussed.

Management Study Objectives

The Subcommittee formulated questions to be addressed by a management firm for a performance management review study. The objective of the management review was to assess the DAO program effectiveness and review the economy and efficiency of the office. Specific areas to be studied were the following:

- Are the goals and objectives compatible with financing available to the DAO?
- Does the organizational structure focus its resources toward achieving the DAO goals and objectives?
- What type of management system can be established in the DAO?
- What recommendations can be made to increase the economy and efficiency in the areas studied?

The management firm conducted a personnel study on two different levels, the executive personnel and the non-management personnel. This report is presented under Len Fuller & Co Performance Management Audit.

Survey Questionnaire

The Subcommittee was given permission by the Supervising Judge of the Criminal Division to seek feedback information from former criminal court jurors and judges through a questionnaire. To develop the questions, a literature search was conducted on post-verdict interviews. Since available research literature at the Los Angeles County Law Library provided little information, the psychological and sociological literature on post verdict juror interviews was reviewed.

The purpose of the survey was to describe the strengths and weaknesses of the deputy district attorneys who had a criminal jury trial within the last year by a structured post trial juror interview questionnaire. Additionally, jurors had an opportunity to contact the Subcommittee for an open-ended interview, in person or by telephone, to provide additional data or permit clarification of any areas in question.

Questions proposed by the Subcommittee were evaluated and approved by the Supervising Judge with input from the Los Angeles County Counsel and the DAO. At their request pertinent words were added to eliminate possible bias. Four questions were removed.

Trial juror subjects were selected by the Supervising Judge from a cross-section of different criminal trials held during the past year. The subjects' identities were kept confidential. Each survey (600) contained a postage paid envelope addressed to the Grand Jury Office. The Jury Commissioner's office applied labels to 600 stamped envelopes and mailed the envelopes. All information provided to the Grand Jury was voluntary and jurors remained anonymous.

From the 600 jury surveys distributed, 250 (45%) were returned and six others were returned with lost labels. Of the 250 respondents reporting, 34 could not be completely analyzed because information was missing in different areas of the questionnaire. Therefore, 216 jury surveys were used to evaluate the overall performance.

A second independent questionnaire to seek opinions from 260 judges on the skill level of the prosecutors was designed by the committee, and approved by the Supervising Judge. The purpose of this questionnaire was to identify areas of a prosecutor's performance which, if improved upon, would further the administration of justice in Los Angeles County. The questionnaire asked for an overall perception of the prosecutors' traits and skills which were exhibited in their courtroom.

Each judicial survey (260) mailed contained an envelope addressed to the Grand Jury Office and was mailed through the judges' mailboxes.

Of the judicial surveys (260) distributed, 105 (40%) were returned. Six judicial surveys were not used because information was missing. Many statements were hand written on the majority of returned questionnaires and this provided invaluable information to show a relationship to the responses from the juror survey.

The sample survey percentages included below refer to the number of jurors or judges supporting a particular evaluation unless otherwise stated.

FINDINGS

According to the judicial survey, the deputy district attorneys varied from outstanding, experienced litigators who had excellent legal abilities in the courtroom to those Deputy Prosecutors who did not have the skills or experience to be in the courtroom. This statement is supported by the results from the jury survey whereby the respondents were asked to rank the prosecutors on 20 different points on a scale of one to five for each point (100 points). The following chart helps to explain the range of scoring for the prosecutors.

JURY SURVEY RESPONDENTS

Points	Prosecutors	Percentage
96-100	22	10%
90-95	21	10%
80-89	48	22%
70-79	52	24%
60-69	35	16%
50-59	25	12%
40-49	7	3%
30-39	5	2%
20-29	1	-%

The top two categories show 20% of the jurors found their prosecutors have excellent legal skills and abilities, followed by a top middle range category with 22% who had mixed high and low scoring. The next two large groups of jurors found that prosecutors fall into a category of mediocrity (40%) followed by the lower scoring which shows that some 17% did not have the proper skills to be in the courtroom.

The level of experience of the prosecutors appearing in court as also evaluated by the judicial respondents, is a major concern. Forty-seven percent of the respondents called for a moderate to substantial improvement in courtroom experience. Even though there is a need for the prosecutors to have more experience, according to the juror respondents, nearly one-half (49%) of them reported voting to convict the suspects on all counts and a further 28% had voted for conviction on some counts presented. Only 19% reported a jury acquittal on all counts.

From the majority of responses on the judicial questionnaire, the prosecutors were rated very well. Some areas needed a small amount of improvement but on the whole, the strengths in the DAO are that the prosecutors have knowledge of the law, mastery of the case elements, and demonstrate the following courtroom skills:

- They present a credible opening statement which properly frames the relevant issues.
- They have the ability to present relevant facts at the appropriate time throughout the trial and are effective in raising appropriate objections. They have the ability to set forth the issues and questions to be decided.

The prosecutors are alert, motivated, confident, and rated well on their appearance. The jury survey respondents also rated the prosecutors high on the survey as being an effective communicator (68%), well groomed (83%), appearing confident and prepared for trial (71%), and maintaining a professional relationship with the judge and defense attorney (82%). One weakness for prosecutors is their effectiveness in communicating and keeping the jury alert and focused (64%). Other weaknesses of the prosecutors are detailed below in the preparation and presentation data.

Four important areas addressed by the judicial survey and supporting documentation by the juror responses was the lack of preparation, presentation problems in court, the need for more training, and management weakness.

Preparation

"The lack of preparation leads to unnecessary trials, delays in trials and a possible loss of a case". This Judge's statement demonstrates a concern that is supported by judicial data showing a need for improvement in the preparation of trials from moderate (33%), or significant (22%) to substantial (25%). Specific areas addressed by the judiciary's statements are the following: deputies need to handle the case prior to the trial and have adequate time to prepare a case, interview the witness before the hearing or trial, prepare preliminary hearings adequately, and prepare good charts, graphs or visual aids.

Jury respondents' data showed that prosecutors needed to make better trial preparations. Improvements can be made by preparing an opening statement that clearly presents a summary of the evidence, and frames the relevant issues (29%), and imparts a better understanding of the case (32%). Charts,

graphs and visual aids need to be prepared in advance so the prosecutor can make the evidence easier to understand and the testimony easier to follow during the presentation of the case (44%).

Some of this data from the jurors' responses is somewhat contradictory to the judicial respondents' positive responses on courtroom skills.

Presentation

Within the courtroom environment, one judge respondent reported that the more experienced deputy prosecutors have very good skills and are smoother in trial presentations. Judges and jurors surveyed found approximately one-half of the prosecutors are in need of moderate to substantial improvement in courtroom presentation skills.

During trial presentations, 61% of the judicial survey respondents found that prosecutors do not prepare and communicate effectively with the witnesses, and need to increase their ability to cross examine the witnesses more thoroughly (58 %). They also need to implement better use of charts, graphs, and visual aids (53%) and make clear the importance of testimony and evidence (61%). In addition, prosecutors are encouraged to handle motions, filings, paperwork, and responses with more competence (51%), more clarity (53%), more relevance (41%), and in a more prompt manner (59%).

Jury respondents reported a need for improvement in many areas during trial presentations. Not all of the prosecutors follow the outline that was introduced in the opening statement (43%) nor do they speak to each element of the evidence and testimony (44%). They do not present the evidence in a simple, easy to understand manner (35%), or make the facts and issues relevant to the case clear (35%). During cross examination of the witnesses, the prosecutors need to sharpen their skills (48%), and communicate with the witness in order to obtain and present information in a more organized manner (37%), and do a better job of questioning the expert witnesses (44%) according to the juror respondents.

The closing argument can be made stronger by making factual, coherent, and forceful easy to follow argument (41%), clearly connecting the testimony with the evidence (42%), defining the issues and questions for the jury to decide (31%), and clearly summarizing the evidence and testimony presented (29%). Fifty percent of the juror respondents reported that the case could have been presented in a more understandable way if the prosecutor had provided more information.

During deliberations, the jurors were not influenced by the length of the trial (80%), according to the respondents of the juror survey.

Training

Skill levels vary tremendously from the professional who is well prepared to those deputy district attorneys with insufficient experience in the courtroom. A need for training is demonstrated within the overall reported data of preparation and presentation sections of this report.

Several judicial respondents addressed training as a specific need for those whose basic skills were missing and training for the inexperienced attorney who had a need for court supervision within the first few months. There is a reported lack of management control by not watching the deputies in trial. Courtroom training experience is acquired by watching a trial attorney and having supervision in trial techniques and practice.

Instruction is also needed on how to evaluate a case or legal situation, selecting jurors appropriately, cross examination of the defense expert, and/or defense witness, and training in trial advocacy according to the judicial respondents.

Management Weakness

The DAO has a high (heavy) caseload, is underfinanced, has insufficient staff, and limited resources, according to the judicial survey respondents. The administrators need a more clearly defined function or purpose. Furthermore, some in top management have minimal trial experience and may not be choosing the most skilled attorneys for the high profile cases nor giving them the support that is necessary during the trial.

Calendar deputies with Grade 4's are the backbone in the system and are in control of good management in the calendar courts. They need to have superb negotiating skills. Some reportedly are excellent while others are not properly preparing, investigating, and assessing the cases. Pretrial and calendar matters do not get the attention that is warranted according to some of the judicial respondents.

The demeanor of some attorneys is rated very poorly (50 %). Some lack respect for the courts. Some jurors made comments to the judges about the arrogant, snobbish, and over aggressive behavior of attorneys, in particular the younger attorneys.

CONCLUSION

The DAO has some outstanding attorneys who could be assigned the high profile and most difficult cases. There are several attorneys who fall into a middle range of having adequate skills that could be improved upon in some different areas of preparation and presentation. In addition, there is a group of attorneys who seriously need in-depth training to improve their skills, unless they are out of their element as trial attorneys and need to transfer to work that will fit their capabilities.

To help restore the credibility of the District Attorney's system this survey information provides clear direction for restructuring the training program and providing an opportunity to turn those attorneys with untrained skills into quality, productive prosecutors.

To restructure a training program, several approaches may be taken to ensure that all deputies are provided with the skills necessary for their job as prosecutors for the people. Those approaches are the following:

1. Sending the trainers to a workshop for conducting training programs on how to best manage in the 1990's and year 2000.
2. Creating a professional development department for assessing, designing, and conducting training programs and providing individual coaching for skill development.
3. Seeking joint cooperation with companies that have outstanding business training programs to change current training practice.
4. Sending Calendar Deputies to a training program on strategies and tactics of negotiating skills.
5. Developing a plan of action to improve the efficiency of the trial operation. Including ways to utilize jury consultants in case preparation, case replication for difficult cases, and use of paralegals to ease the workload.
6. Sending management and/or other leaders to a workshop in business management because attorneys need to have knowledge of good management skills.
7. Meeting with law school officials to discuss course requirements in trial skills and how a joint effort may be undertaken with law schools to train trial attorneys.

8. Making changes as recommended by the consulting firm so that the office can prepare to make a major paradigm change.

RECOMMENDATION

It is recommended that the Board of Supervisors commit additional funds to the District Attorney's office for a restructuring of their training program and provide monies for a comprehensive formal training program.

SUBCOMMITTEE MEMBERS

Audrey Lynberg, Chairman
Eugene Harding
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John Wilson
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APPENDIX

LIBRARIES

Law Library, Los Angeles County Law Library, Los Angeles, Ca.
Honnold Library, Claremont Colleges, Claremont, Ca.

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E. AUDIT OF WATER RESOURCE PLANNING

INTRODUCTION

The 1993-94 Grand Jury became concerned with the long term availability of water in Los Angeles County and the planning process undertaken by the major wholesale water agencies in the County to ensure availability. This concern was primarily directed at three large wholesale agencies: Metropolitan Water District of Southern California (MWD), Antelope Valley-East Kern Water Agency (AVEK), and Castaic Lake Water Agency (CLWA). Members of the Grand Jury were familiar with projections released by MWD which showed a significant shortfall in the water balance¹ by the year 2020 unless several initiatives were undertaken. The Grand Jury identified six questions which focused the scope of a management audit and retained Price Waterhouse to conduct the audit of water resource planning at the three agencies.

BACKGROUND

The 1993-94 Los Angeles County Grand Jury requested that Price Waterhouse answer a series of questions regarding water resource planning in southern California. The following lists the six questions and our findings based on our research.

What is the current estimate of future (year 2010) demand for water?

Unlike previous planning cycles, demand is now projected for two scenarios: normal precipitation years and drought years. For the MWD service area, year 2010 demand is projected to be 5.02 million acre feet (MAF)² of water for normal precipitation years and 4.35 MAF for drought years. For the South Coast hydrologic region,³ the year 2020 demand is projected to be 5.9 MAF

¹ Documented supply and demand for water in a given planning area.

² An acre foot of water is sufficient to submerge an acre of land under a foot of water. The average family of five uses an acre foot of water every year.

³ The state is divided into ten hydrologic regions based on the source and destination of the states river systems. The South Coast region stretches from eastern Ventura County to the Mexican border and inland to the various coastal and transverse mountain ranges such as the San Gabriels, San Bernardino, San Jacintos, Laguna Mountains, etc. Technically, the region would also extend into

for normal years and 6.1 MAF for drought years.

What can be done to meet the future demand with 80 percent reliability?

The resource alternatives and implementation strategies outlined in MWD's Integrated Resource Plan are being carefully considered for ensuring reliable water supplies in Southern California. This Plan contemplates that by year 2010 one half of the water demand will be met by existing dependable supplies. The remainder is to be met by a combination of conservation and supply management by an "integrated resources plan"

What are the costs of meeting this future demand?

In contrast to recent history, least cost is no longer the primary infrastructure planning criteria. Least cost is now balanced against other criteria such as environmental sensitivity, reliability, and equity. This new focus will mean that additional sources of supply may result in sharply higher marginal costs.⁴ This is offset by the fact that the largest components of any resource mix are likely to be local groundwater and imports from the Colorado River and the State Water Project, all low cost sources.

Regarding the potential impacts on lifestyles, the price elasticity⁵ of water tends to be rather low. Water bills are such a small percentage of the average household budget, substitutes are few, and cost savings are so much easier to attain from other household budget items (e.g., long distance phone service) that water use reductions and lifestyle impacts from rate increases are likely to be minor.

What can be done to avoid creating demand beyond the capacity of known water resources?

Water usage on an aggregate level is a function of population growth which is

northern Baja California since rivers in that area drain into San Diego and Imperial County. For purposes of planning and determining the water balance, a hydrologic region is the best area to use.

⁴ Marginal costs describe the additional cost to add an additional unit of capacity or obtain additional water supplies. For example, the marginal cost of additional water would be the cost for each additional unit of water (e.g., dollars per acre foot) obtained from some source such as a water reclamation plant.

⁵ Price elasticity measures the change in demand for a commodity resulting from a change in price. If a price change of a particular magnitude results in a change in demand of a lesser magnitude, the commodity is "price inelastic" or has a low elasticity.

difficult to control without adverse fiscal and economic impacts. Controlling per capita water usage (demand hardening) is a primary component of most water resource plans. Established water conservation measures, known as Best Management Practices (BMP's), find wide acceptance among local water districts. In addition, water agencies generally refrain from including growth management among their strategic objectives. According to MWD, by reallocating state water resources and improving the efficiency of storage and utilization, sufficient water resources should be available well into the next century.

What should be done by way of informing the public about the actual state of water supplies in the County?

Many BMP's involve actions by individual citizens such as curbing wasteful water use, installing water saving appliances, etc. The public needs to be informed that, in the future, these BMP's will not be just a drought relief measure but a permanent way of life. Communicating this message can be accomplished through financial incentives, bill stuffers, public service messages, and communicating through the media regarding a "water wise" depiction of life in southern California, etc.

Have facilities been built to treat water in excess of its availability?

The marginal costs, on a per unit basis, to design and construct most water conveyance, treatment, and distribution facilities tend to decrease rapidly. Additional capacity is inevitably cheaper to construct up front rather than after the facility has been operation for a few years. For this reason, most facilities are built with significant excess capacity. However, current water planning does not forecast shortages in any particular area. Water is expected to be available for areas which are expected to experience growth in the next few years. For the most part, existing facilities will eventually be fully utilized, given enough time. The timing of additional facilities may not correspond optimally to actual housing starts or population growth but due to the long lead time necessary to plan for and finance facilities, it is often difficult to correlate the growth in water demand and system capacity.

In addition to these questions, Price Waterhouse has included these additional questions in order to provide a complete understanding of the issues:

What are the significant trends in water resource allocation?

There has been a gradual shift from a fundamentalist interpretation of water rights law of pure riparian or appropriative rights to a more balanced approach

which focuses on the interests of urban and agricultural users and the environment. As a result, historic water entitlements are less secure today. Water agencies must adopt a conciliatory approach in order to obtain adequate supplies.

Future water allocations for urban and agricultural use will increasingly be based on market economics and efficiency rather than legal restrictions and entitlements. Exchanges of entitlements and water marketing⁶ will help to ensure that water is used in the most efficient manner and for the highest value purpose.

No significant new sources of supply will be developed in the foreseeable future. Instead, current sources will be optimized through conjunctive use programs⁷, more efficient utilization of supplies, water marketing, and additional infrastructure.

What are the major challenges facing southern California water agencies?

Water agencies must rely on a greater range of resource alternatives than in the past. Many of these alternatives will yield small marginal increases in supply and cost more on the margin.

As indicated earlier, a more conciliatory and costly approach to resource allocation will be required as historic entitlements become less secure.

What are the major challenges facing southern California policy makers?

Policy makers must ensure that local resources are optimized in an economical and environmentally sensitive way and that water is used efficiently.

The groundwork must be laid today to be certain that any future legal or technological developments required to ensure adequate supplies or control demand are addressed.

⁶ Water marketing involves purchasing water entitlements from water agencies and users.

⁷ Conjunctive use programs involve the planned storage and use of surface and groundwater supplies to improve water supply reliability.

PROCEDURE

Price Waterhouse conducted several interviews and reviewed various water plans and documentation and presented preliminary findings to the Grand Jury. Price Waterhouse then identified three questions which focused on specific issues regarding water resource planning. After conducting additional interviews and continuing a review of the literature, Price Waterhouse prepared this report.

FINDINGS

Water Resources Overview

Water is the lifeblood of civilization. Throughout history, people have concentrated near reliable sources of fresh water. In fact, Los Angeles is one of the few cities in the world which does not have an adequate local supply of water; a problem shared by Hong Kong, Tel Aviv, and much of the Middle East.

If one considers the various growth limiting factors in California, water availability is the most critical. Transportation facilities require land and concrete; electrical generation and distribution requires fuel, steel, wire, and air rights; housing requires land, wood, glass, etc. All require capital and environmental compliance and all use resources which are generally available and do not fluctuate from year to year. Water is by far the most finite resource and the most unreliable. Unlike other resources, water cannot be moved long distances without great difficulty and expense and there are few substitutes.

Growth in California is inextricably linked to the availability of water. And yet, while water supplies in California are tenuous, growth has seemed inexorable. This paradox has a historical precedent. It has been estimated that one quarter of the pre-Columbian Indian population in North America lived in California. Clearly, the compelling attraction of California defies many of the historical limiting factors of human migration and settlement.

Competition and conflict over California's water resources are rooted in spatial and time factors. 75 percent of the available water originates in the northern third of the state. However, 75 percent of the demand originates in the southern two thirds of the state. The demand for water is highest during the dry summer, yet most precipitation falls during the winter months. As will be discussed later, this paradox has been remedied through legal doctrines and

infrastructure.

Water politics in California pit northerners against southerners; farmers against urban interests; environmentalists against both. Probably no other issue in California has contributed to the divisiveness of the state. After decades of debate and acrimony, there are signs that the state's stakeholders in the water conflicts are finally edging towards consensus.

Geographic Perspective

The western United States (the portion west of the continental divide) is drained by three great river systems: the Colorado, Columbia and the Sacramento/San Joaquin. These rivers drain a vast watershed made up of the Sierra Nevada, the Rockies and the Cascades. The Colorado and the Sacramento/San Joaquin systems terminate or flow through California and are the sources of some of the developed surface water in the state. (Exhibit A)

During an average year 193 MAF of precipitation falls on California in the form of rain or snow. This vast quantity of water is diverted or flows as follows:

- 121 MAF evaporates or transpires through the roots and leaves of native vegetation.
- 1.5 MAF flows out of state to Nevada via the Truckee, Carson, and Walker Rivers. This is offset by 1.4 MAF which flows into California from Oregon via the Klamath River.
- 21.5 MAF is protected river flow. This flow is divided between rivers covered under the state and federal Wild and Scenic Rivers Acts, primarily north coast rivers such as the Eel, and flow required to enter San Francisco Bay to prevent salt water intrusion into the Sacramento/San Joaquin Delta.
- 23 MAF is used by agriculture primarily in the Central Valley.
- 30.2 flows into the ocean via unprotected rivers and undiverted Sacramento/San Joaquin flow in excess of flow required to prevent salt water intrusion.
- 4 MAF is used by municipalities and industry.

In addition to these flows, 4.8 MAF is diverted from the Colorado River, water which is the result of precipitation in other states.

Roughly 2 percent of all the precipitation eventually finds its way to a tap, shower head, hydrant, etc. See Exhibit B for a graphic which shows the various uses and flows of precipitation.

The state also contains 850 MAF of groundwater stored in underground aquifers. Of this, only about 250 MAF can be economically used. The remainder is either too deep, contaminated, or too close to the ocean for safe retrieval.

At the confluence of the Sacramento and San Joaquin rivers is the delta, a vast stretch of marshes, channels and islands. 42 percent of the state's runoff flows through the delta on its way to the ocean.

Legal Framework

Since water falls from the sky, generally flows freely to the ocean, and is subject to scarcity there has always been the potential for water rights conflict ever since the concept of private land ownership was formed in the Middle Ages. The legal doctrine which has generally predominated is "Riparian Rights" in which the adjacent land owner has rights over the use of water. Beginning in the Gold Rush days, a new doctrine called "Appropriative Rights" was developed, which held that whoever used the water first had a claim on a certain quantity. Appropriative rights allowed the formation of ambitious water schemes such as the Los Angeles Aqueduct (LAA) and the State Water Project (SWP) which relied on water exported or appropriated from sources a great distance from the ultimate use.

Three developments have modified the fundamentalist interpretation of appropriative rights. First, Article X of the state constitution was adopted in 1928 which required that water use must be reasonable and beneficial and in the public interest. In 1986, the "Racanelli Decision" of the State Court of Appeals held that the State Water Resources Control Board must balance all beneficial uses of water including the environment. During the 1980's and 1990's, courts used an ancient legal doctrine called the Public Trust Doctrine to control water allocations. The Public Trust Doctrine states that the central government has ultimate control over navigable bodies of water. Later, the public trust doctrine was expanded to cover rivers and streams containing fish.

These legal developments set the stage for competing interests in water resource allocation. While this competition has sparked monumental conflict among water users in California, ultimately a more balanced and workable solution may be formed for the long term.

Historical Perspective

Water development in the state really started during the Gold Rush when hydraulic mining was introduced. The first major water conveyance facility was a canal which diverted Colorado River water to the Imperial Valley. This canal was completed in 1901 and eventually became the "All-American Canal".

Land developers and others interested in Los Angeles realized early in the century that the local sources of water would not support a community of more than around 200,000 people. The city's Department of Water and Power (DWP) constructed the Los Angeles Aqueduct (LAA), originating in the Owens Valley, which provided sufficient water to guarantee the city's growth. This aqueduct was completed in 1913 and was extended during the 1940's to the Mono Basin.

In 1937, the Federal Rivers and Harbors Act authorized construction of the Central Valley Project (CVP) which diverted Sacramento/San Joaquin river water to farmers along the western San Joaquin Valley.

In 1940, the Colorado River Aqueduct (CRA) was completed by the MWD.

In 1951, the state authorized the Feather River Project which would eventually become the State Water Project (SWP). The project was further realized by ratification of the Burns-Porter Act which authorized \$1.75 billion in bonds to construct the facilities. Drawing water from the Sacramento/San Joaquin delta, the SWP first delivered water to users in 1973.

In 1963, the U.S. Supreme court handed down a decision which granted the State of Arizona a permanent entitlement of 2.8 MAF of Colorado River water. This entitlement would eventually limit diversions by California water agencies to 4.4 MAF, although unused Arizona water and any surplus water would be available to California. This excess water would later prove critical in weathering a severe California drought in 1987-92.

Until the 1970's water development in California was focused on a narrow range of beneficiaries: urban and agricultural water users. During this decade environmental interests would challenge this assumption by insisting that the environment should be treated as a user on par with urban and agricultural interests. Endangered species laws were enacted by the state and federal legislatures by 1972 providing the legal basis for resource reallocations to protect plant, fish, and animal life.

By the late 1970's, concerns were being raised regarding water quality in the

delta. Fisheries were being depleted due to water flow and temperature problems along delta tributaries. Peat soils in the delta and agricultural runoff degraded the quality of the water being diverted to urban areas. In 1978 the State Water Resources Control Board issued Water Rights Decision 1485, the first water quality standards enacted for the delta.

Also by the late 1970's most of the original facilities envisioned in the SWP were completed. The major facility remaining to be built was a delta transfer facility which would transport water around the periphery of the delta in order to maintain water quality and protect fisheries. Called the Peripheral Canal, this facility was authorized as part of Senate Bill 200 (SB200) in 1982 but was defeated the same year in a referendum. Until recently, no serious attempt has been made to resurrect the delta transfer facility concept although most stakeholder groups agree on the need for such a facility.

During the 1980's, water resource allocations were marked by virulent disagreement between the three major stakeholder groups: urban, agricultural, and environmental.

Beginning in 1985, a federally sponsored water project called the Central Arizona Project (CAP) began diverting Colorado River water to central Arizona pursuant to the 1963 Supreme Court decision. Initial fears that the Arizona entitlement would prompt shortages in California proved unfounded when falling cotton prices forced significant amounts of Arizona agricultural land out of production. This freed up much of the entitlement for use in California.

In 1991, the state negotiated an agreement between DWP and Owens Valley agricultural and environmental interests which placed permanent limits on water diversions from the Mono Basin and the Owens Valley, ending decades of litigation.

In 1992, the federal Central Valley Project Improvement Act (CVPIA) substantially increased the cost of CVP water and for the first time allowed CVP contract farmers to sell their entitled water supplies to non-CVP users, including urban users. This act began the process of exercising greater local control over federally subsidized water resources and the development of a true free market for water resources. Under federal control, CVP contractors did not pay the full cost of financing the CVP. Eventually, water supplies which would be used for growing low value crops in the western Central Valley will be available for higher value uses.

The most far-reaching decisions affecting California water resources occurred in 1989, 1991 and 1993 when the federal government placed winter-run

chinook salmon, the delta smelt, and the sacramento splittail on the endangered species list. Soon after, biological opinions were issued which placed interim limitations on delta water diversions in order to protect the flow of fresh water to the delta fisheries. Currently, three federal agencies: the Environmental Protection Agency, National Marine Fisheries Service and the Fish and Wildlife Service, are developing habitat recovery plans which will place long term limits on water diversions. State water users have developed their own set of standards and procedures, called the "Urban Alternative", and are attempting to forge a compromise with federal agencies. The Urban Alternative includes a more balanced and flexible approach to ensuring habitat recovery while allowing exports.

In 1993, the governor formed the Bay Delta Oversight Committee (BDOC) comprised of representatives of the major water user groups including agricultural, urban and environmental interests. The objective of BDOC is to continue the three-way negotiating process begun in 1990 in order to forge a long-term workable solution for the delta.

So far the 1990's can be characterized as a time of growing consensus among water interest groups. The key to forging a long term solution to water allocations will be:

- Local water agencies planning for and implementing efficient water storage and use practices within their service areas;
- Full or partial recovery of delta fisheries;
- The willingness of the three major interest groups to reach a consensus which will benefit each group.

The Water Balance

Water planners determine the demand for water among users and identify reliable sources of water to satisfy that demand. The objective is to bring demand and supply into balance by controlling demand, "demand hardening", and obtaining water from the various sources by increasing efficiency of existing sources and tapping new sources. The amount of water obtained is called the "yield". The amount of water which can be obtained with a certain degree of reliability is called the "firm yield".

As the agency responsible for supplying the bulk of wholesale water in Southern California, the MWD is the primary planning agency. Other local water agencies such as the DWP, AVEK and CLWA base much of their

planning on initiatives of the MWD. MWD alone has sufficient leverage to develop significant new sources of supply.

Bringing water demand and supply into balance is documented in the "Water Balance". The water balance for the South Coast Hydrologic Region and MWD's service is presented in Exhibits C and D in the appendices.

For estimating demand, agencies use population projections and per capita use statistics. Per capita use tends to increase directly with income. Per capita use also increases in the warmer inland areas. Offsetting this is the continuing trend to water conservation which began during the 1976-77 drought. Overall, per capita use in the south coast region is projected to remain stable primarily because conservation gains are offset by development in hotter inland areas.

It should be mentioned at this point that water agencies do not include growth management within their mission or strategic objectives. Growth management is not included within governing mandates either. Growth management is a public policy, currently left to elected representatives. Cities and Counties can restrict building permits but since the passage of Proposition 13, fee revenue derived from growth has become an important revenue source for local government. Most communities have a significant financial stake in continued growth. Some areas of the state, such as Santa Barbara, are in a "slow growth" mode due in part to the lack of sufficient water resources. However, this situation is not based on a policy decision of the water agency but rather the County and City government. The option to connect to the SWP has always been available.

For purposes of planning, water agencies assume that customers will exercise "reasonable use" patterns. This does not mean abandoning lawns and pools but certain wasteful practices (e.g., hosing off driveways) are not accounted for in the water balance.

Based on limited experience, it would appear that water rates tend not to have any measurable impact on demand. For example, East Bay Municipal Utility District (EBMUD) recently constructed a large reservoir which required nearly a quadrupling of residential water rates. Afterwards, almost no decrease in demand was noted which could be traced to the rate increase. Water bills are such a small portion of the average household budget that demand tends to be fairly price inelastic. For this reason, conservation measures on a household level such as low flow toilets, etc. will require separate financial incentives and ordinances for any significant response.

In general, water agencies do not predict or expect the need for any drastic

modifications of lifestyles. In the future, certain technologies may become available which reduce per capita water use without any measurable impact on the quality of life.

To determine the available supply of water, the key variable is reliability. With the exception of one or two years during the 1987-92 drought, 100 percent of required water has been available most of the time. In the future, without additional sources, this reliability will decrease so that in the event of another major drought, 100 percent deliveries will only be available 50 percent of the time. MWD has adopted a reliability objective of 80 percent deliveries 100 percent of the time and 100 percent deliveries at least 85 percent of the time. This reliability standard is shown graphically in Exhibit E in the appendix. This reliability standard is the most ambitious among the major urban water agencies in California. For perspective, most agricultural water agencies expect only 20 percent deliveries 100 percent of the time. Clearly, reliability is more of an urban requirement.

Supply in the south coast region has been impacted in recent years by reductions in entitlements. CRA deliveries have been reduced to 4.4 MAF firm yield (.62 MAF for MWD) after accounting for full deliveries to the CAP and Mexico. LAA deliveries have been reduced to a firm yield of .2 to .4 MAF. SWP deliveries are subject to restrictions based on the existing biological opinions and the impending federal standards aimed at restoring delta fisheries.

After accounting for existing water sources and additional conservation measures (called Best Management Practices or BMPs), the water balance by the year 2010 will be in a shortfall of .54 MAF during an average precipitation year and 2.44 MAF during a drought year. This shortfall assumes a reliability factor of 90 percent during the drought year. This shortage is presented graphically in Exhibit F in the appendix.

Integrated Resources Planning

MWD planners are in the final stages of completing the most ambitious water planning document in agency history. Called the Integrated Resources Plan (IRP), this document will be the blueprint for water resource allocation for the next 25 years. The IRP process recognizes some significant factors and trends:

- MWD is making a strategic shift from being a water supplier (to retail and other wholesale agencies) to a water manager. This reflects the size and breadth of MWD's resources, its political leverage, and the need for more sophisticated water planning to address impending shortages.

- Water resource decisions are being made on a bilateral basis rather than unilaterally between supplier and user as in the past. Conjunctive use programs across hydrologic regions and state lines, statewide water marketing, and the enormity of the problems in the delta all require a regional approach. MWD is in an ideal position to be the advocate for resource allocations for the whole area.

As mentioned earlier, the IRP process begins with a reliability and service objective based on demand forecasts. Next, existing water sources are surveyed to determine the discrepancy, if any, between supply and demand. Various water supply resources are then identified which could make up the shortfall. These resource alternatives, with the existing firm yield in parentheses, are:

- Colorado River Aqueduct net of the Arizona entitlement - (.6 MAF)
- State Water Project assuming reduced deliveries - (1.0 MAF)
- Transfers from CVP contractors (also referred to as water marketing) - (spot transfers)
- Local surface and ground water (assumes minimal overdrafts) - (1.4 MAF)
- Water conservation - (.25 MAF)
- Water reclamation from existing plants - (.3 MAF)
- Los Angeles Aqueduct, assuming reduced deliveries - (.2 to .4 MAF)
- Groundwater recovery (e.g., decontaminating groundwater for use as potable supply) - (.03 MAF)
- Ocean desalination from a pilot plant (an extremely expensive and environmentally sensitive technology) - (.01 to .03 MAF)

These resources are classified based on the amount of investment which would be required to implement them. See Exhibit G for a list of resource alternatives by investment level. Various mixes of resources are then identified which would realize the service objectives. These resource mixes are evaluated on, first, a least cost basis, and secondly, a range of criteria such as reliability, environmental impact, economic impact, equity, etc. The resource mix which meets these criteria while meeting the service objectives is selected for

implementation. The IRP will be revised on a bi-annual basis. See Exhibit H for a diagram of the IRP process. The IRP will be revised on a bi-annual basis.

Issues

Post 2020 Options

The current planning exercises (MWD's IRP and the state Department of Water Resources' (DWR) California Water Plan) are similar to the planning which occurred in the 1950's and 1960's and which gave rise to the SWP. In many respects, the alternatives being considered today are intended to increase the efficiency and utilization of conveyance facilities built as a result of the earlier plans. The additional facilities being considered today do not include any large conveyance facilities, other than the Delta Transfer Facility, or development of any significant new sources of water. Most untapped sources capable of being economically developed are protected by federal law. At issue is what options will be available during the next major planning cycle well into the next century. Both the DWR and MWD will update their plans on a frequent basis in order to address this issue.

An issue to consider is what technologies or legal developments should be in place in order to impact demand or supply to maintain a balance of water resources. Some technologies are already being developed such as dishwashers and clothes washers which use ultrasonic vibrations instead of water, water efficient or waterless toilets, and graywater irrigation and dual piping systems. Building ordinances for new development will almost surely include provisions for these technologies and may also include retrofit of existing homes upon sale.

Wastewater treatment systems may become so effective that a substantial portion of treated effluent may be mixed directly with fresh water to increase the supply of potable water. The federal Bureau of Reclamation is funding a study to explore this possibility. Interstate conjunctive use will expand the area by which various agencies can optimize water resources. A merger of the SWP and the CVP may give the DWR increased flexibility to optimize water resources.

In general, however, the future availability of water in the middle and latter part of the next century is still largely uncertain.

Political Risks

Obviously, water resource allocation is an extremely sensitive political issue in

California. Many of the resource alternatives being contemplated by MWD and DWR have the potential to incite significant political opposition which may render the alternatives unworkable. These would include any type of significant delta transfer facility,⁸ use of graywater for non-potable use, any expanded definition of potable use, ocean desalination, and large scale land fallowing. Clearly, the groundwork needs to be laid now to ensure the necessary political support.

The Bay Delta Oversight Council (BDOC) is attempting to find a feasible solution to delta problems. Assuming that environmentalists, urban, and agricultural interests can agree on a solution, opposition may still arise, most likely from certain environmentalist and no-growth groups.

All large urban and agricultural water agencies will have to demonstrate that local water use has been optimized and made more efficient before any increases in appropriated water can be realized. This is particularly true for delta exports to southern California.

Other Agencies

Non-MWD water agencies in Southern California largely serve agricultural users although some areas are rapidly urbanizing. Most rely on the same sources as MWD and face similar issues. In order to ensure optimization of water resources, it is important that all large water agencies cooperate in conjunctive use programs and regional planning exercises.

Cost of Importation

A public policy issue to consider is how much should be spent to avoid importation of any additional water supplies. Importation is generally cheaper than development of local resources such as reclamation, groundwater recovery⁹, and desalination. Only groundwater pumping is less expensive. From a least cost perspective, it makes sense to maximize the use of imported water. To the extent that more expensive local sources are optimized in order to deal with political sensitivities, water rates will go up. Any water resource planning needs to consider these public policy implications.

⁸ The range of options being considered for a trans delta conveyance facility has expanded beyond the original peripheral canal option although this is still the favored alternative from an engineering perspective. Other options include channel widening and use of the Sacramento Ship Channel.

⁹ Groundwater recovery is the treatment of contaminated groundwater to make it usable.

Allocation of Environmental Costs

Despite the popular belief, environmental problems in the delta are not caused by south-of-delta exports alone. The delta is fed by nearly every river and tributary in the Central Valley from Mt. Shasta to Fresno. Only a portion of this water is diverted by the SWP and CVP. Other agencies and groups including the City of San Francisco, East Bay Municipal Utility District (EBMUD), Contra Costa County Water District, water agencies along the upper Sacramento River, all dam operators which impound rivers which feed into the delta, the CVP, Central Valley farmers, even commercial fishermen who catch threatened species in the ocean impact the environment of the delta. Any costs to improve and recover delta fisheries, restore wetlands, etc. should be borne by all agencies or groups which utilize delta water or water which would normally flow to the delta. This is a particularly complex issue since agencies such as the City of San Francisco and EBMUD divert their water before it even enters the delta. Any solution which allocates an inordinate amount of environmental mitigation costs to the SWP would be inequitable.

RECOMMENDATIONS

The Board of Supervisors and the Los Angeles City Council should:

- 1) Begin laying the legal groundwork for many of the technologies and water resource alternatives which may be needed in the future. These would include:
 - Flexible standards for the use of reclaimed wastewater and graywater.
 - Building codes and ordinances that reflect the latest in water saving technologies (e.g., waterless dishwashers, garbage disposals, toilets, etc.) Many of these technologies may not be available for several years. However, planning agencies should continue monitoring these developments.
 - Retrofitting of existing housing stock to incorporate water saving technologies at the point of sale or transfer of title.
- 2) Encourage regional planning of water resources and conjunctive use programs by eliminating any institutional barriers between water agencies in southern California.

- 3) Encourage southern California water agencies to finance retrofit of existing housing stock with water saving technologies through rate incentives and up-front grants repaid through rates.

The Board of Directors of the Metropolitan Water District and other importing agencies should:

- 4) Formulate a policy regarding the acceptable cost of avoiding the necessity of importation of water supplies, recognizing the significant cost differentials between imported and certain local supplies.

SUBCOMMITTEE MEMBERS

Robert Lathrop, Chairman
Eugene Harding
Saundra Huff

APPENDIX

DOCUMENTS REVIEWED

Regional Comprehensive Plan (Draft December 1993). Southern California Association of Governments

Layperson's Guide to California Water. Water Education Foundation. 1994

Layperson's Guide to the Colorado River. Water Education Foundation. 1991

Layperson's Guide to the Delta. Water Education Foundation. 1993

California Water Plan Update (Draft November 1993). California Department of Water Resources

Preliminary Report, Reclaimed Water System Master Plan. Castaic Lake Water Agency

Achieving Consensus on Water Policy in California. Edmund G. "Pat" Brown Institute of Public Affairs. 1992

Presentation on Integrated Resources Planning. MWD

Integrated Resources Plan, Executive Summary. MWD

Integrated Resources Plan, Public Participation. MWD

Hofer, Garry. "In the Future is Where You'll Spend the Rest of Your Life". *Aqueduct*, Number 1, 1993

Sacramento-San Joaquin Delta Atlas. California Department of Water Resources. 1987

MWD Fact Sheet. MWD. 1993

Management of the California State Water Project. California Department of Water Resources. Bulletin 132-92, December 1992

SITE VISITS

Quartz Hill Water Treatment Plant, Antelope Valley-East Kern Water Agency
Castaic Lake Water Agency
Pebbly Beach Desalinization Plant

Glossary

Appropriative Rights	A water right based on physical control of water, or based on a permit or license.
Aquifers	A geologic formation that stores and transmits water and yields significant quantities of water in wells or springs.
AVEK	Antelope Valley-East Kern Water Agency (AVEK). A water wholesale agency serving the high desert region around Lancaster and Mojave.
BMPs	Best Management Practices (BMPs). An urban water conservation measure generally adopted by water agencies.
CAP	Central Arizona Project (CAP). A water project owned and operated by the State of Arizona which would transfer Colorado River Water to central Arizona urban and agricultural areas.
CLWA	Castaic Lake Water Agency (CLWA). A water wholesale agency serving the Santa Clarita area.
Conjunctive Use	The planned storage and use of surface and groundwater supplies to improve water supply reliability.
CRA	Colorado River Aqueduct (CRA). An aqueduct owned and operated by MWD which conveys water from the Colorado River to it's service area.
CVP	Central Valley Project (CVP). A federally owned and operated water project consisting of 20 dams and reservoirs and 500 miles of canals which convey water to Central Valley farmers.
Demand Hardening	Eliminating water use through conservation or changes in behavior.
Firm Yield	The maximum annual supply of a given water development that is expected to be available on demand.

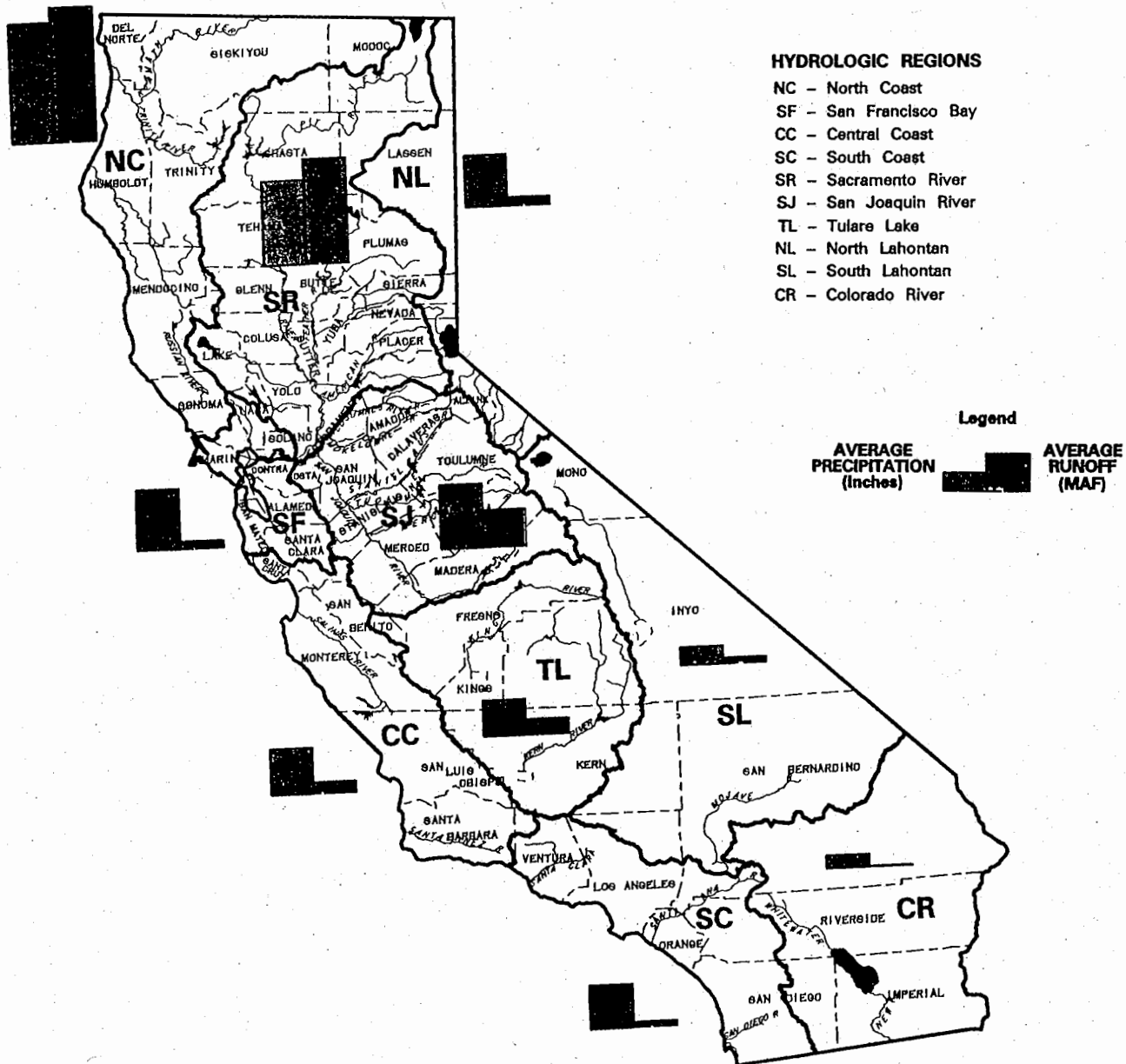
Groundwater Recovery	Treatment of contaminated groundwater to produce water of sufficient quality for a particular use.
Hydrologic Region	An area consisting of several similar watersheds. Used for planning purposes. The South Coast Hydrologic Region extends from eastern Ventura County to the Mexican border.
Least Cost	An economic planning criteria focusing on the least costly alternative to achieve a particular objective.
LAA	Los Angeles Aqueduct (LAA). An aqueduct operated by the City of Los Angeles' Department of Water and Power which conveys water from the Mono Basin and Owens Valley for use by the City.
MAF	Million Acre Feet (MAF). An acre foot is a quantity of water sufficient to submerge an acre of land under one foot of water. An average family of five uses an acre foot of water in a year. One million acre feet or MAF is a common metric used to measure large volumes of water flow and supply.
MWD	Southern California Metropolitan Water District (MWD). The largest water wholesale agency in California. MWD supplies water to 27 member agencies throughout it's service area.
Ocean Desalination	A process which converts sea water or brackish water to fresh water through removal of dissolved solids.
Peripheral Canal	A proposed solution to delta water quality, water transfer and environmental problems. The canal would transfer water around the eastern periphery of the delta to the SWP and CVP export pumping plants.
Public Trust Doctrine	A legal theory which holds that a sovereign government has ultimate control over resources, such as a navigable river or lake.
Riparian rights	A water right based on ownership of land bordering a waterway.
State Water Resources Control Board	A five member board appointed by the Governor that sets and enforces water quality standards, and issues water licenses and permits.
SWP	State Water Project (SWP). Water project consisting of 22 dams and reservoirs and a six hundred mile aqueduct.
Water Balance	Documented supplies and demand for water in a given planning area.
Water reclamation	The treatment and management of wastewater to produce water of sufficient quality for reuse.
Watershed	An area of land from which water drains into a common river

system.

Wild and Scenic Rivers Act

State and federal legislative acts which protect rivers from development beyond local requirements.

Exhibit A California Rivers and Hydrologic Regions

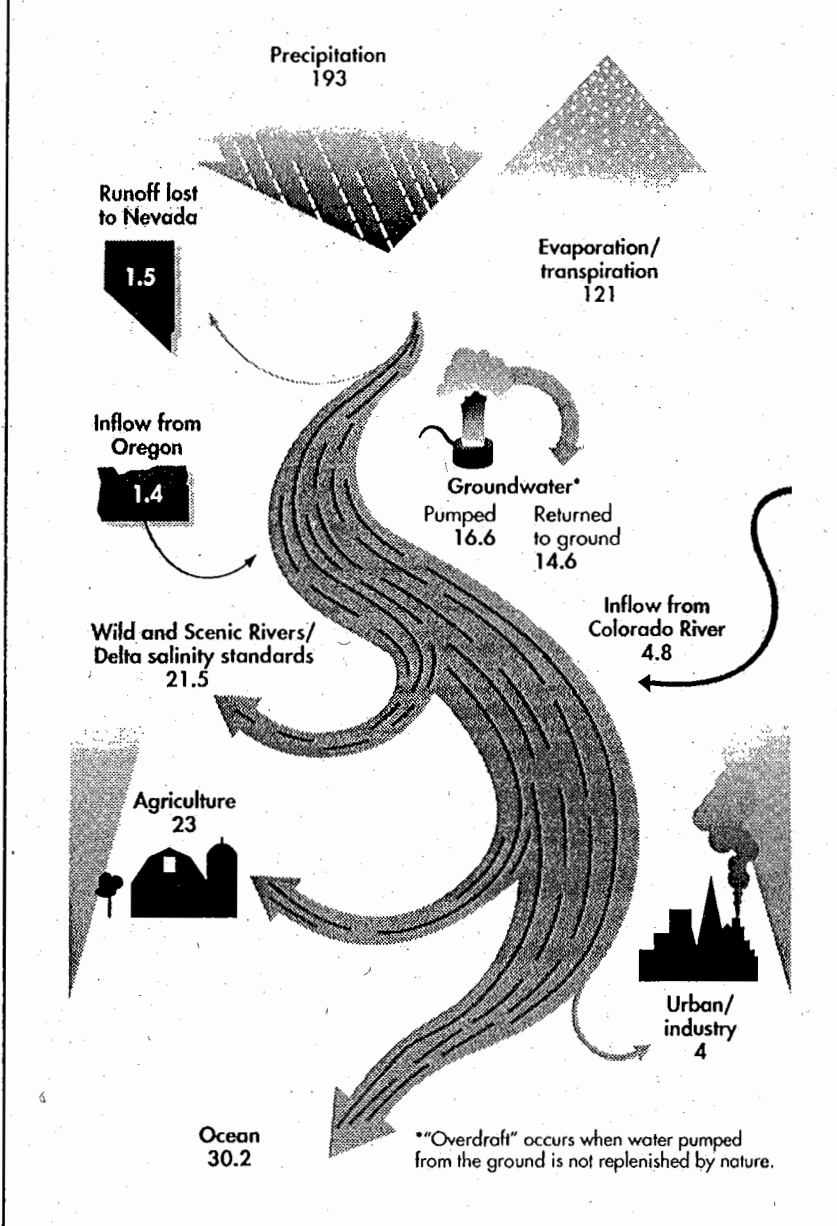


Source: California Department of Water Resources

Exhibit B
Sources and Uses of Precipitation in California

Where California's water comes from and where it goes

A family of five uses an average of one acre-foot of water per year. An acre-foot of water is the amount of water it takes to cover an acre of land to a depth of one foot. Listed below are the sources and uses of an average year's worth of California's water in millions of acre-feet.



Graphic courtesy San Francisco Chronicle

Source: Water Education Foundation

Exhibit C
Water Balance - South Coast Hydrologic Region

Table SC-11. Water Balance
(thousands of acre-feet)

Demand/Supply	1990		2020	
	average	drought	average	drought
Net Demand				
Urban—with 1990 level of conservation	3,511	3,641	5,799	6,004
—reductions due to long-term conservation measures (Level I)	—	—	-490	-490
Agricultural	644	668	366	380
—reductions due to long-term conservation measures (Level I)	—	—	-10	-10
Environmental	2	2	6	6
Other (1)	222	210	232	220
Total Net Demand	4,379	4,521	5,903	6,110
Water Supplies w/Existing Facilities Under D-1485 for Delta Supplies				
Developed Supplies				
Surface Water	3,274	2,685	3,306	2,203
Ground Water	1,083	1,296	1,611	1,611
Ground Water Overdraft	22	22	0	0
Subtotal	4,379	4,003	4,917	3,814
Dedicated Natural Flow	0	0	0	0
Total Water Supplies	4,379	4,003	4,917	3,814
Demand/Supply Balance	0	-518	-986	-2,296
Future Water Management Options Level I (2)				
Long-term Supply Augmentation				
Reclaimed			281	281
Local			0	264
Colorado River			70	70
State Water Project			334	680
Subtotal - Water Management Options Level I			685	1,295
Ground Water/Surface Water Use Reduction Resulting from Level I Programs			-72	0
Remaining Demand/Supply Balance Requiring Short Term Demand Management and/or Future Level II Options			-373	-1,001

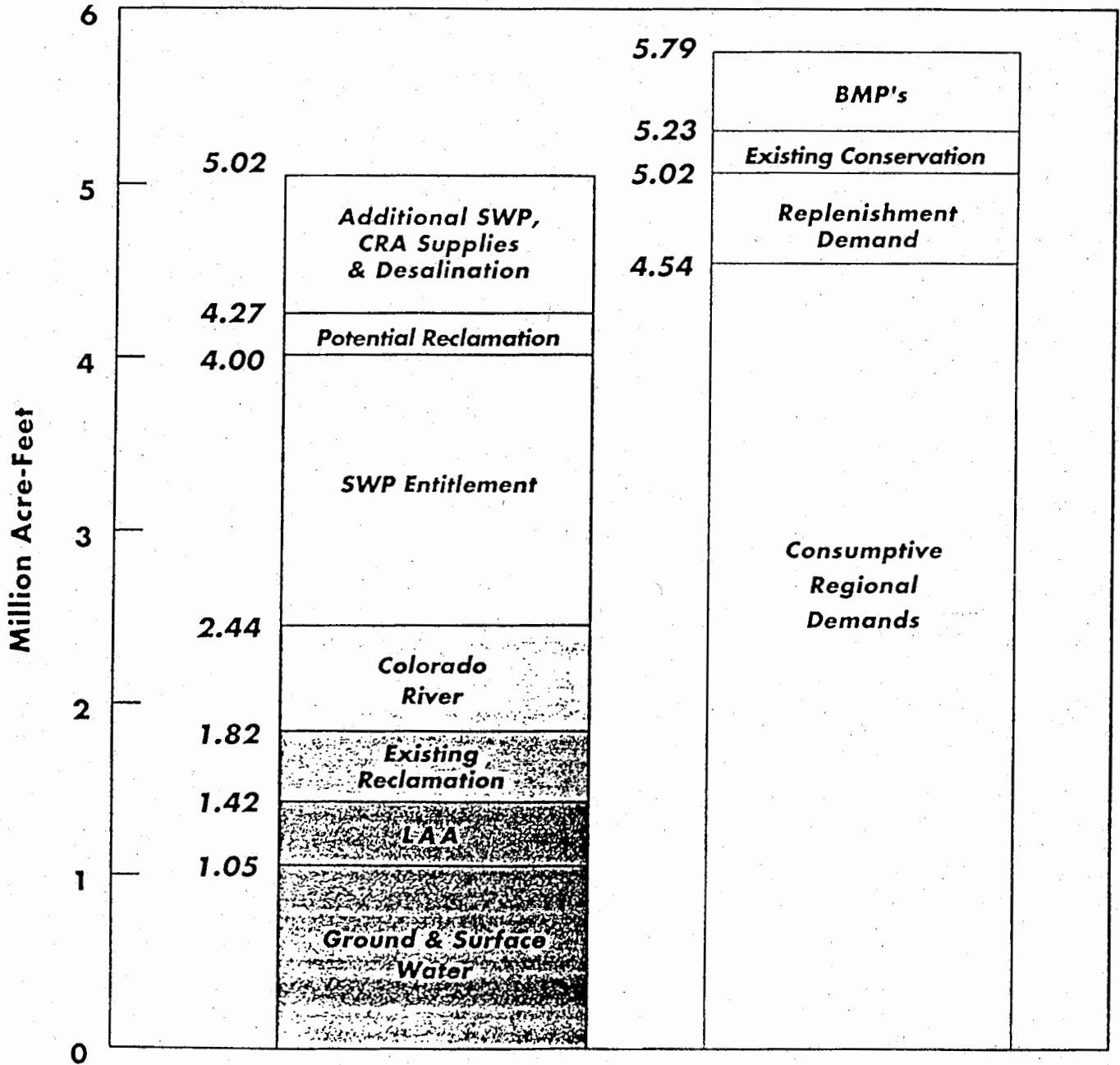
(1) Includes conveyance losses, recreation uses and energy production.

(2) Protection of fish and wildlife and the ultimate Delta transfer solution will determine the feasibility of several water supply augmentation proposals and their water supply benefits.

Source: California Department of Water Resources

Exhibit D
 Water Balance - MWD Service Area

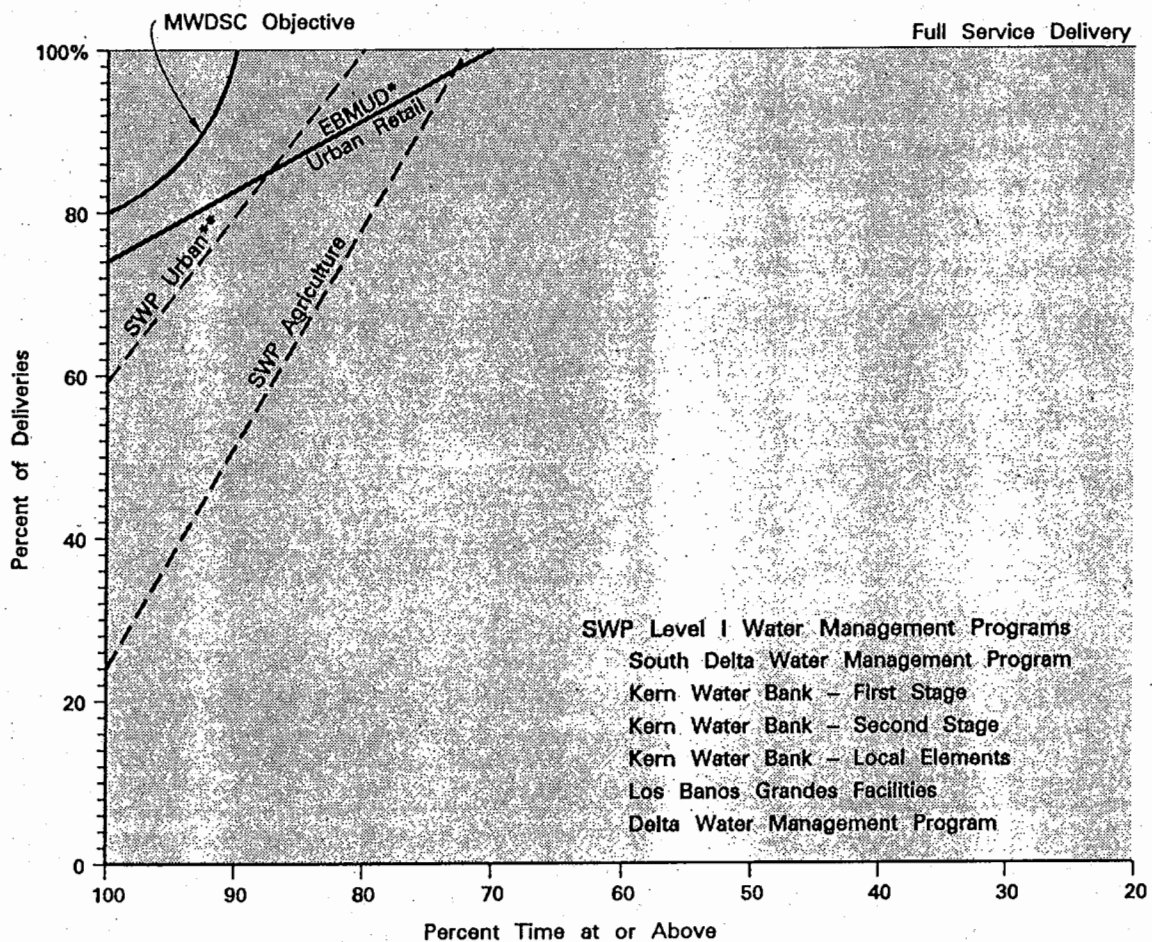
DEMAND AND SUPPLIES IN 2010
 AVERAGE YEAR CONDITION



Source: Southern California Association of Governments and MWD

Exhibit E
 Future Delivery Capabilities (Reliability)

Future Delivery Capability Objectives of Various Projects

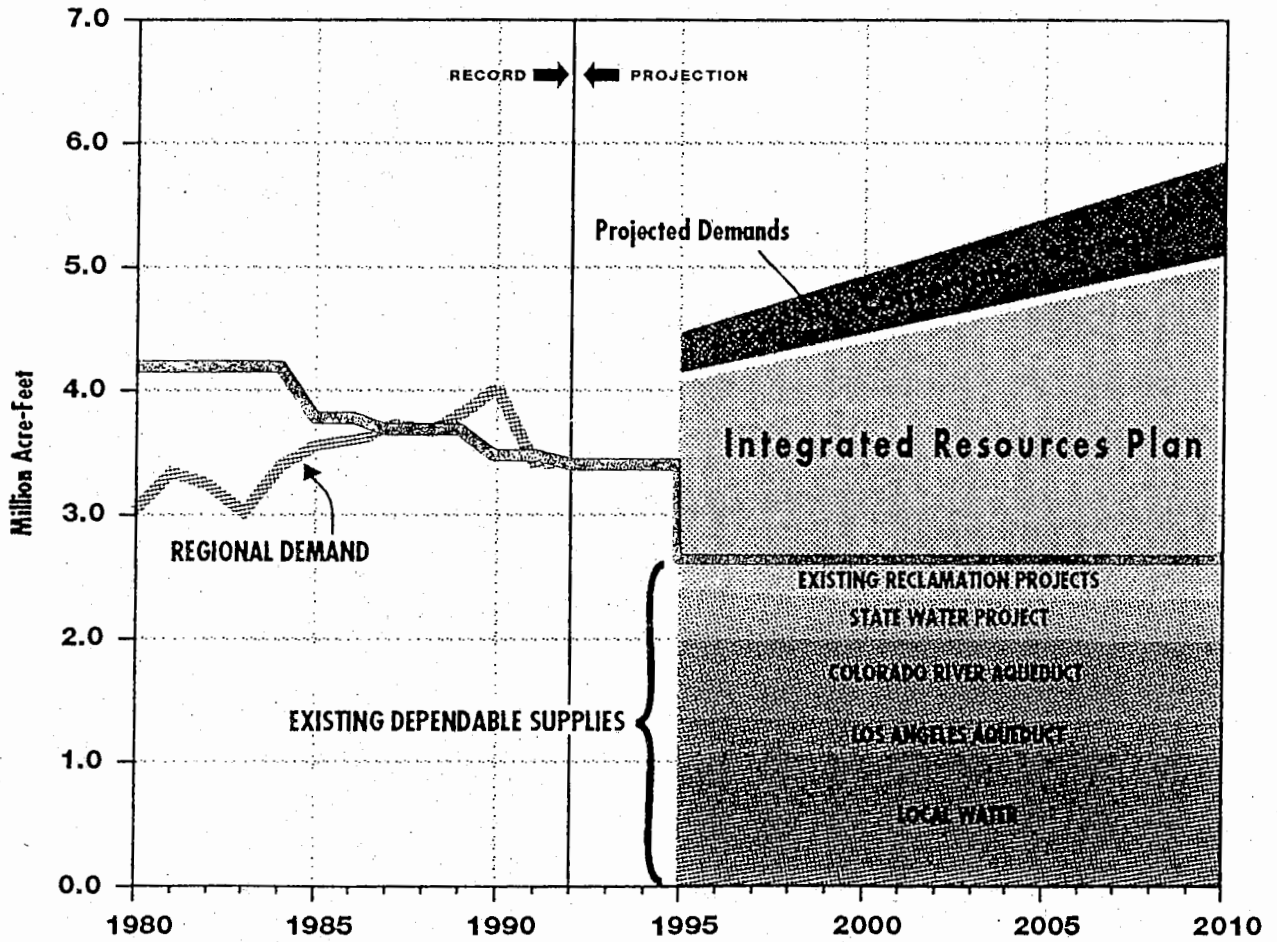


* EBMUD EIR
 ** SWP with Level I Water Management Programs

Source: California Department of Water Resources

Exhibit F
 Water Supply and Demand - Drought Year

WATER SUPPLY AND DEMAND: CRITICAL DROUGHT YEAR



Source: MWD

Exhibit G
Water Supply Resource Alternatives and Required Investment Levels

Table ES-1. Overview of Ultimate Water Supply Resources				
SUPPLY SOURCE	INVESTMENT LEVEL 1	INVESTMENT LEVEL 2	INVESTMENT LEVEL 3	INVESTMENT LEVEL 4
IMPORTED SUPPLIES				
Colorado River Aqueduct	Existing Entitlement 0.6 maf	Land Fallowing and Conservation 0.9 to 1.2 maf	Full Aqueduct Capacity 1.2 maf	
State Water Project	Existing Facilities, Reduced Deliveries 0.1 to 1.0 maf	Interim Delta Project 0.3 to 1.4 maf	Delta Water Transfer Facility 0.6 to 2.0 maf	South of Delta Storage 1.3 to 2.0 maf
Transfers from the Central Valley	Options and Spot Transfers			
LOCAL SUPPLIES				
Local Surface and Ground Waters	Existing Production 1.4 maf			
Water Conservation	Existing Conservation 0.25 - 0.30 maf	Fully Implemented BMPs 0.70 - 0.75 maf	Aggressive Conservation 0.85 - 0.90 maf	
Water Reclamation	Existing Facilities, Facilities Under Construction 0.3 maf	Facilities Under Design 0.5 maf	Planned Facilities 0.7 to 0.8 maf	
Los Angeles Aqueduct	Existing Facilities, Reduced Deliveries 0.2 to 0.4 maf			
Groundwater Recovery	Existing Facilities 0.03 maf	Planned Projects 0.10 maf	Potential Projects 0.16 maf	
Ocean Desalination	Small Facilities 0.01 to 0.03 maf	Mid-Sized Facilities 0.06 to 0.10 maf	Large Regional Facilities 0.1 to 0.2 maf	

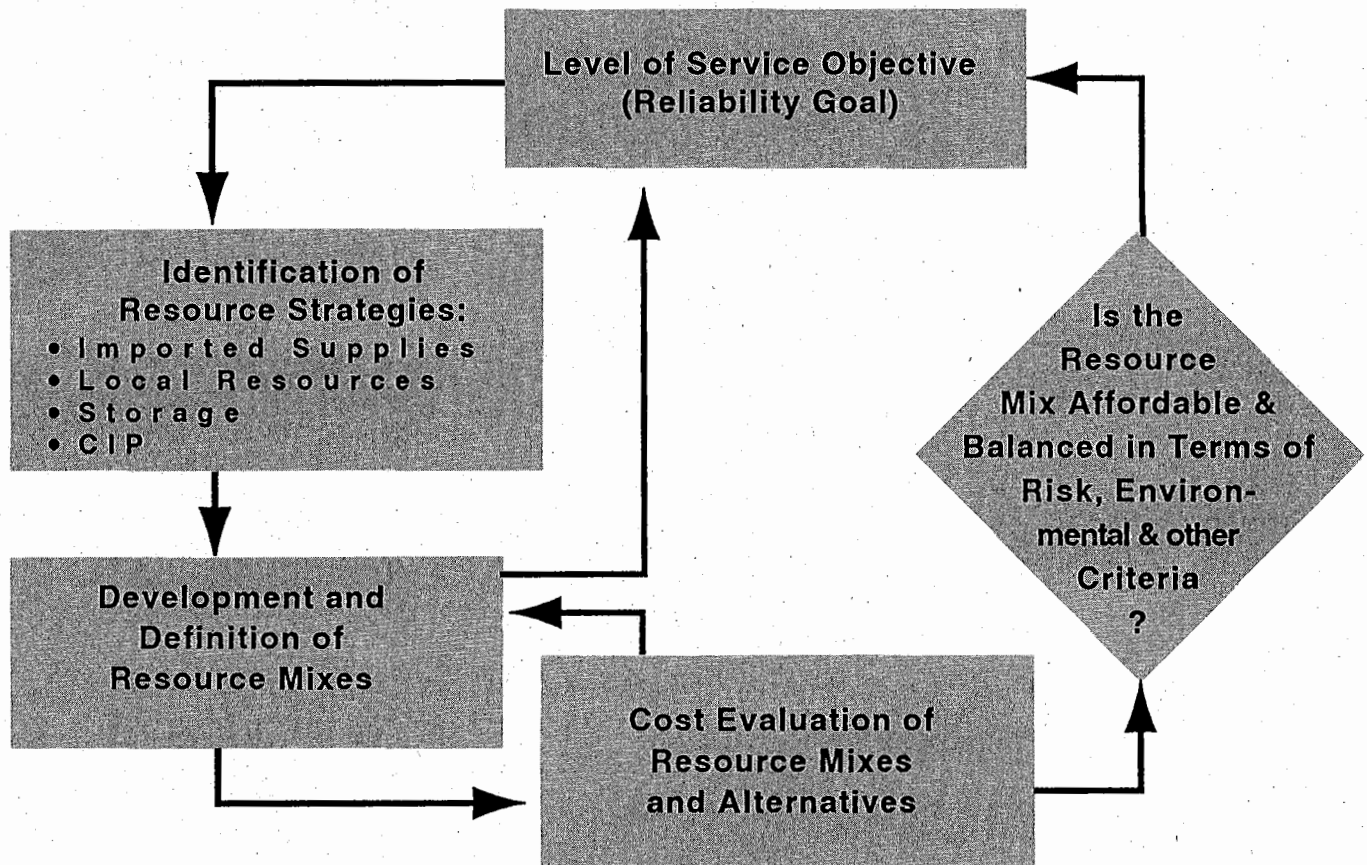
maf = million acre-ft

Source: MWD

Preliminary figures. For illustrative use only.

Exhibit H
Integrated Resource Planning Process

METROPOLITAN'S INTEGRATED RESOURCE PLANNING PROCESS



Source: MWD

GRAND JURY & EDIT COMMITTEE

MEMBERS

Jennifer Murphy, Chairman

Arline Ames

Robert Lathrop

Audrey Lynberg

Nicholas Palamiotis

John Wilson

Thomas Yacenda

GRAND JURY AND EDIT COMMITTEE

INTRODUCTION AND SUMMARY

The Grand Jury and Edit Committee was responsible for:

- a. The preparation and release of interim and final reports of the Grand Jury including the selection of report format, editing of report copy, preparation of reports for printing, and securing a contract for the printing of the reports.
- b. A yearly update of the Grand Jury Guidelines and other documents and forms used by the Grand Jury.
- c. Preparation and coordination of an orientation program for alternate jurors sworn into service after the start of the Grand Jury term and prospective jurors for the 1994-94 term.
- d. Exploration of other issues and concerns regarding the internal operations of the Grand Jury.

A. INTERIM AND FINAL REPORTS

BACKGROUND

This year the Grand Jury issued an interim report on the mid-year status of citizen complaints. The purpose of the interim report was to provide the public with information regarding the disposition of citizen complaints received by the Grand Jury which were completed during the first six months of the term.

The Grand Jury Final Report is issued each year at the close of the term to summarize the work of the Grand Jury and report the findings of its civil investigations and recommendations for improvement in the delivery of government services in the County.

PROCEDURES

The Committee reviewed previous final reports and selected format, type style, and layout for the 1993-94 Final Report. The Committee set timelines for the completion of report elements and utilized the special services of several County departments to prepare the report for publication.

B. GRAND JURY GUIDELINES

BACKGROUND

At the start of each term, Grand Jury members are presented with copies of two documents to be used when organizing the new Grand Jury, The Charge to the Grand Jury and Grand Jury Guidelines. The Charge is prepared by the Supervising Judge of the Criminal Division of the Superior Court and instructs the jurors in their duties and responsibilities for the coming term. The Guidelines contain suggested methods and procedures to be followed by the Grand Jury in carrying out its responsibilities. Each Grand Jury is asked to update the Guidelines as necessary.

PROCEDURES

The Committee undertook a review of the organizational guidelines prepared for each incoming Grand Jury and prepared a Proposed Grand Jury Procedural Rules for consideration by subsequent grand juries. After review and approval by the Supervising Judge and Assistant County Counsel, the proposal was submitted to the 1993-94 Grand Jury and adopted.

C. ORIENTATION PROGRAM

BACKGROUND

In recent years grand juries have taken responsibility for preparing an orientation program to be used in the event an alternate juror is selected to serve on the Grand Jury after the start of its term. The program is intended to integrate the new Grand Juror into jury activities as quickly as possible. No

alternate jurors were sworn into service during the term of the 1993-94 Grand Jury.

The sitting Grand Jury prepares a series of introductory presentations to prospective jurors and those selected to serve during the following term. These presentations are designed to acquaint prospective jurors, in a personal way, with the work that will be expected of them if they are selected to serve.

PROCEDURES

The Committee met to discuss the information and elements most necessary for an effective orientation program. The records of previous orientation programs were reviewed and jurors were polled by questionnaire to identify areas to be included. The Committee met with the Grand Jury Coordinator and the Manager of Jury Services to prepare a series of three introductory sessions for Grand Jury selectees. These sessions described the workload of recent Grand Juries and provided information on the various tasks and responsibilities they might face.

D. GRAND JURY ISSUES

BACKGROUND

At various times throughout the history of Los Angeles County, Grand Juries have addressed issues and concerns relating to increasing the effectiveness and impact of the Grand Jury. These recommendations have dealt with the selection, organization, and operation of the Grand Jury and its relationship to other governmental bodies. Past Grand Juries have recommended ways to broaden representation of the Grand Jury, suggested overlapping the terms of Grand Jurors, and advocated the impanelment of two Grand Juries each term. These concerns often reflected changes in the time available for a Grand Jury to accomplish its civil oversight responsibilities.

PROCEDURES

With 85% of the Grand Jury's time currently occupied with indictment and investigative hearings, the Committee identified the need to accelerate an incoming jury's organization and learning so that it might begin its civil

investigations earlier and proceed with greater efficiency. Acting upon the recommendations of the Committee, the Grand Jury contracted with Price Waterhouse to examine the practices of grand juror orientation and to develop recommendations for improving its focus and providing jurors with such information as would enable them to commence civil investigations more quickly.

HEALTH & PUBLIC SAFETY COMMITTEE

MEMBERS

Richard Holland, Chairman
Gavin Cort Brackett
Henry Frias
Saundra Huff
Audrey Lynberg
Inell Warren

HEALTH AND PUBLIC SAFETY COMMITTEE

INTRODUCTION AND SUMMARY

The Health and Public Safety Committee of the 1993-94 Grand Jury was concerned with health care provided in Los Angeles County. The Committee decided to study the Department of Health Services' (DHS) comprehensive health care centers and the payroll courier practices within DHS.

A. Department of Health Services, Comprehensive Health Centers and Public Health Centers

The Committee visited a number of county health care facilities including hospitals, comprehensive health centers, and local health centers to evaluate possible deficiencies and to make recommendations from first-hand observation.

B. Department of Health Services, Payroll Courier Practices

Interviews with various staff from public health programs and services identified a problem with transportation of timecards and payroll documents between various health centers and the processing center.

The Committee requested the assistance of the Grand Jury contract auditor in conducting a management audit of the DHS public health programs and services payroll courier practices.

The Committee reviewed and closed two citizen complaints.

A. DEPARTMENT OF HEALTH SERVICES COMPREHENSIVE HEALTH CENTERS AND PUBLIC HEALTH CENTERS

BACKGROUND

The Department of Health Services (DHS) was formed in 1972 by order of the Board of Supervisors.

The DHS operates six hospitals, six comprehensive health centers, and 40 health centers. The DHS is the largest county department with an operating budget of 2.25 billion dollars.

Three Los Angeles County Medical Centers, two Comprehensive Health Centers, and two Public Health Center were visited by the Health and Public Safety Committee. Los Angeles County-University of Southern California Medical Center (LAC+USCMC) and Martin Luther King Jr., Drew Medical Center were visited by the entire Grand Jury. The Director of the Department of Health Services (DHS) addressed the entire Grand jury.

The Committee visited Olive View Medical Center, Mid-Valley Comprehensive Health Center, Edward R. Roybal Comprehensive Health Center, the Curtis Tucker Health Center, and the Hollywood/Wilshire Health Center.

Respective administrative, medical, and support staff were interviewed. Patient capacities, average census figures, and other statistical information were acquired from each facility visited.

PROCEDURE

During the visits, members of the committee met with representatives of various service departments in each of the facilities. The Committee reviewed literature from each facility, and selected specific areas of concern to be studied for possible recommendations. Meetings were held with the Director of Public Health Programs and Services and the Director of Disease Control.

The Committee was given an update on the role of public health within the DHS.

FINDINGS

In November 1993 the DHS transitioned to a managed/coordinated health care delivery system. The DHS mission is to strengthen the DHS' capacity to carry out its public health and personal health services missions. To date it is too early to evaluate the effectiveness of the new organization.

LAC+USCMC is scheduled to be replaced because of its age, safety, and seismic deficiencies. The Committee was concerned about the overcrowding and long waiting time in the emergency room. Any recommendations for

improvement of this facility in this area are now moot due to the damage caused by the January, 1994 earthquake.

During our visit to Olive View Medical Center, the Committee discovered that the hospital building was designed without a perinatal service unit. Six labor and delivery rooms were later designed to fit existing space. This space was designed to handle 350 deliveries per month. The service now averages 600-650 deliveries per month. There is no antepartum ward nor space for antepartum testing.

The emergency room is equally short of space. It was designed with seven treatment spaces. It services 32,000 visits per year by doubling up patients in designated areas and by using hallways. A Department of Emergency eight bed observation unit was originally designed into the hospital building, but was never funded.

The oncology unit is especially short of space. Patients are not isolated, nor is there space for families to stay with patients. Also, due to the lengthy treatment and possible cross infection there is an urgent need for additional space.

During our visit to Mid Valley Comprehensive Health Center, the Committee learned that adult primary care and medical walk-in (urgent) care is not available. Nor is there adequate ancillary services to meet defined standards of primary care. North County has the oldest and smallest facilities in the County, yet 415,000 patient visits were provided in 1992-93. Mid Valley suffered severe damage from the January 1994 earthquake, and has been red flagged (closed) due to that damage. Patients are now being seen in temporary structures.

The Edward R. Roybal Comprehensive Health Center was designed to deliver a health care system linking primary, secondary and tertiary care providers. The specific objective is to provide acceptable accessible comprehensive services. The Committee was impressed by the design of this facility, and the types of services offered.

Martin Luther King, Jr./Drew Medical Center is a direct result of the historic Watts Riots of 1965. The doors opened in March 1972 and it became the third teaching general hospital in the County of Los Angeles. This is an acute general community teaching hospital with a certified Level I Trauma Center. The hospital received a three year accreditation by the Joint Commission on Accreditation of Health Organizations. Twenty percent of Medi-cal eligible patients in the County are in the King-Drew catchment area. The Grand Jury

was especially impressed by the dedication shown by staff in the neo-natal Unit. This unit is usually filled to capacity. There is a critical need for additional staff and equipment. Volunteers offer a critical service in this unit.

Curtis Tucker Health Center - During our tour of the facility Committee members inquired about pharmacy services. There is a concern that there is no in-house pharmacy service at this busy facility.

Hollywood-Wilshire Health Center - This facility is in need of overall maintenance. Also, there is a critical need for additional space for storage of medical records.

The Committee was impressed by the hard work and dedication of all staff contacted at the facilities visited.

RECOMMENDATIONS

Olive View Medical Center

1. It is recommended that the Board of Supervisors support a capital project to provide an adequate design and adequate space to safely handle the current volume of patients seen in the Olive View Perinatal Unit.
2. It is recommended that the Board of Supervisors support the request for the necessary appropriation to staff and operate the eight bed observation unit within the Department of Emergency Medicine at Olive View Medical Center.
3. It is recommended that the Board of Supervisors support a plan for adequate space and equipment for the oncology unit.

Mid Valley Comprehensive Health Center

Recommendations for Mid Valley depend upon reopening the existing facility. If the facility is reopened, the Committee recommends that the Board of Supervisors:

1. Allocate necessary funds to establish Adult Primary Care and Medical Walk-in (Urgent Care) services at the Mid-Valley Comprehensive Health Center.

2. Ensure that adequate ancillary services are available to meet defined standards. (Staff and equip a Stat Lab and expand pharmacy and radiology services.)
3. Implement the Department of Health Services' capital plan to replace or refurbish North County health facilities.
4. Allocate funds to provide staff and vehicles to transport patients, lab tests, supplies, equipment, etc., between Mid Valley, North County Health Centers, and Olive View Medical Center. This would enhance service integration.

Martin Luther King, Jr./Drew Medical Center

1. It is recommended that the Board of Supervisors allocate necessary funds to acquire appropriate equipment to transport neo-natal patients.
2. It is recommended that the Board of Supervisors allocate necessary funds to purchase additional infusion pumps for the neo-natal unit.

Curtis Tucker Health Center

1. It is recommended that the Board of Supervisors allocate funds for a part-time pharmacist.

Hollywood-Wilshire Health Center

1. It is recommended that the Board of Supervisors allocate funds for painting and increased building maintenance for this facility.
2. It is recommended that the Board of Supervisors allocate funds for additional space for medical record storage.

B. DEPARTMENT OF HEALTH SERVICES PAYROLL COURIER PRACTICES

BACKGROUND

The objective of this Grand Jury audit of the Public Health Programs & Services' (PHP&S) payroll document courier procedures is to document a potential example of inefficiency in allocating staff resources. Due to budget cuts, an in-house messenger service staffed with non-exempt Student Professional Workers was curtailed. Exempt PHP&S employees now perform this function. Price Waterhouse interviewed several Department of Health Services (DHS) personnel to determine payroll courier procedures and estimate their associated costs. For comparative purposes, we also obtained a cost estimate for privatizing this function. This report presents cost estimates for the following three options:

- Option 1: Use exempt staff
- Option 2: Use non-exempt staff
- Option 3: Privatize

FINDINGS

PHP&S distributes timecards and pay warrants to employees in four departments twice a month (on the 15th and at the end of the month). The checks or electronic deposit slips originate in the Auditor-Controller Office in the Hall of Administration and are delivered to PHP&S's payroll processing center in the City of Commerce. The payroll department conducts a random audit of the warrants, records the face value amounts received, and sorts the warrants by the 236 PHP&S pay locations spread throughout the County. Exhibit 1 shows the number of pay locations by the four departments served.

**Exhibit 1
Number of Pay Locations By Department**

Department Number	Department Name	Number of Pay Locations
250	California Children Services	32
290	Juvenile Court Health Services	12
295	Public Health	164
296	AIDS Program	28
Total		236

DHS personnel confirms that a policy change of transferring courier responsibilities from non-exempt staff to exempt staff should have been preceded with a cost-benefit analysis. PHP&S's Human Resource Office, however, was unable to locate any such study at this time.

Option 1: Use Exempt Staff

29 PHP&S employees currently perform payroll courier functions. Exhibit 2 shows the position titles and monthly salaries of these employees.

**Exhibit 2
Number of Employees Performing Courier Functions
by Position Title and Monthly Salary**

Position Title	Monthly Salary	Number of Employees Performing Courier Functions
Senior/Supervising Typist Clerk	\$2,029.50 - \$2,336.88	8
Staff/Administrative Assistant	\$2,774.27 - \$2,995.96	6
Community Worker	\$2,115.64	3

Intermediate Clerk	\$1,770.78 - \$1,943.55	3
Public Health Nursing Supervisor/ Supervising Public Health Investigator	\$3,797.82 - \$4,012.41	2
Pharmacy Helper/Nutritionist	\$2,280.45 - \$2,402.00	2
Project Coordinator/ Assistant Administrator	\$4,784.55 - \$4,803.56	2
Nursing Attendant	\$1,508.27	1
Chief Physician	\$6,500	1
Student Professional Worker*	\$7.82 per hour	1

* Student Professional Worker is a non-exempt staff member who is paid on an hourly basis.

These 29 employees expend a total of 310 hours per month performing courier functions. An estimate of each exempt staff member's "hourly rate" can be derived from their monthly salaries and the total number of hours worked in a month. This hourly rate, multiplied by the number of hours spent performing courier functions in a month, provides an estimate of the costs involved with using exempt staff as payroll couriers. Not including mileage reimbursement, the cost of this option is estimated at \$4,061 per month.

Option 2: Use Non-Exempt Staff

There is no record of how many hours it took the Student Professional Workers who staffed the in-house messenger service to complete their warrant pick-up duties. Assume it takes Student Professional Workers and exempt staff the same number of total hours to complete warrant pick-up and delivery (i.e., 310 hours). At an hourly rate of \$7.82, the estimated cost of using non-exempt staff is \$2,424 per month. Again, this estimate does not include mileage reimbursements.

Option 3: Privatize

Loomis Armored, Inc. provides armored car pick-up and delivery services. With \$20,000 liability coverage (where the face value of the checks can be as high as \$250,000), it would cost \$23.00 per location per month. With 236 locations, the estimated cost of privatizing payroll pick-up and delivery is \$5,428 per month.

Exhibit 3 summarizes the estimated cost associated with each of the three options. When compared to the option to privatize, the current practice of using exempt staff is less costly. However, Option 2 (using non-exempt staff) is the least expensive option. In fact, using exempt staff has increased the (weighted) average hourly rate paid for payroll courier services from \$7.62 to \$13.10. A return to using non-exempt staff represents an estimated cost saving of 40%.

**Exhibit 3
Summary of Estimated Costs**

	Option 1: Use Exempt Staff	Option 2: Use Non-Exempt Staff	Option 3: Privatize
Estimated Cost	\$4,061.30	\$2,424.20	\$5,428.00
Average Hourly Rate	\$13.10	\$7.62	\$23 per location

RECOMMENDATIONS

1. It is recommended that Board of Supervisors request the Department of Health Services direct PHP&S to return to using non-exempt staff to pick-up and deliver timecards and warrants if Professional Student Workers are currently available for this function.
2. It is recommended that the Board of Supervisors request the Department of Health Services direct PHP&S to conduct a cost-benefit analysis of the total costs involved in reinstating its in-house messenger service. The scope of this study precluded examining the total cost of operating such a courier service.

PUBLIC AWARENESS COMMITTEE

MEMBERS

Sandra Huff, Chairman

Henry Frias

Audrey Lynberg

William Phillips

Reginald Scales

Earleen Starks

John Wilson

PUBLIC AWARENESS COMMITTEE

INTRODUCTION

The goal of the Public Awareness Committee is to promote an understanding of the Grand Jury which leads to the recruitment of applicants with diverse backgrounds. To achieve this end we:

- A. encouraged personal contact between current members and the public
- B. advertised on the petit jury summons and in flyers placed in jury assembly rooms
- C. updated the Grand Jury brochure
- D. provided a Speaker's Bureau and an informational speech
- E. contacted the print media through the Director of Public Information for the Superior Court
- F. secured production of an educational video for recruitment through Fox Channel 11 (Exhibit I to be viewed)
- G. studied the demographics of the 1993-94 Grand Jury
- H. computed a Cost Effectiveness Log to show the savings of an indictment hearing vs. a preliminary hearing.

BACKGROUND

The Grand Jury began in twelfth century England as an accusatory body advising the King. Today, in Los Angeles County, while still an accusatory body bringing indictments (formal charges of major crimes), it also performs an oversight function into the operations of County government. Even though the Grand Jury Coordination Office continues to put forth a monumental effort toward recruitment, the Grand Jury itself decided to promote its visibility. This is difficult because the indictment process is conducted in secret; the investigative hearing is secret; and the final report is secret until completed and presented to the Board of Supervisors. Much of what the Grand Jury does is

unknown or misunderstood by the public. Traditionally, personal contact (encouraging one's friends to apply) has been the juror's primary method of recruitment. The public needs to be more aware of the value of the Grand Jury.

PROCEDURE

The Committee supported and encouraged the traditional methods of recruitment: personal contact, distribution of an updated brochure, and initiation of a speakers' bureau. Working closely with the Director of Public Information for the Superior Court, many ethnic newspapers were contacted for personal interviews with jurors.

With the support of the Supervising Judge of the Superior Court, a network television station offered to make an educational video for recruitment. The video is less than ten minutes in length, and from it public service announcements will be derived. The video will air first on the station that produced it and then be shared with other television stations. The video produced is a quality product and it is hoped that it will encourage members of our diverse population to apply for the Grand Jury.

FINDINGS

A. COMPOSITION OF THE 1993-94 GRAND JURY

The 1993-94 Los Angeles County Grand Jury is composed of eight women and fifteen men drawn from a population of nearly ten million people. They represent much of the cultural, ethnic, and diverse life experiences within Los Angeles County.

Approximately one-third of the grand jurors are native Californians while the remainder were born in other states and countries. The diverse cultures of Hispanic, Asian, African-American, and Caucasian were represented, thus issues were explored from many viewpoints which provided a strong basis for cohesive decisions.

Educational levels of achievement among both men and women were nearly identical. Not every grand juror has a college education while others have continued their college education to receive post graduate degrees. Ages ranged from 42 to 84 years. In terms of background work experience, the jurors ranked highest in the technical and professional fields followed by

administrative, managerial, and other work related experiences.

The 1993-94 grand jurors were drawn from a pool of 183 nominees consisting of both volunteers and judicial nominees, from which the final drawing reflected an equal division of judicial nominees and volunteers for jury service. All jurors were interviewed by Superior Court Judges for service on the Grand Jury. The grand jurors began their year's appointment on July 1 to fulfill their required duties. One duty is to perform an oversight function of county government and the other is the role empowered by law to bring indictments. Since 1990, with the passage of Proposition 115, the indictment process load has increased, thereby creating a full work schedule for members of the Grand Jury.

B. COST EFFECTIVENESS LOG

The County is saved over 50 percent per case by using the Grand Jury instead of a preliminary hearing. It is estimated that approximately \$2,125,700.00 was saved in our 1993-94 term (Appendix A). In addition, the Grand Jury indictment process shortens the time it takes to bring a case to trial, protects the identity of witnesses, and prevents prejudicial pretrial publicity, thereby increasing the efficiency of the judicial process.

RECOMMENDATIONS

The Grand Jury recommends that:

1. The 1994-95 Grand Jury continue to promote Public Awareness, especially through the use of its new video, through personal contact, and through cooperation with the Grand Jury Coordination Office and the Director of Public Information for the Superior Court.
2. The 1994-95 Grand Jury members be available for recruitment interviews and speaking engagements.
3. The 1994-95 Grand Jury ensures that promotional materials - video and brochures - are made available to the media, judges, city officials, libraries, and their personal contacts.

APPENDIX

1993-94 GRAND JURY COST EFFECTIVENESS LOG (Indictment v. Preliminary Hearing)												
CASE NO.	CRIME	NO. PEOPLE INDICTED	NO. GJ DAYS	DATE(S)	GJ COST \$2350 PER DAY	EST. MUNI COURT DAY(S)	DEFENSE ATTORNEYS			* MUNI. CT. COST @ \$4485	MUNI. CT. COST	ESTIMATED GJ SAVING
							NUMBER ATTORNEYS	HOURS WORKED	\$75 PER HR.			
1	CHILD MOLEST	1	1	7/19/93	\$2,350	2	1	16	1,200	8,970	10,170	7,820
2	SEXUAL ASSAULT	1	1	8/6/93	\$2,350	2	1	16	1,200	8,970	10,170	7,820
3	MURDER/ROBBERY	2	1	8/10/93	\$2,350	4	2	64	4,800	17,940	22,740	20,390
4	GRAND THEFT	1	1	8/12/93	\$2,350	3	1	24	1,800	13,455	15,255	12,905
5	INS. FRAUD	10	11	9/1/93	\$25,850	35	10	2800	210,000	156,975	366,975	341,125
6	MURDER	1	1	9/2/93	\$2,350	4	1	32	2,400	17,940	20,340	17,990
7	PROSTITUTION	1	1	9/16/93	\$2,350	5	1	40	3,000	22,425	25,425	23,075
8	FRAUD	1	5	9/22/93	\$11,750	10	1	80	6,000	44,850	50,850	39,100
9	CONSP. NARCOTICS	2	1	10/8/93	\$2,350	2	2	32	2,400	8,970	11,370	9,020
10	MURDER	6	2	10/18/93	\$4,700	6	6	288	21,600	26,910	48,510	43,810
11	ENVIRONMENTAL	6	2	10/20/93	\$4,700	12	6	576	43,200	53,820	97,020	92,320
12	CONSP. NARCOTICS	4	1	10/21/93	\$2,350	4	4	128	9,600	17,940	27,540	25,190
13	CONSP. NARCOTICS	2	1	10/21/93	\$2,350	2	2	32	2,400	8,970	11,370	9,020
14	FRAUD	6	3	10/28/93	\$7,050	5	6	240	18,000	22,425	40,425	33,375
15	CONSP. NARCOTICS	5	2	11/9/93	\$4,700	8	5	320	24,000	35,880	59,880	55,180
16	ENVIRONMENTAL	9	5	11/22/93	\$11,750	25	9	1,800	135,000	112,125	247,125	235,375
17	PANDERING	2	1	12/2/93	\$2,350	3	2	48	3,600	13,455	17,055	14,705
18	DESTRUCTIVE DEVICE	1	1	12/9/93	\$2,350	2	1	16	1,200	8,970	10,170	7,820
19	CONSP. NARCOTICS	6	2	12/15/93	\$4,700	10	6	480	36,000	44,850	80,850	76,150
20	ASSAULT/DEADLY WEAPON	2	1	1/6/94	\$2,350	6	2	96	7,200	26,910	34,110	31,760
21	INS. FRAUD	10	9	1/26/94	\$21,150	20	10	1,600	120,000	89,700	209,700	188,550
22	FRAUD	7	5	2/8/94	\$11,750	15	8	960	72,000	67,275	139,275	127,525

*Information provided by the Administratively Unified Courts.
Financial and Budget Unit

1993-94 GRAND JURY COST EFFECTIVENESS LOG (Indictment v. Preliminary Hearing)

CASE NO.	CRIME	NO. PEOPLE INDICTED	NO. GJ DAYS	DATE(S)	GJ COST \$2350 PER DAY	EST. MUNI COURT DAY(S)	DEFENSE ATTORNEYS			MUNI. CT. COST @ \$4485	MUNI. CT. COST	ESTIMATED GJ SAVING
							NUMBER ATTORNEYS	HOURS WORKED	\$75 PER HR.			
23	MURDER	1	1	2/10/94	\$2,350	4	1	32	2,400	17,940	20,340	17,990
24	NARCOTICS	2	1	2/28/94	\$2,350	2	2	32	2,400	8,970	11,370	9,020
25	MURDER	5	8	3/15/94	\$18,800	10	5	400	30,000	44,850	74,850	56,050
26	CONSP. NARCOTICS	6	1	3/23/94	\$2,350	5	6	240	18,000	22,425	40,425	38,075
27	CONSP. NARCOTICS	6	1	3/23/94	\$2,350	5	6	240	18,000	22,425	40,425	38,075
28	ESCAPE/ATTEMPTED MURDER	2	2	3/25/94	\$4,700	4	2	64	4,800	17,940	22,740	18,040
29	CONSP. NARCOTICS	5	2	4/12/94	\$4,700	2	5	80	6,000	8,970	14,970	10,270
30	CONSP. NARCOTICS	4	2	4/14/94	\$4,700	2	4	64	4,800	8,970	13,770	9,070
31	MURDER	1	2	4/14/94	\$4,700	3	1	24	1,800	13,455	15,255	10,555
32	ATTEMPTED MURDER	1	1	4/14/94	\$2,350	2	1	16	1,200	8,970	10,170	7,820
33	GRAND THEFT	1	4	4/27/94	\$9,400	15	1	120	9,000	67,275	76,275	66,875
34	ROBBERY	4	1	5/4/94	\$2,350	3	4	96	7,200	13,455	20,655	18,303
35	WELFARE FRAUD	6	7	5/16/94	\$16,450	30	6	1440	108,000	134,550	242,550	226,100
36	MURDER	2	1	5/19/94	\$2,350	3	2	48	3,600	13,455	17,055	14,703
37	CONSP. NARCOTICS	4	1	5/23/94	\$2,350	3	4	96	7,200	13,455	20,655	18,303
38	MURDER	1	2	5/31/94	\$4,700	2	1	16	1,200	8,970	10,170	5,470
	JUNE PROJECTIONS											
39	NARCOTICS	3	4	6/6/94	\$9,400	10	3	240	18,000	44,850	67,850	53,450
40	SEXUAL ASSAULT	1	4	6/14/94	\$9,400	15	1	120	9,000	67,273	76,725	66,875
41	ATTEMPTED MURDER	1	2	6/23/94	\$4,700	15	1	40	3,000	22,425	25,425	20,723
GRAND TOTAL											2,125,700	

SOCIAL SERVICES COMMITTEE

MEMBERS

Inell Warren, Chairman
Gavin Cort Brackett
Juanita Buchanan
Nicholas Palamiotis
Young Park
Earleen Starks

SOCIAL SERVICES COMMITTEE

INTRODUCTION AND SUMMARY

The 1993-94 Social Services Committee assessed the performance of the Department of Children's Services (DCS) and Foster Care Program.

The Committee was appointed to discuss areas of concern and become apprised of the emerging issues in foster care.

The following issues were discussed.

- A. Working knowledge of the programs including
- B. Realignment
- C. Current performances
- D. Focus on compliance (number of child visitations)
- E. Indicator focus on process
- F. Independent Living Program (ILP) with focus on special need of performance measurement
- G. Establish a regular performance questionnaire for future grand jurors.

The Committee requested Price Waterhouse, the contract auditor, to conduct an audit on the Department of Children's Services Foster Care Program Performance Measurement System.

A. REVIEW OF THE DEPARTMENT OF CHILDREN'S SERVICES FOSTER CARE PROGRAM PERFORMANCE MEASUREMENT SYSTEM

BACKGROUND

A. Report Objectives

The Los Angeles County Grand Jury Social Services Committee is interested in furthering Department of Children's Services (DCS) mission—detail in **Exhibit I-1**—to provide a safe and nurturing home environment. To this end, the Grand Jury has completed several studies of the Foster Care program recommending ways to improve DCS performance. For instance, last year the Grand Jury completed a performance audit of compliance with court orders for services to families throughout Juvenile Dependency Court proceedings.

However, the Grand Jury also recognizes that studies and recommendations are most useful when DCS is able to measure success in achieving the recommendations. Therefore, the 1993-94 Grand Jury asked its contractor, Price Waterhouse, to undertake an investigation to determine how DCS measures its performance (i.e., whether DCS' performance measurement system is satisfactory). With the potential realignment of the Foster Care Program to counties, the Grand Jury was interested in understanding the impact of a such a change in the delivery of foster care services. The specific objectives of this investigation and report are the following:

- Increase public awareness of the DCS Foster Care Program
- Address the programmatic and fiscal impacts on foster care resulting from the Governor's Realignment plan
- Review how the DCS assesses its performance in providing services to children in Foster Care
- Establish a regular performance review system for future grand juries to assess the performance of the Foster Care Program

Exhibit I-1¹

DCS Vision Statement for Children and Families

Every child is entitled to a safe, secure, and nurturing living environment in which she or he can adequately develop physically, emotionally, socially, educationally, spiritually, and culturally. Ideally, the biological family provides an environment which supports the healthy development of their child.

When a family is unable to provide this safe, secure, and nurturing living environment for the child, the community assumes a responsibility to protect and foster the healthy development of the child, provide the support necessary to strengthen the family and, when deemed necessary, find an alternative permanent home.

Mission Statement

The County of Los Angeles Department of Children's Services is the public agency with the duty to establish, manage, and advocate a system of service which ensures that:

- Children are safe from abuse, neglect, and exploitation.
- Families who can provide a safe environment for children are strengthened.
- Children whose families are unable to provide a safe environment are provided temporary homes which support optimum growth and development.
- Children in temporary homes receive safe, secure, and nurturing permanent homes in a timely manner.
- Youth who reach adulthood under our care are provided the opportunity to succeed.

¹County of Los Angeles Department of Children's Services. *1990-91 Annual Report*.

B. Foster Care

Foster care is the temporary, full-time care of children outside their own homes (out-of-home) who enter the system because of family related problems. These family related problems, or criteria for children entering the foster care system, are as follows:

- *Abuse* - Non-accidental commission of injuries or emotional trauma against a child or allowed by parents, guardians, or other persons. This includes physical, sexual, and emotional abuse.
- *Neglect* - Failure to provide a child with necessary care and protection which prevents the child's health, growth, and development. Neglect occurs when children are physically and/or psychologically endangered.
- *Exploitation* - Forcing or coercing a child into performing functions which are beyond his/her capabilities or capacities, or into illegal or degrading acts.

C. Placement facilities for children entering foster care system

There are several facilities in which children entering the foster care system are placed:

- *Placement with Relative* - This is the first preferred alternative when a child cannot safely remain at home.
- *Foster Family Homes* - Any home in which 24-hour nonmedical care and supervision are provided in a family setting in the licensee's family residence for not more than six foster children, exclusive of members of the licensee's family. The state contracts with DCS to license foster family homes following state regulations. The child's stay is intended to be for temporary care to substitute for the parent.
- *Emergency Foster Homes (Shelter Care)* - These facilities are intended as short-term placement until the needs of the child can be assessed so a plan can be developed to either return the child to his/her home or remove to another placement. Shelter care facilities are licensed and regulated as foster homes.
- *Small Family Homes* - Facilities licensed by the State for up to six beds for developmentally disabled, mentally disordered, emotionally disturbed, or physically handicapped children. The licensee must implement a

service plan which specifies the child's individual needs.

- *Group Homes* - Any facility which provides 24-hour nonmedical care and supervision to children in a structured environment with services provided at least in part by staff employed by the licensee. Any facility providing 24-hour care for seven or more children must be licensed as a group home. All group homes are licensed by the state, except for MacLaren Children's Center, which is operated by the County. The providers choose the type of children they want to service: sexually abused, infants, adolescents, emotionally disturbed, boys only, girls only, and other specialized categories.
- *MacLaren Children's Center* - This is the County's 24-hour emergency shelter facility for abused, neglected, or abandoned children. Some children awaiting a new placement are placed at MacLaren. This includes children from group homes, institutions, or psychiatric placements. Services are also provided to children who have experienced unsuccessful placement in other foster care facilities.

D. Severity of the Problem

The need to measure DCS' performance remains urgent. Parental substance abuse, crime, homelessness, poverty, among other factors, undermine the ability of families to provide a safe and nurturing home environment. The consequences are disturbing. For instance:

- DCS received 171,922 referrals for abuse and neglect in 1993
- Over 37,600 children were in out-of-home care in 1993
- Costs for that care rose to \$322.2 million for FY 1993
- Of the 37,600 children in out-of-home care, 54% are in Permanent Placement caseloads
- A disproportionate number of children entering foster care are children of color. For instance, 11% percent of the children in Los Angeles County are African American; however, they represent 44% of the children in foster care.

E. Categories of Child Welfare Services Relevant to Foster Care

In order to counteract these misfortunes and ensure a safe and nurturing

environment for the children of Los Angeles County, DCS provides several categories of Child Welfare Services. The principal categories which are mandated by Federal and state regulations include:

- *Emergency Response* - Children's Social Workers (CSWs) are on duty 24 hours a day to immediately investigate calls reporting children in life-threatening situations. Workers also investigate and follow-up on other calls reporting suspected child abuse. They also provide support services to children and their families.
- *Family Maintenance* - Ongoing services are provided to children and their families when, in the professional judgment of the worker, the child can safely remain at home. Services for the children and their families may include counseling, emergency shelter care, parenting training, out-of-home respite care, in-home caretakers, and transportation.
- *Family Reunification* - When the child cannot safely stay at home, the worker will try to place the child with relatives. Non-related foster care providers is the next placement alternative. Temporary emergency shelter care is an option, pending other available placement. The CSW works with the whole family to correct the abuse situation. When possible, reuniting the family is the goal.
- *Permanent Placement* - When reunification is not possible, a permanent home is sought either through adoption, guardianship, or long-term foster care. The goal is to place the child in a stable, nurturing environment that provides a sense of belonging.

Adoption is the first preference in developing a permanent plan for children. In instances where DCS determines that adoption is not a viable plan for a child, guardianship, or long-term foster care are alternate permanent plans that are made jointly by the Department, the child, and his/her caregivers.

F. Family Preservation Program

Los Angeles County also maintains a relatively new category of Child Welfare Service designated as Family Preservation. Assembly Bill 546, enacted by the State of California Legislature, enables county child welfare departments to divert a percentage of their foster care dollars to services to strengthen and preserve families, also known as "family preservation services." This restructuring of service delivery is an alternative to the traditional mechanisms discussed above—Family Maintenance and Family Reunification. Families

appropriate for referral from DCS meet the following criteria:

- Child is at imminent risk of out-of-home placement, or has been removed
- At least one parent agrees to participate in the case plan, and has the capacity to enter into the plan
- Child can be left or returned home safely with the delivery of family preservation services
- No other less intensive resource is appropriate for the family
- Substance abusing families are appropriate only if they are willing to be engaged in a treatment program
- Sexual abuse families are appropriate only if the perpetrator does not have access to the child

The basis for the program is that out-of-home placement—the alternative to Family Preservation—is often less appropriate and more costly for children (in fiscal and human terms). Family Preservation is an attempt to provide intensive, individualized in-home services to families in crisis to break the cycle of abuse or neglect of children.

Los Angeles County's Family Preservation Plan establishes Community Family Preservation Networks (CFPNs) comprised of a comprehensive system of services designed to meet the needs of at risk children and their families. These services include:

- Intensive in-home intervention, such as teaching and demonstrating homemakers; parent aides; in-home emergency caretakers; and in-home counseling
- Individual, group, and family counseling services
- Substance abuse testing and treatment
- Day treatment
- Respite care
- Family advocacy
- Transportation to services
- Housing assistance
- Mental health treatment
- Parent training
- Employment services, literacy classes, and job training
- Greater access to income support

- Child care
- Medical assessments, referrals, and follow-up for children
- Community foster care for enhanced visitation and respite

PROCEDURE

On April 13, 1994, Price Waterhouse began field work consisting of the following activities:

- *Fact-Finding Interviews* - We conducted interviews with practitioners and advocates from key organizations involved in the delivery of foster care services. Specifically, these organizations included:
 - Department of Children's Services
 - Los Angeles County Juvenile Dependency Court
 - California Legislative Analyst's Office
 - National Council of Juvenile and Family Court Judges
 - California Assembly Human Services Committee
 - California Department of Social Services
 - The Alliance for Children's Rights
 - Commission for Children's Services
- *Policy, Procedures, and Literature Review* - We reviewed several documents, including:
 - California Legislative Analyst's Office Analysis of the 1994-95 Budget Bill
 - County of Los Angeles 1994-95 Proposed Budget
 - County of Los Angeles Department of Children's Services 1990-91 Annual Report
 - Governmental Accounting Standards Board's guide to performance measurement
- *Expert Review of Suggested Performance Indicators* - A preliminary list of suggested performance indicators was distributed to foster care practitioners and advocates for review and their comments were solicited regarding the quality of the suggested indicators (e.g, comprehensiveness, appropriateness, which measures would cause unintended consequences, indicators to add, indicators to delete)

FINDINGS

This section of the report is divided into two sections: Findings related to Realignment of foster care programs (Section A) and findings related to the DCS Foster Care Program performance measurement system (Section B).

A. THE SPECIFIC IMPACT OF THE GOVERNOR'S REALIGNMENT PLAN ON FOSTER CARE IS UNKNOWN; HOWEVER, THE CHANGES IN THE DELIVERY OF SERVICE AND THE FUNDING FOR FOSTER CARE IN LOS ANGELES COULD BE DRAMATIC.

Introduction

In an attempt to improve the quality of foster care services, while operating under fiscal and legal constraints, State of California public officials have proposed modifications to the way foster care is administered. The most significant change for the current year is the Governor's Budget for 1994-95. It proposes a major restructuring of the programmatic and fiscal relationship between the State and counties. This modification, known as realignment, includes foster care. Under this proposal: (1) Counties assume full financial and program responsibility for foster family homes and group homes, including placement and rate setting; (2) all federal foster care funds pass directly through to the counties; and (3) specified revenues from the Vehicle License Fees and Property Taxes pass through to counties to the Community Services Fund which support foster care and related programs. The state would continue its existing foster care licensing responsibilities.

The Governor's administration believes that restructuring fulfills five objectives: fiscal neutrality; promotion of economic development; promotion of local control and responsibility; establishment of fiscal incentives for performance; and reduction of bureaucracy and administrative oversight. These objectives, according to the plan, will be partially realized through counties' use of savings for local priorities.

Currently, state funds transferred to counties are restricted to specific purposes and unspent funds revert to the state. Under realignment, counties would have unrestricted control over unspent monies in the Community Services Fund at the end of the year. The money could be used to expand services or it could be transferred to the county's general fund to support other services. With this financial incentive, the Governor expects counties to seek additional innovative alternatives to the placement of abused and neglected children in foster care homes.

1. *DCS has some concerns regarding the practical implications of transferring full financial and program responsibility for foster family homes and group homes to counties.*

The objectives of the Governor's realignment plan are shared by the DCS in Los Angeles County. However, there are several concerns expressed by DCS senior management, among others, regarding the practical impact of transferring full financial and program responsibility for foster family homes and group homes to counties.² These include:

- Cost sharing arrangements resulting in an incentive to place children in out-of-home care (Foster care will be 50 percent federal funds while family preservation will be 100 percent county funds); and cost sharing arrangements resulting in an incentive to place children in State funded programs (e.g., probation which is 100% state funded).

The proper incentive for placement facilities such as foster care homes and probation programs—at least as it is implied in Los Angeles County mission statements—is to provide appropriate care at reasonable costs. The incentives to transfer foster care costs outside the DCS may risk providing the wrong services to children.

- The inclusion of several entitlement programs in the proposed Community Services Trust Fund—the funding mechanism for foster care—resulting in fierce competition among these programs and the exclusion of non-entitlements.
- Increased competition for foster care beds resulting in higher costs to counties. With the demand for out-of-home foster care greater than the supply, wealthier counties will be able to afford more beds and, in the process, this excess demand will raise the cost of out-of-home placement.
- A decline in revenue sources resulting in an unfunded mandate. Presently, the designated revenue sources for the Community Services Trust Fund—Property Tax and Vehicle License Tax—provide adequate funding to support foster care and other programs. However, if the economy were to enter a recession and

²Peter Digre, "Restructuring/Realignment II Foster Care Issues," received March 25, 1994.

property tax revenues decline, funding may not keep pace with the cost of foster care.

- Family Preservation Services, Chapter 1006, Statutes of 1993, specifies the intent of the Legislature that any additional federal revenues received for Family Preservation shall supplement and not supplant existing General Fund support for Family Preservation services.
- In counties where the California Department of Social Services (CDSS) retains foster home licensing responsibility, CDSS, having no financial stake, would have little interest in the timely and appropriate licensing of foster care homes. The remaining alternatives are more expensive foster family agencies and group homes.
- Lobbying for rates will be focused on individual counties and boards of supervisors, as opposed to a statutory statewide rate-setting process which is part of a much larger public policy arena.
- Group homes, foster family agencies, and foster homes are not equally distributed among counties. Some counties will, as a result, have higher administrative costs than others.
- Transferring responsibility for federal entitlement programs to the local level represents a quantum leap from Congress to local control. The State has not justified which entitlement programs it keeps and which it delegates.
- Capped funding based on available funding for entitlement programs will lead to unequal protection and care for children.

2. *The California Legislative Analyst's Office (LAO) believes that increased county flexibility will improve the delivery of foster care services.*

The LAO is the non-partisan Joint Legislative Budget Office of the California Legislature. They offered the following comments on the realignment of foster care services in their analysis of the 1994-95 Budget Bill:

- The LAO shares the expectation that increased county flexibility in programs such as foster care will foster innovative approaches to delivery of services. However, they are also concerned that

this same flexibility may result in a lack of uniformity in the delivery services among counties. This could lead to the adverse incentive for inter-county migration.³

- If the Family Preservation program is as effective as has been argued, counties should be willing to pay for this relatively small share of costs in order to achieve potentially substantial savings in the Foster Care Program.⁴

B. THE DCS LACKS A COMPREHENSIVE PERFORMANCE MEASUREMENT SYSTEM FOR THE FOSTER CARE PROGRAM

Introduction

Financial statements and reports are a common part of local government reporting. These instruments usually emphasize the recording of dollars that flow in and out of an agency. While these statements assure public officials and citizens that public dollars are spent appropriately, they reveal little about the efficiency and effectiveness of public programs. Performance measurement systems, on the other hand, provide the basis for improved public sector management. Advantages of performance measurement systems include:

- *Clarifying and focusing long-term and strategic objectives* - Performance measurement involves comparing actual performance against expectations and setting up targets by which progress towards objectives can be measured.
- *Providing performance information to stakeholders* - Performance measurement is an effective method for communicating to public officials and citizens about the success of programs and services.
- *Establishing and demonstrating accountability* - Performance measurement ensures that the services provided meet the needs of the recipients of services; and enables those providing services to have a clear idea of what is expected of them and how well they are doing in achieving their objectives.

³Legislative Analyst's Office, "Restructuring the State-Local Relationship: Making Progress in 1994-1995," *The 1994-95 Budget: Perspective and Issues*.

⁴Legislative Analyst's Office, *Analysis of the 1994-95 Budget Bill*.

To assess the DCS methods for performance measurement of the foster care program, we define the elements of a performance measurement system.

A complete performance measurement system is one established to measure drivers of organizational success. The performance measurement system forms a basis for managers to plan, budget, structure the organization, and control results. The key elements of a performance measurement system should contain the following features:

- Direct link to the organization's overall strategy
 - Clearly defined performance measures
 - Reporting system linked to organizational learning, performance budgeting, and annual reporting
1. *DCS does not have a formal set of critical success factors linked to its strategy for managing the foster care program*

The strategy of an organization is based on vision, mission, goals, and objectives. All must be linked to the Critical Success Factors defined by senior management.

A 1979 Harvard Business Review Article entitled "Chief Executives Define Their Own Data Needs" defines Critical Success Factors (CSF's) as the following: "the limited number of areas in which satisfactory results will ensure successful competitive performance for the individual, department, or organization. They are the few key areas where "things must go right" for business to flourish and for the manager's goals to be attained."⁵

CSF's provide focus on determining what information is important for an organization to perform well. All good managers have implicit CSF's; but once they are explicit, the manager's decisions can be made more knowledgeably. This is valuable for developing performance indicators. Once CSF's are specified and objectives have been defined, the performance measurement system can be built to match.

CSF's should:

⁵John F. Rockhart, "Chief Executives Define Their Own Data Needs," *Harvard Business Review*, March-April 1979.

- Help managers determine those areas where they should focus management attention
- Guide managers in the development of supporting performance indicators
- Focus information gathering efforts and move the organization from "reports easy to collect" information to reports based on "need to have"
- Help managers to communicate direction to employees

The Los Angeles County 1992-93 budget contains the only formally stated critical success factors we were able to identify for DCS. These critical success factors are:

- Comply substantially with the State standards for visitations to all children served by the department
- Obtain assessments and appropriate follow-up medical care for all children served by the department

The above critical success factors are incomplete and may not be current. In addition, the critical success factors do not correspond to any aspect of the mission statement (Exhibit I-1). For example, the mission statement states, "youth who reach adulthood under our care are provided the opportunity to succeed." Neither of the CSF's enumerated corresponds to this mission statement.

In sum, if DCS does not have explicit critical success factors linked to strategies, it is difficult to determine DCS' success in accomplishing the components of its mission related to the foster care program.

2. *DCS performance measures are organized around process and compliance and few are linked to outcomes.*

A comprehensive performance measurement system consists of a variety of indicators. The Governmental Accounting Standards Board (GASB) has been conducting research on performance measurement systems since the mid-1980s. GASB groups performance indicators into the following four categories:

- Input indicators - are the quantities of resources that are devoted to a particular program or function. The resources are usually expressed in financial or personnel terms (e.g. number of dollars expended or number of hours worked).

- Output indicators - demonstrate the work done or quantities produced by a program or function (e.g. number of child visitations).
- Outcome indicators - communicate the results of programs or services (e.g. number of children graduating from high school).
- Efficiency and cost effectiveness indicators - measure the cost per unit of output or outcome (e.g. cost per Independent Living Program graduate).

We found that DCS has organized its performance indicators around compliance with DCS, state, and federal policies and procedures. The bulk of the DCS performance indicators measure output. Furthermore, we found few performance indicators which measure specific outcomes for the Foster Care Program.

For example, DCS measures the performance of CSW's in visiting foster care children on a monthly basis. This is a useful output indicator; however, it is important for DCS management to monitor the outcomes of children in foster care (e.g. the percentage of children who leave foster care with a high school diploma, job or marketable skill; or percentage of children leaving foster care who transition into other entitlement programs such as Aid to Families with Dependent Children or General Relief).

Consequently, DCS senior management does not have the information to determine whether the services delivered by the department accomplish the mission, goals, and objectives of the agency.

The purpose of the next exhibit, Exhibit II, is to demonstrate how DCS' performance indicators correspond—indicated by a check mark—to the categories of indicators developed by GASB. Although there is likely disagreement as to the absolute accuracy of the matrix (not everyone will agree with the placement of each check mark), it does highlight the lack of outcome indicators relating to the DCS foster care program.

Exhibit II

Summary of DCS' Current Performance Indicators Related to Foster Care

Performance Indicator	Outcome	Input	Output	Efficiency
% of Family Reunification (FR) cases complete FR services in 18 months or less			✓	
Detained petitions filed within 48 hours of child custody			✓	
% of DCS court continuances due to court reports and inadequate notices			✓	
% of DCS court continuances that are DCS related due to court reports and inadequate notices			✓	
DCS related continuances compared to total cases on calendar			✓	
Inter-University Consortium on Child Welfare Training—Number of CSWs trained and number of hours in training			✓	
Transmittal of referrals to regional offices—immediate responses transmitted within 30 minutes; and five-day referrals transmitted within 2 hours			✓	
Clearance of criminal and child abuse records on mandated cases			✓	
Clearance of criminal records on relatives prior to placement in home			✓	
DRA approval of children under age 4 returning home after placement			✓	
Regional child contact compliance by program—Emergency Response (ER), Family Reunification (FR), Permanent Placement (PP).			✓	

Performance Indicator	Outcome	Input	Output	Efficiency
Percent of ER/FR children receiving required medical and dental assessments within 30 days of initial placement			✓	
Percent of FR and PP children with current medical/dental exams according to CHDP periodicity table			✓	
Percent of FR and PP children with documented medical/dental needs receiving follow-up care			✓	
Amount of foster care overpayments			✓	
Foster care overpayment corrective actions			✓	
Foster children determined eligible for Title IV-E funds			✓	
Percent of claimable MacLaren Children's Center (MCC) placement days				
Percent of infants in shelter care less than 30 days			✓	
Percent of children under age 6 in congregate care more than 30 days			✓	
Number of Kidstep placements and disruptions			✓	
Out-of-county placements			✓	
Number of unattached adoptive parent applicants who receive MAPP training			✓	
Percent of children placed in foster care homes over capacity			✓	
Percent of foster homes over capacity			✓	
Efforts to assist undocumented foster children obtain permanent resident status				

Performance Indicator	Outcome	Input	Output	Efficiency
Percent of adoptability assessments completed prior to permanency planning hearing			✓	
Number of freed children under age 11 awaiting adoptive placement			✓	
Number of children placed in adoptive homes	✓			
Number of adoptive placements disrupted			✓	
Percent of adoptions finalized			✓	
Eligible youth receiving Independent Living Program (ILP) services or service component			✓	
Percent of emancipating youth completing ILP training or equivalent			✓	
Percent of youth emancipating from foster care who have means (i.e. a plan) of support and medical coverage			✓	
Percent of ILP youth age 17 and over employed or in college/vocational training	✓			
Foster care youth employed by DCS (DCS is required to employ a certain percent)			✓	
Child support evaluation referrals made on AFDC-Foster Care approvals			✓	

3. *The DCS budget is not linked to Foster Care program performance measures.*

DCS's budget, displayed in the Los Angeles County Board of Supervisors' 1994-95 Proposed Budget, is a compilation of expenditures, objects of expenditures, workload indicators, and lists of critical needs. It does not express budget requirements in terms of

anticipated results of foster care services. For instance, the budget reports the gross appropriation for Foster Care Services during FY 1994-95 is close to \$29 million; however, it does not report what will be accomplished with \$29 million (e.g., The percentage increase in the number of foster care eligible parents; the reduction in Juvenile Dependency Court continuances caused by incomplete case files). Without a link between budget requirements and foster care program results, the only evaluative criteria available in DCS' budget is the difference between the money spent on line items (e.g., materials, equipment, and salaries) and the money appropriated.

Linking budget requirements and program results, referred by some as Performance Budgeting, is being used increasingly by public agencies which are concerned with improving the link between programs and expenditures. For example, a Price Waterhouse survey completed last March revealed that many governments are moving toward a "results-oriented" budgeting process⁶. These governments focus their attention on service and program accomplishments, instead of things such as salaries, supplies, and equipment. The ultimate objective is to buy results.

According to the School of Public Policy at Ohio State University—which developed a performance budget for the City of Columbus—a successful performance budgeting system has clear and measurable objectives and a procedure to measure the success in achieving these objectives from both efficiency and effectiveness perspectives.⁷

4. *DCS has not published an annual report since 1990-91. This contributes to the difficulty in determining if goals and objectives relating to foster care are accomplished.*

The last annual report DCS published was for Fiscal Year 1990-91. Combined with the limited performance reporting available, it is difficult for managers and the public to monitor DCS' performance.

Reporting (e.g., financial statements and performance indicators) is critical to any organization. According to the authors of *Management*

⁶Price Waterhouse, *Best Practices in Performance Based Budgeting*, March 1994.

⁷Ohio State University, School of Public Policy and Management, *Objective Oriented Budget Process*.

Control in Nonprofit Organizations, reporting information serves three purposes:⁸

- First, reports are a basis for coordinating and controlling the current activities of the organization. Using this information..., managers identify situations that may be out of control, they investigate these situations, and they initiate corrective action if investigation shows such action to be necessary and feasible.
- Second, reports are used as a basis for evaluating operating performance. Such an evaluation leads to actions with respect to managers: praise for a job well done; constructive criticism if this seems to be warranted... It may also lead to improved methods of operating.
- Third, reports are used as a basis for program evaluation. For any number of reasons, the plan under which the organization is working may turn out not to be optimum. If so, the program may need to be revised. Evaluation of the actual performance can lead back to a revision of the program or a modification in operations. It can also lead to a reconsideration of the organization's strategies for achieving goals.

Some of the risks associated with inadequate reporting are as follows:

- DCS management ill-equipped to compare its planned inputs, outputs, and outcomes with actual inputs, outputs, and outcomes.
- DCS unaware that its strategies are unsuccessful in achieving stated goals and objectives
- DCS management unaware of situations that are out of control (e.g., the turnover in foster care parents).
- Elected or appointed officials (e.g., County Board of Supervisors) appropriating money or establishing policies with incomplete information.

5. *The Independent Living Program is in special need of performance*

⁸Robert Anthony and David Young, *Management Control in Nonprofit Organizations*.

indicators.

According to information gathered during interviews with DCS management, ILP's objective is to ensure that the children in long-term-foster care transition into functional adults. To prepare for this transition, the Independent Living Program (ILP) provides independent living skill services to children (16 years or older) who are in long-term foster care placement. These services include: vocational training, career development, banking, shopping, organizing a budget, rent laws, and nutrition. Based on the current set of indicators, however, DCS is unable to measure—except with anecdotes—the results of these services. For instance, current ILP indicators include:

- Eligible youth receiving ILP services or service component
- Emancipating youth completing ILP training or equivalent
- Youth emancipating from foster care who have means of support and medical coverage
- Percent of ILP youth age 17 and over employed in college/vocational training
- Foster care youth employed by DCS

Most of the ILP performance indicators measure process and compliance. They do not measure specific outcomes of children who complete the program.

(Process not outcome) *Youth emancipating from foster care who have means of support and medical coverage* is defined as those youth who have a plan established by the CSW for support and medical coverage—not those that have their own means of support.

(Process not outcome) *Percent of ILP youth age 17 and over employed in college/vocational training* is only an indicator applicable to ILP youth. This means that they are still part of the foster care system. There is no indicator assessing the percent of ILP youth who are employed in college/vocational training after they leave

foster care.

(Process not outcome) Foster care youth employed by DCS is not a measure of the success of the ILP program. DCS is required to hire a percentage of foster care youth.

DCS knows whether foster care children receive ILP services; however, DCS does not know—with any reliability—what happens to the children once they leave the system (e.g., do they find jobs; do they find housing, etc.). With approximately 400 youth emancipated annually from foster care, it is incumbent upon DCS to ensure these children have the opportunity to succeed as adults.

Without performance measures related to specific outcomes of the emancipation program, DCS cannot adequately meet its mission statement to ensure, "Youth who reach adulthood under our care are provided the opportunity to succeed."

RECOMMENDATIONS

This section of our report is divided into two sections: Recommendations related to Realignment of foster care programs (Section A) and Recommendations related to the Department of Children's Services performance measurement system (Section B).

A. Realignment Recommendation

The Grand Jury recommends that the Board of Supervisors:

1. *Request that DCS set up a monitoring mechanism to determine the impact of realignment on foster care services. The steps should include:*
 - Work closely with the County legislative unit to establish a mechanism to monitor and report on the actual impact of realignment on the Foster Care Program
 - Develop a County sponsored position paper on the actual effects of realignment on Child Welfare Services in Los Angeles County. The position paper, including a description of the methods the County will use to monitor the impacts of Realignment, should be disseminated to the appropriate elected officials.

B. Performance Measurement Recommendations

The Grand Jury recommends that the Board of Supervisors:

1. *Instruct DCS to develop a comprehensive performance measurement system. In developing this system, DCS should consider the following:*
 - Formally adopt specific Critical Success Factors for the foster care program. The CSF's should relate organizational goals to performance.
 - A comprehensive performance measurement system consists of a variety of indicators. Price Waterhouse suggests the indicators and definitions established by the Governmental Accounting Standards Board (GASB).
 - Adopting a set of evaluation criteria that is consistent with good performance measurement. Measures for Measures, the criteria developed by Price Waterhouse, is a useful guideline.
 - More emphasis should be placed on outcome measurement in the set of indicators reported. Outcome indicators state, in terms that can be monitored, the extent that results have been achieved relative to program objectives. To facilitate this process, Price Waterhouse suggests a list of performance indicators. It is not a definitive list; but it is an excellent example of what can be achieved when the principles of good performance measurement are applied.
 - Once indicators have been established, DCS should benchmark its foster care system and performance indicators against other County foster care agencies.

2. *Set the following targets for DCS to establish an annual performance measurement system:*
 - A plan to develop a performance measurement system by September 1, 1994.
 - A preliminary set of performance indicators by December 1, 1994.
 - A revised set of performance indicators by April 1, 1995.
 - FY 1994-1995 Annual report, inclusive of performance indicators, completed September 1, 1995 (2 months after the close of the fiscal year).
3. *Instruct the DCS to submit the revised set of performance indicators for the Foster Care Program to the Grand Jury by April 1, 1995. Thereafter, the indicators should be submitted to the Grand Jury annually no later than September 1 of each fiscal year.*
4. *Performance budgeting is the logical evolution of performance measurement. Therefore, upon completion of a performance measurement system, in cooperation with the County Chief Administrative Office, DCS should develop a performance budget for FY 1995-1996.*
5. *Direct the DCS to solicit proposals for an evaluation and monitoring plan concerning individuals in the Independent Living Program. The evaluation and monitoring should compare achievements of individuals who leave the program to individuals of similar demographics who have never been in the program. The evaluation should be designed to produce an assessment of the impact of the Independent Living Program based on tracking the behavior of study groups over a reasonable period of time.*

APPENDIX

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AD HOC COMMITTEES

EMERGENCY PREPAREDNESS

Richard Holland, Safety Officer
Eguene Harding, Floor Warden
Audrey Lynberg, Medical/First Aid
Stanley Saperstein, Medical/First Aid
Earleen Starks, Floor Warden

FINAL REPORT ON CITIZEN COMPLAINTS

Ralph Shaffer
Thomas Yacenda

RESPONSE REVIEW COMMITTEE FOR 1992-93 GRAND JURY RECOMMENDATIONS

Young Park, Chairman
Walter Coombs
Eugene Harding
Saundra Huff
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John Wilson
Thomas Yacenda

EMERGENCY PREPAREDNESS

INTRODUCTION AND SUMMARY

The 1992-93 Los Angeles County Grand Jury expressed concern for its safety in the event of an earthquake or other emergency.

Due to this concern, six recommendations were made, to the 1993-94 Grand Jury.

BACKGROUND

The 1993-94 Grand Jury studied the recommendations and responded to them in a timely manner.

PROCEDURE

The following steps were taken to implement these recommendations.

1. The foreman appointed a Grand Jury Safety Officer at the beginning of the 1993-94 term.
2. An emergency response team was designated.
3. Emergency procedures and evacuation plans were developed and distributed to all jurors.
4. An evacuation drill requiring participation by all jurors was conducted.
5. Emergency packs, which include three day supplies of food and water, were purchased by each juror.
6. A first aid kit, radio and batteries were donated by jurors.

FINDINGS

Three calls were made to the office of the emergency coordinator for the Criminal Courts Building, to which there was no response. The emergency coordinator for the

Criminal Courts Building continues to show little interest in providing assistance to the Grand Jury.

RECOMMENDATIONS

The Grand Jury recommends that:

1. The Board of Supervisors direct the Office of Disaster Preparedness to require the Emergency Coordinator for the Criminal Courts Building to meet with the Grand Jury at the beginning of each Grand Jury term of office.
2. Future grand juries continue to follow the 1992-93 Grand Jury recommendations on safety and emergency issues as shown below.
 - a. Elect a safety officer at the beginning of their term of office.
 - b. Hold a test fire drill at the beginning of their term of office.
 - c. Check the first aid box, water supply, flashlight, batteries, and three-day emergency food supplies. Replenish emergency food supplies yearly as necessary.
 - d. Inform all members of stairway locations.
 - e. Advise all jurors to stay with the group and refrain from talking during an emergency procedure.
 - f. Distribute a list of safety factors to all grand jurors at the beginning of their term of office.

FINAL REPORT ON CITIZEN COMPLAINTS

INTRODUCTION AND SUMMARY

The 1993-94 Los Angeles County Grand Jury received 106 complaints from citizens during the period from July 1, 1993, to June 7, 1994. Fourteen of these complaints had been deferred by the 1993-94 Grand Jury because they arrived too late in the term to receive consideration. The Grand Jury released an Interim Report in January 1994 regarding sixty-six complaints received during the first six months of its term. The information on those complaints is included in this report.

PROCEDURE

Each complaint was carefully reviewed by the Grand Jury's Legal Advisor assigned by the District Attorney to assist the Grand Jury in its work. The Legal Advisor summarized each complaint, noted the specific action the complainant requested, listed the options open to the Grand Jury, and recommended a course of action. The complaint was then reviewed by the Foreman of the Grand Jury, who assigned it to one of the regular Grand Jury committees or to a special review committee.

Complaints involving matters within the jurisdiction of the Grand Jury that merited action became the focus of further study. In determining the action to be taken, the Grand Jury evaluated information from various sources including other government agencies. While a few complaints are still under active review by Grand Jury committees, the complaints listed in this report have been reviewed by the 1993-94 Grand Jury and referred to a more appropriate government agency for resolution, deemed not to fall within the scope of Grand Jury activities, or found to require no further action.

Several complaints resulted in audits or other official investigations by the Grand Jury. If that was the case, the initials in parenthesis at the end of each summary indicate that the complaint was audited or investigated by one of the following committees: Criminal Justice Systems (CJ), Education (ED), or Government Operations (GO). Consult those sections of this Final report.

FINDINGS

<u>Complaint #</u>	<u>Summary of Complaint</u>
93-1	Complaint regarding father's rights in custody dispute. (CJ)
93-2	Complaint concerning obstacles and problems in County adoption procedures.
93-3	Complaint regarding father's rights in custody dispute. (CJ)
93-4	Complaint regarding father's rights in custody dispute. (CJ)
93-5	Complaint regarding father's rights in custody dispute. (CJ)
93-6	Complaint regarding father's rights in custody dispute. (CJ)
93-7	Complaint concerning Department of Children's Services.
93-8	Complaint regarding request for records from the Los Angeles County Sheriff's Department.
93-9	Complaint concerning dispute with the Irwindale Police Department.
93-10	Complaint regarding conduct of Sheriff's Department personnel. Complainant directed it to the Sheriff's Department and sent the Grand Jury a copy of the complaint.
93-11	Complaint pertaining to alleged improper practice of medicine.
93-12	Complaint alleging criminal misconduct involving individuals defrauding the County of Los Angeles.
93-13	Complaint alleging criminal misconduct by Los Angeles County Sheriff's Department deputies.
93-14	Complaint charging misconduct in issuance of building permits. Referred to District Attorney's Office.
93-15	Complaint alleging inappropriate action by a private insurance company.

- 93-16 Complaint alleging mistreatment by Hawthorne Police Department. The Criminal Justice Committee requested and received information from the Hawthorne Police Department.
- 93-17 Complaint alleging misconduct against a Los Angeles County Superior Court Judge.
- 93-18 Complaint regarding a conflict of interest in granting of a transportation agency contract.
- 93-19 Complaint alleging inadequate and incompetent investigation by Compton Police Department in a murder investigation.
- 93-20 Complaint alleging the theft of certain intellectual property by named private individuals.
- 93-21 Complaint alleging improprieties in Monterey Park CRA. (GO)
- 93-22 & 23 Complaints alleging misconduct by various judicial officers.
- 93-24 Complaint against the Lynwood School Board in personnel matter.
- 93-25 Complaint concerning allegations of criminal and civil misconduct against the Los Angeles Police Department.
- 93-26 Complaint about violations of County codes.
- 93-27 Complaint regarding father's rights in custody dispute. (CJ)
- 93-28 Complaint pertaining to a dispute with the Los Angeles County Flood Control District.
- 93-29 Complaint involving a dispute with the Los Angeles County Treasurer and Tax Collector.
- 93-30 Complaint alleging discriminatory practices by the justice system against various ethnic groups.
- 93-31 Complaint alleging unfair treatment by the California Youth Authority in an employment termination dispute.
- 93-32 Complaint concerning improper confiscation of San Gabriel Canyon

Recreation Fund by the Board of Supervisors. (GO)

- 93-33 Complaint regarding a probate matter involving private individuals.
- 93-34 Complaint against Lynwood School Board in a personnel matter.
- 93-35 Complaint alleging various improper practices by the Los Angeles Community College District. (ED)
- 93-36 Complaint by parent questioning conditions under which her son died in confrontation with the police. Criminal Justice Committee requested and received information from Los Angeles City Fire Department, Los Angeles Coroner's Department, and the Los Angeles City Police Department.
- 93-37 Complaint alleging improper procedures in licensin and inspection of vending carts. The Government Operations Committee investigated this complaint and recommended a change in procedures.
- 93-38 Complaint regarding father's rights in custody dispute. (CJ)
- 93-39 Complaint alleging criminal misconduct by a South Bay public official.
- 93-40 Complaint involving the Castaic Lake Water Agency. Matter referred to the 1994-95 Grand Jury.
- 93-41 Complaint alleging discriminatory treatment in the failure to prosecute an individual.
- 93-42 Complaint alleging frivolous spending by the County.
- 93-43 Complaint regarding father's rights in custody dispute. (CJ)
- 93-44 Complaint regarding father's rights in custody dispute. (CJ)
- 93-45 Complaint concerning the Los Angeles County Department of Health services.
- 93-46 Complaint regarding alleged real estate fraud. Referred to 1994-95

Grand Jury:

- 93-47 Complaint alleging improprieties in granting leases at Marina Del Rey. Referred to the District Attorney's Office.
- 93-48 Complaint concerning the Department of Public Works. The Government Operations Committee received an opinion from the County Counsel's Office that the County was not liable.
- 93-49 Complaint about safeguarding of evidence by the Los Angeles City Police Department, particularly in high profile cases. The Criminal Justice Committee investigated changes in evidence storage procedures since 1968.
- 93-50 Complaint alleging misconduct against named Los Angeles Superior Court Judges and named Justices of the Court of Appeal.
- 93-51 Complaint regarding illegal electioneering by Sheriff's Department employee.
- 93-52 Complaint alleging various improprieties in management practices at Pomona Courthouse.
- 93-53 Complaint charging violation of due process.
- 93-54 Complaint alleging Los Angeles City Police Department harassment of a private citizen.
- 93-55 Complaint charging cover-up of a crime by the Los Angeles City Police Department, University of Southern California, and the District Attorney's Office. The statute of limitations has expired in the criminal matter and the civil matter is not subject to Grand Jury jurisdiction.
- 93-57 Complaint alleging misconduct by named Los Angeles County Superior Court judges.
- 93-58 Complaint against a public official employed by a local school district.
- 93-59 Complaint by individual involved in custody dispute with the Department of Children's Services.

- 93-60 Complaint regarding allegations of misconduct involving various judges in the Citrus Judicial District.
- 93-61 Complaint about lack of nursery facilities at Sybil Brand Institute. A 1990-91 Grand Jury recommendation regarding this was not adopted due to lack of available funding. No funding sources for this project are yet available.
- 93-62 Complaint regarding a court case.
- 93-63 Complaint concerning inefficiency of the Probate Division of the Los Angeles Superior Court.
- 93-64 Complaint concerning the Department of Children's Services.
- 93-66 Complaint alleging misconduct against a Los Angeles Sheriff's Department Deputy.
- 94-67 Complaint recounting a variety of grievances.
- 94-68 Complaint alleging serious problems at Northridge Middle School. (ED)
- 94-69 Complaint regarding Crescenta Valley Water District.
- 94-70 Complaint concerning tax assessment practices.
- 94-71 Complaint alleging improper practices in County Weed Abatement.
- 94-72 Complaint about the Los Angeles County Sheriff's Department.
- 94-73 Complaint regarding the activities of the Metropolitan Water District.
- 94-74 Complaint alleging that traffic court did not follow the law.
- 94-75 Complaint regarding County contracts with the University of Southern California for doctors' services at County/U.S.C. Medical Center.
- 94-76 Complaint charging mistreatment by Glendale Police Department.
- 94-77 Complaint pertaining to tax refund policies of County Treasurer.

- 94-79 Complaint recounting a variety of grievances.
- 94-80 Complaint alleging improper prosecution of an individual.
- 94-81 Complaint charging that juror was wrongly dismissed from a jury panel.
- 94-82 Complaint questioning the County's real estate purchases at the South Bay Municipal Court. The Government Operations Committee investigated.
- 94-83 Complaint about Inglewood Community Redevelopment Agency property acquisition procedures. The Government Operations Committee investigated.
- 94-84 Complaint charging Brown Act violations in public meetings by South Pasadena City Council. The Government Operations Committee investigated.
- 94-85 Complaint alleging illegal loans against a life insurance policy.
- 94-87 Complaint about practices in the Los Angeles County Auditor-Controller's Office.
- 94-88 Complaint regarding delinquent child support payments.
- 94-89 Complaint concerning improper practices by the Glendale Municipal Court in regard to "fix-it" tickets.
- 94-90 Complaint alleging improper procedures in licensing and inspection of vending carts. See complaint 93-37.
- 94-91 Complaint illegible - returned to sender.
- 94-92 Complaint alleging various improprieties in the Los Angeles Community College District. (ED)
- 94-94 Complaint charging elected official with perjury.
- 94-95 Complaint suggesting the District Attorney's Office employ contract attorneys.
- 94-97 Complaint alleging voting by ineligible voters. Complainant sent

copy to District Attorney's Office.

- 94-101 Complaint charging conflict of interest by Citrus Community College Board members.
- 94-102 Complaint regarding father's rights in custody disputes. (CJ)
- 94-103 Complaint alleging voting by ineligible persons. See complaint 94-97.

RESPONSE REVIEW COMMITTEE FOR 1992-93 GRAND JURY RECOMMENDATIONS

INTRODUCTION

The 1992-93 Grand Jury Response Review Committee is charged with the responsibility for monitoring and compiling responses by Los Angeles County and city officials to the recommendations of the Grand Jury. Without exception, all of the agencies have responded to the Grand Jury's recommendations. This report presents a summary of the responses to recommendations made by the 1992-93 Grand Jury in its Final Report.

BACKGROUND

Section 933 of California Penal Code provides that, after the Grand Jury submits its final report, the Board of Supervisors and elected city officials should comment on the findings and recommendations of the Grand Jury which pertain to governmental matters under their control. Los Angeles County provided its response on October 25, 1993 and City of Los Angeles responded on December 8, 1993. There are thirty itemized responses.

FINDINGS

The responses have been compiled into four categories according to the content as indicated in the following table:

Table of Responses Made by Various Departments

category	Concur	Disagree	Indefinite Response	No Response	Total
# of res	18	9	6	0	33
%	54.55	27.27	18.18	0	100.00

Note: Definitions of table and spreadsheet headings are as follows: concur stands for agree with recommendation(s); disagree stands for not in agreement with recommendation(s); indefinite response stands for non-responsive or non-definitive responses to recommendation(s); no response stands for no response given by the agency.

The category "Concur" comprises 54.55% of the total responses, followed by "Disagree" with 27.27%, and "Indefinite Response" with 18.18%. The most "concur" responses were made by DPSS and Department of Children's Services (DCS) with most of the "Indefinite Response" answers elicited by the Insurance Fraud Committee's recommendations.

A significant highlight of the recommendations was the feasibility study for merging the academies of Los Angeles Sheriff's Department (LASD) and Los Angeles Police Department (LAPD). LASD responded that the matter had been referred to the Los Angeles County Commission on Local Government Services for further study and that they expect the results of the study by June 1, 1994. Because of the recent election of the Mayor and the recent appointment of the Chief Administrative Officer, the responses to the Grand Jury recommendations were not received within the 90-day time limit.

The Mayor and the LAPD are pursuing the implementation of "Project Safety L.A." which calls for an expansion of 3,1000 police officers and will require hundreds of additional police trainees each year. It is the Mayor's recommendation that the city revisit the Grand Jury's recommendation after Project Safety L.A. has been implemented. These and other detailed responses to the recommendations are presented in the following pages.

RECOMMENDATION

It is recommended that each Los Angeles County Grand Jury establish a committee to monitor and review the responses to the final report recommendations submitted to the Los Angeles County Board of Supervisors.

**INSURANCE FRAUD COMMITTEE
AUTOMOBILE AND WORKER'S COMPENSATION
INSURANCE FRAUD REPORT**

<i>LOS ANGELES GRAND JURY FINAL REPORT 1992-93 RECOMMENDATIONS (1-6)</i>	<i>CONCUR</i>	<i>DISAGREE</i>	<i>INDEFINITE RESPONSE</i>	<i>NO RESPONSE</i>	<i>LOS ANGELES GRAND JURY FOLLOW-UP REQUIRED (Yes/No) AND PRICE WATERHOUSE COMMENTS</i>
<p>1) Consider lifting hiring restrictions affecting recruitment of personnel for the Los Angeles County District Attorney's Major Fraud Unit. After reasonable review of available in-house resources, allow the unit to search outside County government for qualified attorneys and investigators.</p>			X		<p>Yes. The Board of Supervisors is waiting for the District Attorney's Office to respond to the recommendation outlined in the report by the County of Los Angeles Chief Administrative Office dated October 25, 1993. If no response is submitted by May 31, 1994, this issue should be reviewed further by the 1994-95 Los Angeles Grand Jury.</p>
<p>2) Provide adequate space and equipment to allow attorneys and investigators to research and prepare cases for successful prosecution.</p>			X		<p>Yes. The Board of Supervisors is waiting for the District Attorney's Office to respond to the recommendation outlined in the report by the County of Los Angeles Chief Administrative Office dated October 25, 1993. If no response is submitted by May 31, 1994, this issue should be reviewed further by the 1994-95 Los Angeles Grand Jury.</p>

<p>3) Direct the County Risk and Insurance Management Agency (RIMA) in co-operation with the District Attorney's Office, to establish a Special Investigation Unit (SIU) for County Employees Worker's Compensation. The County is facing the possibility of unprecedented layoffs, a time when the temptation to commit fraud is at its greatest. A County SIU will help to identify and mitigate fraud losses.</p>		X			<p>Yes. Recommendation of the Grand Jury is not being implemented, instead, the Risk and Insurance Management Agency will incorporate additional staff time as the need is identified for greater fraud control. This issue should be reviewed further by the 1994-95 Los Angeles Grand Jury.</p>
<p>4) Initiate a study to examine the possibility of creating a regional worker's compensation criminal information data base, and determine the entities to which the information will be made available. This could be utilized much like the current Better Business Bureau system of cataloging unscrupulous business people and practices.</p>	X				<p>Yes. Recommendation is scheduled to be evaluated further as impact of new legislation and increased work force for worker's compensation fraud in the District Attorney's Office is assessed. The 1994-95 Los Angeles Grand Jury should request a status report on this issue.</p>
<p>5) Create a Worker's Compensation Insurance Fraud Prevention Council consisting of representatives of major law enforcement agencies to develop and revise their "game plan" as trend data becomes available. In addition, appoint an advisory group including representatives of the insurance industry, employers, employees, doctors, and lawyers.</p>	X				<p>Yes. See comments to recommendation / response #4. The 1994-95 Los Angeles Grand Jury should request a status report on this issue.</p>

<p>6) Insurance companies and all public and private agencies involved in the review and assessment of auto insurance and worker's compensation insurance claims should consider a careful review of claims, to note any patterns that may appear, such as claims involving the same claimants, the same attorneys, the same medical professionals, the same employers, or similar fact patterns. Such patterns may be a ready indicator of fraudulent activities.</p>			<p>X</p>	<p>Yes. The District Attorney's Office is implementing programs designed to identify potential fraudulent activities. The 1994-95 Los Angeles Grand Jury should request a status report on this issue.</p>
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Attached are the recommendations and responses submitted by the County of Los Angeles Chief Administrative Office. The information presented in this table is in response to this report. For detailed explanation of recommendations and responses refer to the appropriate section of the report submitted by the County of Los Angeles Chief Administrative Office dated October 25, 1993.

**JUVENILE SERVICES COMMITTEE
COMPLIANCE BY THE DEPARTMENT OF CHILDREN'S SERVICE WITH
JUVENILE DEPENDENCY COURT ORDERS**

<i>LOS ANGELES GRAND JURY FINAL REPORT 1992-93 RECOMMENDATIONS (1-9)</i>	<i>CONCUR</i>	<i>DISAGREE</i>	<i>INDEFINITE RESPONSE</i>	<i>NO RESPONSE</i>	<i>LOS ANGELES GRAND JURY FOLLOW-UP REQUIRED (Yes/No) AND PRICE WATERHOUSE COMMENTS</i>
<p>1) Provide improved written policy and procedural guidance to the DCS staff as follows: When the new State Department of Social Services Manual of Policies and Procedures is published, DCS should immediately begin revising the Children's Services Desk Guide and Children's Social Worker Handbook to reflect the changes which will be mandated by the new state manual. The new DCS manual should be organized around the steps in the dependency court process and cross-referenced to existing detailed policy guides. In addition, the manual should be made "user" friendly with a table of contents and more guidance on procedures for managing cases.</p>	X				<p>Yes. Department of Children Services (DCS) accepts the primary intent of the Los Angeles Grand Jury's recommendation. However, DCS manual will be organized by Children Social Worker (CSW) tasks, not around steps in the dependency court process as recommended by the Grand Jury. Suggest the 1994-95 Los Angeles Grand Jury review this issue further in respect to this change.</p>

<p>2) Provide additional training for all CSWs including: instruction on new case plan (service plan) development and monitoring requirements of SB 1125; instruction on writing concise Court reports with emphasis on usefulness to Judicial Officers; instruction on the policies and procedures for organizing the new model case file; instruction on client service skills such as managing client relations and achieving client satisfaction (emphasis on serving children, parents / guardians, and the Court); a minimum of 16 hours of continuing education each year to help maintain professional competency; training and special procedures for managing cases with incarcerated parents / guardians should be established by DCS.</p>	<p>X</p>				<p>No. DCS has accepted the Los Angeles Grand Jury recommendation. DCS is currently implementing or has implemented the various aspects of this recommendation.</p>
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<p>3) Immediately establish new procedures for making referrals, including requirements that CSWs: notify treatment programs prior to each referral to a program; ensure that there is adequate space in the program for the client; verify the cost of the program and ensure the cost of the program is not prohibitive to the parents / guardians; provide an introduction of the prospective client to the referral agency either in person or by phone; ensure that the program provides, at a minimum, an enrollment letter and quarterly progress reports, and identifies what form of client consent is required in order to obtain this information on behalf of the court; obtain the approval of the Resource Coordinator at each field office prior to making a referral to any program that is not in the Department's Resource Guide.</p>	<p>X</p>			<p>Yes. DCS has accepted portions of the Los Angeles Grand Jury recommendation. DCS questions the viability or practicality of other portions of this recommendation. This issue should be reviewed further by the 1994-95 Los Angeles Grand Jury.</p>
<p>4) Ensure vigorous enforcement of existing DCS policy (CAP Number 8 Policies and Procedures Manual) requiring CSWs to obtain written quarterly reports from counseling agencies and actively monitor the timely enrollment of clients in treatment programs.</p>	<p>X</p>			<p>Yes. DCS is not implementing the Los Angeles Grand Jury recommendation. DCS should establish ties with counseling agencies that are responsive to DCS client service needs, and CSW's should actively participate in monitoring the clients enrollment and progress in treatment programs. This would facilitate a better system for monitoring the effectiveness and efficiency of court ordered service plans. This issue should be reviewed further by the 1994-95 Los Angeles Grand Jury.</p>

<p>5) When parent / guardian is incarcerated and is actively participating in the court-approved case plan (i.e., FR, FM), ensure that the CSWs maintain contact with that parent / guardian, and if in prison, their correctional counselor. In addition, the CSW should maintain knowledge of all counseling that the parent / guardian has participated in while incarcerated.</p>	<p>X</p>				<p>Yes. DCS has accepted the Los Angeles Grand Jury recommendation and has implemented a portion of the recommendation. Suggest the 1994-95 Los Angeles Grand Jury request a status report on implementation of the entire recommendation.</p>
<p>6) Establish a formal written policy describing how notification should be made to all parties under DCS' supervision when a change in CSWs occurs. Provision should be made for a simple form of formal written notice in this policy.</p>	<p>X</p>				<p>Yes. DCS accepts and is studying the feasibility of this recommendation further. However, the Los Angeles Grand Jury should request a status report concerning the implementation of this recommendation.</p>
<p>7) Verify the consistency of compliance with proper notice of hearing requirements, possibly through selection of a scientifically valid sample of cases. If it is found that there is a lack of proper notice in a significant number of cases, then DCS should take steps to assure compliance with requirements for proper notice.</p>	<p>X</p>				<p>No. DCS accepts and has implemented the Los Angeles Grand Jury recommendation.</p>
<p>8) Establish procedures requiring a formal log for the following: parent-child visits; sibling visits of children removed from the same home and placed in separate locations. This log should be specifically referenced in court reports.</p>		<p>X</p>			<p>Yes. DCS will not implement the Los Angeles Grand Jury recommendation for establishing a log. DCS feels this procedure is not consistent with new regulatory requirements. This issue should be reviewed further by the 1994-95 Los Angeles Grand Jury.</p>

<p>9) Ask Auditor-Controller to complete a statistically valid management audit on how DCS complies with court orders for services. This audit should include: statutory and regulatory requirements of how DCS provides notice of hearings to all parties; whether DCS is meeting statutory and regulatory requirements for completing service plans appropriately; and determine if DCS is meeting state regulatory requirements for making court-ordered referrals for services to children and families.</p>	<p>X</p>				<p>Yes. DCS reportedly conducts their own compliance audits of hearing notices and case plans. Suggest the 1994-95 Los Angeles Grand Jury review the need for an independent audit of DCS compliance.</p>
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Attached are the recommendations and responses submitted by the County of Los Angeles Chief Administrative Office. The information presented in this table is in response to this report. For detailed explanation of recommendations and responses refer to the appropriate section of the report submitted by the County of Los Angeles Chief Administrative Office dated October 25, 1993.

**JUVENILE SERVICES COMMITTEE
JUDICIAL OFFICERS SIGN DCS CASE PLANS**

<i>LOS ANGELES GRAND JURY FINAL REPORT 1992-93 RECOMMENDATIONS (1-3)</i>	<i>CONCUR</i>	<i>DISAGREE</i>	<i>INDEFINITE RESPONSE</i>	<i>NO RESPONSE</i>	<i>LOS ANGELES GRAND JURY FOLLOW-UP REQUIRED (Yes/No) AND PRICE WATERHOUSE COMMENTS</i>
<p>1) The Presiding Judge of the Juvenile Court should: require, as court policy, that Judicial Officers review, approve, and sign the DCS case plan (DCS service plan form #704 and/or 707). This will ensure that the parents / guardians, DCS, and the court have agreed to the services., goals, and objectives in the stated plan, and that the case plan conforms to all court orders. The case plan should become the benchmark for the court to assess performance of DCS and the parent / guardian.</p>			X		<p>Yes. Department of Children Services (DCS) and Superior Court are currently changing court forms and operational policies. Suggest the 1994-95 Los Angeles Grand Jury review this issue further after the implementation of Assembly Bill 1125 and the revised court forms.</p>
<p>2) With cooperation from DCS, simplify the current DCS report format to facilitate the court's monitoring of compliance with court orders for services provided by DCS. The report should summarize all services documented in the case plan during the most recent reporting period and how they comply with past court orders for service. It should also note any other pertinent reportable items from the previous reporting period.</p>	X				<p>Yes. See above comments for recommendation #1.</p>

<p>3) In consultation with California Judicial Council, establish a formal policy requiring Judicial Officers to make specific orders of visitation which include the following: a schedule for visitation; location for visitation; necessary transportation arrangements; and any restriction on visitation.</p>		<p>X</p>			<p>Yes. The Superior Court agrees with the intent of the Los Angeles Grand Jury recommendation, however, not to all the visitation requirements noted in the recommendation. Suggest the 1994-95 Los Angeles Grand Jury review this issue further.</p>
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Attached are the recommendations and responses submitted by the County of Los Angeles Chief Administrative Office. The information presented in this table is in response to this report. For detailed explanation of recommendations and responses refer to the appropriate section of the report submitted by the County of Los Angeles Chief Administrative Office dated October 25, 1993.

**JUVENILE SERVICES COMMITTEE
JUDICIAL OFFICERS SIGN DCS CASE PLANS**

<i>LOS ANGELES GRAND JURY FINAL REPORT 1992-93 RECOMMENDATIONS (1-3)</i>	<i>CONCUR</i>	<i>DISAGREE</i>	<i>INDEFINITE RESPONSE</i>	<i>NO RESPONSE</i>	<i>LOS ANGELES GRAND JURY FOLLOW-UP REQUIRED (Yes/No) AND PRICE WATERHOUSE COMMENTS</i>
<p>1) The Presiding Judge of the Juvenile Court should: require, as court policy, that Judicial Officers review, approve, and sign the DCS case plan (DCS service plan form #704 and/or 707). This will ensure that the parents / guardians, DCS, and the court have agreed to the services, goals, and objectives in the stated plan, and that the case plan conforms to all court orders. The case plan should become the benchmark for the court to assess performance of DCS and the parent / guardian.</p>			X		<p>Yes. Department of Children Services (DCS) and Superior Court are currently changing court forms and operational policies. Suggest the 1994-95 Los Angeles Grand Jury review this issue further after the implementation of Assembly Bill 1125 and the revised court forms.</p>
<p>2) With cooperation from DCS, simplify the current DCS report format to facilitate the court's monitoring of compliance with court orders for services provided by DCS. The report should summarize all services documented in the case plan during the most recent reporting period and how they comply with past court orders for service. It should also note any other pertinent reportable items from the previous reporting period.</p>	X				<p>Yes. See above comments for recommendation #1.</p>

<p>3) In consultation with California Judicial Council, establish a formal policy requiring Judicial Officers to make specific orders of visitation which include the following: a schedule for visitation; location for visitation; necessary transportation arrangements; and any restriction on visitation.</p>		<p>X</p>			<p>Yes. The Superior Court agrees with the intent of the Los Angeles Grand Jury recommendation, however, not to all the visitation requirements noted in the recommendation. Suggest the 1994-95 Los Angeles Grand Jury review this issue further.</p>
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Attached are the recommendations and responses submitted by the County of Los Angeles Chief Administrative Office. The information presented in this table is in response to this report. For detailed explanation of recommendations and responses refer to the appropriate section of the report submitted by the County of Los Angeles Chief Administrative Office dated October 25, 1993.

**CRIMINAL JUSTICE COMMITTEE
FEASIBILITY STUDY OF MERGING
LOS ANGELES POLICE DEPARTMENT AND LOS ANGELES SHERIFF'S DEPARTMENT
TRAINING ACADEMIES**

<i>LOS ANGELES GRAND JURY FINAL REPORT 1992-93 RECOMMENDATIONS (1-2)</i>	<i>CONCUR</i>	<i>DISAGREE</i>	<i>INDEFINITE RESPONSE</i>	<i>NO RESPONSE</i>	<i>LOS ANGELES GRAND JURY FOLLOW-UP REQUIRED (Yes/No) AND PRICE WATERHOUSE COMMENTS</i>
<p>1) It is recommended that the Los Angeles County Board of Supervisors in cooperation with the City of Los Angeles order the formation of a Los Angeles County regional law enforcement academy training task force. The task force should consist of members representing the County of Los Angeles and City of Los Angeles. The task force should report its findings to the Los Angeles County Board of Supervisors and the Los Angeles City Mayor and City Council by June 1, 1994. Specifically, the task force should do the following: prepare a cost benefit analysis of developing a regional academy; inventory all LAPD and LASD training resources to determine how a regional training program with a network of regional training facilities could be organized; provide a model management and organizational structure for a regional training program; assess the potential for funding assistance from the Commission on POST as well as other sources; determine how a Law Enforcement Regional Training Program Joint Powers Agreement between law enforcement agencies and community colleges district could be structured to meet the requirements of participating agencies.</p>		<p>X</p> <p>City of Los Angeles has asked the Grand Jury to revisit this issue in a few years, after completion of Project Safety</p>	<p>X</p> <p>County is conducting a review of this issue. Report scheduled to be released June 1, 1994</p>		<p>Yes. The County Board of Supervisors referred the matter to the Los Angeles County Commission on Local Government Services for study. This study is scheduled to be completed on June 1, 1994, at which time a follow-up with the Board of Supervisors should be pursued by the 1994-95 Los Angeles Grand Jury. This follow-up should include a request for official response from both the Board of Supervisors and the City of Los Angeles, in a reasonable period of time after the Commission's report is released, e.g., by December 31, 1994.</p>

<p>2) It is further recommended that neither the City of Los Angeles nor the County of Los Angeles should incur any additional expenditures related to the construction of new training facilities until recommendations from the task force are considered and acted upon.</p>		<p>X City of Los Angeles has asked the Grand Jury to revisit this issue in a few years, after completion of Project Safety</p>	<p>X County is conducting a review of this issue. Report scheduled to be released June 1, 1994</p>	<p>Yes. See comments to recommendation / response #1. This issue should be reviewed further by the 1994-95 Los Angeles Grand Jury.</p>
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Attached are the recommendations and responses submitted by the County of Los Angeles Chief Administrative Office. The information presented in this table is in response to this report. For detailed explanation of recommendations and responses refer to the appropriate section of the report submitted by the County of Los Angeles Chief Administrative Office dated October 25, 1993.

**GOVERNMENT OPERATIONS COMMITTEE
 REVIEW OF THE PROCESSES FOR
 DETECTION AND PREVENTION OF WELFARE FRAUD IN THE
 LOS ANGELES COUNTY DEPARTMENT OF PUBLIC SOCIAL SERVICES**

<i>LOS ANGELES GRAND JURY FINAL REPORT 1992-93 RECOMMENDATIONS (1-11)</i>	<i>CONCUR</i>	<i>DISAGREE</i>	<i>INDEFINITE RESPONSE</i>	<i>NO RESPONSE</i>	<i>LOS ANGELES GRAND JURY FOLLOW-UP REQUIRED (Yes/No) AND PRICE WATERHOUSE COMMENTS</i>
<p>1) It is recommended that the Los Angeles County Board Supervisors request the Director of the Department of Public Social Services (DPSS) to: develop and maintain a control listing of all applications approved for aid without Income and Eligibility Verification System (IEVS) information. The control listing should be annotated weekly as IEVS Applicant System Abstracts are processed by the Approved Eligibility Worker. This will ensure that all applications are verified against IEVS Applicant System information and will strengthen the Department's fraud prevention capabilities.</p>		X			<p>Yes. Department of Public Social Services (DPSS) will not implement the recommendation of the Grand Jury. The lack of a control listing of applicants approved for aid without IEVS information leaves management without a systematic means to identify cases needing further review. The check box method suggested by DPSS may not ensure IEVS information is utilized during the intake and approved processes, nor indicate whether IEVS information was processed within the required 30 (AFDC) or 45(GR) day timeframe as required by DPSS policy. This issue should be reviewed further by the 1994-95 Los Angeles Grand Jury.</p>

<p>2) Amend the DPSS Operations Handbook Division 20-006 to prohibit the transcription of data from an approved budget face sheet to the IBPS and/or CDMS on the same day the initial application face sheet data is transcribed into IBPS and/or CDMS. For all emergency approval cases, a special log should be established for the immediate review of the first IFDS reports received from the IEVS Recipient System. This will ensure that the IEVS Applicant System is not bypassed during the application and approval stage of the process.</p>	<p>X</p>		<p>Yes. Department of Public Social Services (DPSS) will not implement the recommendation of the Grand Jury. DPSS's idea of reprogramming the computer system to handle emergency cases and not bypass IEVS applicant system is good. However, revising the PA 1325-1 will not eliminate the bypassing of IEVS applicant system. The Grand Jury's recommendation for specific procedures to prescribe when face sheets should be submitted would provide an important control. As noted above, lack of a log identifying cases that are emergencies will hamper management's ability to identify cases with potential fraud implications. Management would have no formal mechanism for follow-up on these cases. This issue should be reviewed further by the 1994-95 Los Angeles Grand Jury.</p>
<p>3) Establish a regular in-service training for Eligibility Workers on how to use automated systems in the prevention and detection of fraud.</p>	<p>X</p>		<p>Yes. DPSS has implemented or is planning to implement training programs for staff as recommended by the Grand Jury. However, there is a lack of specificity regarding the timing and content of training programs. There is no written documentation to support a systematic training regimen. Suggest the 1994-95 Los Angeles Grand Jury ask for a status report concerning training programs.</p>

<p>4) Define requirements for improvements to automated fraud detection systems, in cooperation with the appropriate state authority. These should include: generating letters to recipients regarding a specific IEVS match in question (i.e., SSI, wage earnings, PVS); and generating letters to employers regarding verification of IFDS wage earnings match information on aid recipients. Once such requirements are defined, seek resources to design and implement improvements to automated fraud detection systems. In the course of preparing a request for support, DPSS should update their analysis of the cost and benefit of fraud prevention with a focus on the potential for savings from improvements to automated systems.</p>	<p>X</p>				<p>No. The Grand Jury recommendation was accepted by DPSS and the department is moving forward on implementation. DPSS should be encouraged to continue to identify opportunities to utilize automation in fraud detection.</p>
<p>5) Review the priorities for processing Integrated Fraud Detection System (IFDS) reports to ensure processing of Duplicate Aid Detection System (DADS) reports are properly prioritized.</p>	<p>X</p>				<p>No. The Grand Jury recommendation was accepted by DPSS and has been implemented.</p>
<p>6) Conduct periodic internal audits to ensure compliance with DPSS policy requiring Eligibility Supervisors to annotate all Payment Verification System (PVS) match reports, regardless of impact, on the PVS Control Listing.</p>	<p>X</p>				<p>No. The Grand Jury recommendation was accepted by DPSS and slated for implementation. However, the Grand Jury may request a status report concerning the implementation of this recommendation.</p>
<p>7) Amend the DPSS Operation Handbook Division 20-006 requirement of two separate Notice of Actions for recovery of overpayments. Only one Notice of Action should be sent concerning overpayments.</p>		<p>X</p>			<p>Yes. DPSS will not implement the recommendation of the Grand Jury. DPSS is following State and Federal regulations in administering their AFDC and GR programs. This issue should be reviewed further by the 1994-95 Los Angeles Grand Jury.</p>

8) Instruct the Department's Corrective Action Committee to: analyze and recommend solutions to reduce the backlog of Integrated Fraud Detection System (IFDS) Abstracts; consistently monitor IEVS information reports, and communicate with each District Director regularly concerning the status of actions to reduce processing backlogs and progress in fraud prevention.	X				No. The Grand Jury recommendation was accepted by DPSS and has been implemented or is being implemented. However, the Grand Jury may request a status report concerning implementation of this recommendation.
9) Redesign the county's fraud detection process, with particular attention to the following: intake and approval of applications; transferring cases to Approved Eligibility Workers; monitoring changes reported on the monthly CA-7 Forms; and processing of IFDS and PVS abstracts.	X				Yes. The Grand Jury recommendation was accepted by DPSS. DPSS is currently evaluating and implementing methods identified to improve the County's fraud detection process. Suggest the 1994-95 Los Angeles Grand Jury ask for a status report concerning the redesigning of the fraud detection process.
10) Monitor and report the number of fraud referrals which result in actual fraud findings from the following: eligibility workers; automated systems; and public hot line.	X				Yes. The Grand Jury recommendation was accepted by DPSS. Suggest the 1994-95 Los Angeles Grand Jury ask for a status report.
11) Develop a system which will ensure that the status of each task be automatically reported to management.	X				No. The Grand Jury recommendation was accepted by DPSS and has been implemented.

Attached are the recommendations and responses submitted by the County of Los Angeles Chief Administrative Office. The information presented in this table is in response to this report. For detailed explanation of recommendations and responses refer to the appropriate section of the report submitted by the County of Los Angeles Chief Administrative Office dated October 25, 1993.