

2013–2014

LOS ANGELES COUNTY

CIVIL GRAND JURY



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John M. Anthony, Jr.
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Robert J. Taub
James P. Thomas
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FINAL REPORT

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Attached to the back cover of this report is a Bookmarked CD which is formatted to link to this Table of Contents.



County of Los Angeles Civil Grand Jury

Clara Shortridge Foltz Criminal Justice Center
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Telephone (213) 893-1047 ^ FAX (213) 229-2595
<http://www.grandjury.co.la.ca.us>

June 30, 2014

The Honorable Charlaine Olmedo, Supervising Judge
Los Angeles Superior Court, Department 100
Clara Shortridge Foltz Criminal Justice Center
Los Angeles, CA 90012

Dear Judge Olmedo:

On behalf of the members of the 2013-2014 Los Angeles County Civil Grand Jury, it is my privilege to present you with our Final Report. Our collective hope is that you will find it thorough and thought provoking.

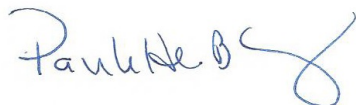
The Civil Grand Jury process is unique and, at times, arduous. It is incumbent upon the members of the Civil Grand Jury to first learn about the issues facing the cities, county departments, and special districts within the County of Los Angeles, and to then select specific issues for further examination and investigation. With 23 different points of view, the task is daunting. We listened attentively to 24 speakers ranging from the directors of the largest departments within the county to representatives of the six person staff of the Office of the Ombudsman. During these presentations as well as during our tours of county facilities, we asked questions and we received valuable information. It goes without saying that respecting one another and carefully listening to each other's opinions is also an essential part of this process.

Our Final Report contains nine Standing Committee Reports, which include a detailed evaluation of the county's adult and juvenile detention facilities, as well as 12 Investigative Reports which cover a wide range of topics. Each of them was selected for study by a "super" majority vote of 14 members. Mindful of our responsibility to serve as a meaningful check and balance to the special interests that compete for the resources of our great county, we spent considerable time and effort to make certain that these investigative reports covered areas of immediate and lasting concern to the citizens of Los Angeles County. As readers of the Final Report will see, we concentrated these efforts on five broad categories: the county's most vulnerable constituents, its children, including those under the protective services and juvenile justice systems of the county; the rehabilitation and transitioning of incarcerated members of our community; the policies and procedures of several government entities; and the county's efforts to develop and implement a countywide health information exchange system.

In performing our work, we were fortunate indeed to be able to rely upon the expertise and advice of our two legal advisors, Jennifer Lehman, Principal Deputy County Counsel, and Jonathan McCaverty, Senior Deputy County Counsel. We extend our heartfelt thanks to them as well as to the three outstanding Civil Grand Jury staff members: Mark Hoffman, Cora Artizada, and Natalie Rascon. Without their support, we could not have completed our task.

In closing, we also wish to thank you, Judge Olmedo, and your colleagues on the Grand Jurors Committee, for shepherding us through what can only be described as a unique and valuable opportunity to serve and to learn. I know I speak for all of my fellow jurors when I say that we have gained immeasurably more from our time on the 2013-2014 Los Angeles County Civil Grand Jury than we could have ever anticipated when you charged us with this great responsibility during our swearing-in ceremony last July.

Respectfully Submitted,

A handwritten signature in blue ink, reading "Paulette B. Lang". The signature is fluid and cursive, with a large loop at the end.

Paulette B. Lang, Foreperson
2013-2014 Los Angeles County Civil Grand Jury



County of Los Angeles 2013-2014 Civil Grand Jury

Front Row, left to right: Jeffery N. Wallace (Secretary Pro-Tem), Char H. McCarthy (Secretary), LeRoy R. Titus (Foreperson Pro-Tem), Paulette B. Lang (Foreperson), Alicia F. Thompson (Sergeant-at-Arms), Darrel D. Kelty (Sergeant-at-Arms Pro Tem). Middle Row, left to right: John M. Anthony, Jr., Stephanie A. Alexander, Melode A. Yonimitsu, Joyce E. Harper, Sylvia F. Brown, Nancy M. Coleman, Linda G. Loding, Carolyn Cobb. Last Row, left to right: Henry Buffett, Thomas C. Davis, James P. Thomas, Robert J. Taub, S. Robert Ambrose, Oscar Warren, James Carter, Valencia R. Shelton.

ROSTER OF

2013–2014 LOS ANGELES COUNTY CIVIL GRAND JURY

Paulette B. Lang..... Foreperson
LeRoy R. Titus..... Foreperson pro-tem
Char H. McCarthy.....Secretary
Jeffery N. Wallace.....Secretary pro-tem
Alicia F. Thompson.....Sergeant-at-arms
Darrel D. Kelty..... Sergeant-at-arms pro-tem

Stephanie A. Alexander	Thomas C. Davis
S. Robert Ambrose	Joyce E. Harper
John M. Anthony, Jr.	Linda G. Loding
Sylvia F. Brown	Valencia R. Shelton
Henry Buffett	Robert J. Taub
James Carter	James P. Thomas
Carolyn Cobb	Oscar Warren
Nancy M. Coleman	Melode A. Yorimitsu

The following cities were represented by the 2013-2014 Los Angeles County Civil Grand Jury:

Cerritos, Eagle Rock, Gardena, Glendale, Inglewood, La Canada, Lawndale, Los Angeles, Manhattan Beach, Pasadena, Playa del Rey, Rosemead, Santa Monica, Van Nuys, and Venice.

INTRODUCTION

LOS ANGELES COUNTY CIVIL GRAND JURY

The 2013-2014 Los Angeles County Civil Grand Jury served from July 1, 2013 to June 30, 2014. The following provides a broad overview of the Civil Grand Jury, its history, what it is and how it functions.

HISTORY

The grand jury system has its historical roots in the old English grand jury system, the purpose of which was to protect citizens from the arbitrary power of the Crown. The American system continues to retain the goal of protecting residents from abuse by local government.

DEFINITIONS

Section 888 of the California Penal Code provides that a civil grand jury be comprised of the required number of citizens charged and sworn to investigate county matters of civil concern. Based upon its population, the required number of Civil Grand Jurors for Los Angeles County is 23.

FUNCTIONS

The Civil Grand Jury functions as one independent body. All matters discussed are kept private and confidential. It is the responsibility of the Civil Grand Jury to examine all aspects of county and local government to ensure they are being operated honestly and efficiently.

The Civil Grand Jury is mandated by law to respond to letters of complaint by citizens and to inquire into the conditions of public detention facilities.

REQUIREMENTS TO BECOME A CIVIL GRAND JUROR

In order to be selected as a civil grand juror, an individual:

1. Must be a citizen of the United States, 18 years of age or older and a resident of the State of California and Los Angeles County for at least one year immediately prior to selection.
2. Must not be serving as a trial juror in any California court.
3. Cannot have been discharged as a grand juror in any California court within one year of the beginning date of service.
4. Cannot have been convicted of malfeasance in office or any felony or other high crime.
5. Must possess sufficient knowledge of the English language.
6. Must be in possession of his or her natural faculties, be of ordinary intelligence, sound judgment and good character.

TERM OF SERVICE

Each July, 23 citizens of Los Angeles County are sworn as Civil Grand Jurors to serve for a period of twelve months. Civil Grand Jury duty is a full time job, with each Civil Grand Jury establishing its own work schedule. Everyone who is nominated to serve must be fully cognizant of the time involved. Each prospective nominee should thoughtfully weigh any and all personal and business obligations before accepting the nomination.

The Superior Court Judges nominate persons representing the cultural, ethnic and diverse life experience of residents of Los Angeles County so that the Civil Grand Jury may reflect the many interests and concerns of the citizens. Following the nominations, the selection process for Civil Grand Jurors involves a random choice of prospective jurors and alternates.

COMPENSATION

A Civil Grand Juror receives \$60 for each day's attendance, plus mileage at the current available rate and free parking. If a Civil Grand Juror chooses to use public transportation to sessions of the Grand Jury, he or she will be reimbursed for the cost of that transportation.

FOR MORE INFORMATION OR AN APPLICATION, PLEASE WRITE OR CALL:

Los Angeles Superior Court
Civil Grand Jury Coordinator
210 West Temple Street
Eleventh Floor – Room 11-506
Los Angeles, CA 90012
Telephone (213) 893-1047
FAX (213) 229-2595
[http: //grandjury.co.la.ca.us](http://grandjury.co.la.ca.us)

INVESTIGATIVE COMMITTEES



A HEALTHCARE INFORMATION EXPRESSWAY OR LIFE IN THE SLOW LANES



Robert J. Taub

Alicia F. Thompson

Paulette B. Lang

James Carter

Carolyn Cobb

Nancy M. Coleman

Chairperson

Co-Chairperson

Secretary

A HEALTH INFORMATION EXPRESSWAY OR LIFE IN THE SLOW LANES

TOPIC OF INVESTIGATION

The advent of a comprehensive electronic health record creates the potential for the development of a countywide health information exchange. All residents of Los Angeles County will benefit from moving patient health care records into the electronic age.

The 2013-2014 Los Angeles County Civil Grand Jury (CGJ) investigation examined (1) the current status of the implementation of an Electronic Health Records system within the Los Angeles County Department of Health Services, (2) the integration of electronic health record systems and information sharing among the various county departments, and (3) the development of a countywide health information exchange system that encompasses both public and private health care providers within the county.

BACKGROUND

Why a more effective method of access to health records is needed for residents of Los Angeles County.

Scenario 1. A 58 year old Los Angeles County resident collapses and is brought to the Los Angeles County/USC Medical Center Emergency Department by the paramedics. The patient is poorly responsive and is only carrying a driver's license and a healthcare insurance card. No other contact or medical information is available regarding the patient. The Emergency Department staff begins a series of laboratory and imaging studies to determine the cause of what appears to be a serious medical condition. The examination results fail to reveal a specific cause. Therefore, only routine supportive treatments are administered. Several hours later, a family member arrives

and provides a detailed medical history. Based on the new information contained in the patient's medical history, the Emergency Department staff embarks upon a series of targeted diagnostic studies. This leads to appropriate therapy and subsequent clinical improvement.

If this medical information had been available at the time of the initial Emergency Department evaluation, perhaps much of the laboratory and imaging studies chosen at the outset would not have been done. The patient would have avoided radiation exposure, physical discomfort, as well as the additional costs, for these diagnostic procedures. A more appropriate list of studies would have been ordered leading to more specific management. A potential life threatening situation could have been avoided.

The solution to this pervasive healthcare problem is a health information exchange.

Scenario 2. An 18 year old resident of Palos Verdes Estates was the victim of a hit and run accident outside of Staples Center following a Lakers basketball game he attended with friends. The paramedics found him to be unresponsive with stable vital signs, and transferred him to the Trauma Center at Los Angeles County/USC Medical Center. His wallet contained a California Driver's License and a healthcare insurance card. The Emergency Department staff logged onto the Los Angeles County region Health Information Exchange, and was able to uniquely identify the unconscious patient.

The healthcare insurance company was able to provide his primary physician's contact information. The physician was a member of a large healthcare organization that had joined the countywide Health Information Exchange. The patient's detailed medical history contained in his electronic health record was available to the Emergency Department staff, and revealed a chronic health condition. This influenced subsequent clinical management for targeted diagnostic and therapeutic interventions.

This response is what all county residents should expect from a comprehensive health care information system.

Legislative History of Electronic Health Records

The American Recovery and Reinvestment Act of 2009 (ARRA) provides incentives for the adoption of electronic health records technology. This act implements meaningful use requirements for electronic health records that rely on health information exchanges, with the ultimate goal, that every American will have improved health care quality, safety, and efficiency through the promotion of health information technology. ARRA provides for a significant investment in the development of information technology for America's health care system.

The Affordable Care Act of 2010 (ACA) was enacted to reform the healthcare system and provides a means of utilizing electronic health records (EHR) to achieve goals of increased efficiency, reduced costs, and improved population health.

The ACA provides for comprehensive health care insurance reforms. This Act increases access to health care, improves quality, lowers health care costs, and creates new consumer protections. It also increases the use of EHR. Specifically, the ACA provides for the creation of a nationwide standard EHR form, medical homes, affordable care organizations, and Medicaid expansion, all of which will require effective use of EHR.

The Los Angeles County Board of Supervisors has authorized multiple projects to implement these ideas in the county, including the establishment of a countywide health information exchange. The effort's goals are to link the departments that have electronic health records systems, and to implement a countywide system to uniquely identify persons that use county services.

Commonly Used Terms

Electronic Health Record (**EHR**) is a digital version of a patient's medical chart in the clinician's office. It can be made electronically available to all authorized health care providers involved in a patient's care, regardless of location, and is sometimes available to the patient. Examples of providers are clinics, hospitals, nursing homes, pharmacies, and other health care consultants. A longitudinal electronic record is generated by one or more encounters in any care delivery setting. An individual's EHR continues to build over time, and is continually updated.

Health Information Organization (**HIO**) is an organization that oversees and governs the exchange of health-related information among organizations according to nationally recognized standards, as defined in The National Alliance for Health Information Technology Report to the Office of the National Coordinator for Health Information Technology. HIOs facilitate the exchange of electronic patient health information primarily for treatment purposes between and among several health care providers (e.g., hospitals, doctors, and pharmacies), many of which are covered entities under the Health Insurance Portability and Accountability Act.

Health Information Exchange (**HIE**) is the electronic movement of health-related information among organizations according to nationally recognized standards. Medical information is kept private and secure, and is viewable only by authorized health care providers, who generally exchange health information from an EHR. The information included in an EHR should be available to the patient and any health care provider who is involved with the care of the patient, anywhere and at any time. An HIE may share clinical information such as test results, current medication, allergies, and other vital clinical information.

Los Angeles Network for Enhanced Services (**LANES**) is a public/private collaborative HIO. Its purpose is to connect the public health services network of EHR data to the private sector that may be involved in the treatment of Department of Health Services' patients, via an electronic query process.

Enterprise Master Person Index (**EMPI**) is an enterprise wide index of individuals who receive services from one or more departments across the enterprise. In Los Angeles County, this enterprise represents all of the county departments that also employ a variety of independent information systems. The EMPI contains basic demographics and key identifiers. Once an individual's identity is confirmed, it will provide information about the authoritative source of information or records, as well as, any additional person identifiers.

Master Person Index (**MPI**) is a county department-level index of individuals which will "link" with the EMPI.

Meaningful Use became one of the most frequently used terms in the healthcare industry in 2009. The Centers for Medicare and Medicaid Services established the objectives that eligible professionals, hospitals, and critical access hospitals, must meet in order to receive incentive payments. Meaningful Use is a measurement of set of standards, implementation specifications, and certification criteria

designated by the Centers for Medicare and Medicaid Services and by the Office of the National Coordinator of Health Information Technology. Providers adopting EHRs must achieve meaningful use in order to receive federal incentives.

Electronic medical consultation (**eConsult**) allows a primary care physician to obtain medical guidance from a specialist, before a patient is seen by the specialist. The specialist receives the relevant clinical information electronically from the primary care physician, and may provide prompt critical medical advice. It also enables the patient to receive specialist informal care before seeing the specialists. In some instances, eConsult obviates the need for a specialist visit because the primary care provider is able to provide the needed specialty care. eConsult enables the patient to receive informed care prior to seeing the specialist. (This may include all necessary lab tests, radiology, etc.) An eConsult will benefit from a robust electronic health care system.

Online Real-time Centralized Health Information Database (**ORCHID**) is the County of Los Angeles Department of Health Services' new EHR System. It was officially launched in May, 2013.

Section 1. Los Angeles County Department of Health Services Working Toward a Health Information Exchange.

Any examination of a countywide HIE system must begin with the Department of Health Services (DHS). It is the second largest public health system in the United States. The Los Angeles County Board of Supervisors (Board of Supervisors) is the governing body and appoints the Director of Health Services. (www.DHS.lacounty.gov/wps/DHS/moreDHS/aboutus/)

Serving the needs of nearly ten million county residents, DHS provides hospital, outpatient care, clinics, rehabilitation, and emergency medical services. Additionally, DHS is responsible for operating four acute care hospitals and two multi-service ambulatory care centers. It includes 16 health centers and partners with over 100 community based clinics throughout Los Angeles County. During fiscal year 2012-2013, DHS emergency rooms and clinics served over 600,000 unique patients. It currently has an annual budget of almost \$4 billion, and employs over 20,000 people who seek to improve the quality of care to all residents of Los Angeles County.

DHS is also the primary provider of health services to more than two million Los Angeles County residents who may not have health insurance. The mission and mandate of DHS is to ensure high quality, patient centered, and cost effective health care. This is done through services provided at its facilities, as well as in collaboration with community and university based partners.

Recently, DHS initiated a program to provide expertise for their clinic patients. Over 120 specialty reviewers performed 1,400 eConsults per week in 16 specialties. There was a response time to primary care physicians of less than three days, in contrast to a longer wait time for an in-office consultation. This system is a win-win-win for DHS. It means better access to specialty care for DHS patients, often while remaining at home. DHS primary care providers receive rapid and direct communication with a specialist for timely updates on the best course of treatment. For specialists, it allows the targeting of patients with more acute needs.

eConsult is an important initiative which encompasses all of DHS, as well as DHS's Community Partners.

(Unless otherwise noted, all background information in Section 1 above was extracted from Department of Health Services Fiscal Year 2012-2013 Annual Report.)

One of the keys to fulfilling DHS's mission will be its ability to successfully transition from a "facility-centric" to a "patient-centric" provider of health care services.

One of the many steps that DHS has taken in this process was in November 2012, with the selection of Cerner Corporation (Cerner) as the contractor for a new EHR System. Known within DHS as the "Online Real-time Centralized Health Information Database" (ORCHID), the new Cerner EHR System was officially launched in May 2013.

(Board letter dated September 24, 2013 titled "Status Update on Department of Health Services' Electronic Health Record".)

The objectives of DHS in procuring an EHR system for Los Angeles County are as follows:

1. Improvement of patient safety, quality and efficiency of care.
2. Support of outpatient care restructuring towards health care reform.

3. Improvement of the position of DHS in an increasingly competitive environment.
4. Compliance with Meaningful Use as defined within the objectives set by the Center for Medicare and Medicaid Services to maximize incentive payments.
5. Replacement of the current fragmented and obsolete (paper) patient health records system.

To accomplish these objectives, it is necessary for Los Angeles County to procure, deploy, and sustain a uniform, standardized and fully integrated EHR solution. It must be implemented consistently across care settings, with ". . . *standardized associated workflow processes and a single unified data structure*". (Los Angeles County Electronic Health Records, Request for Proposals dated November 15, 2011.)

As noted in Objective 5 above, there was a critical need to replace the existing record system. As of December 2012, components of the existing Affinity System were "sunset". Although DHS will still have access to that system's data, the contracted vendor will no longer support any upgrades or expansion. However, an upgraded customized version of Affinity/Quadramed will be a part of the DHS system for billing as related to the new EHR.

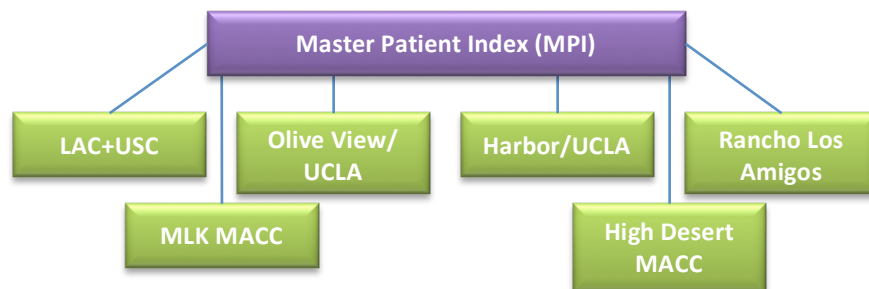
Issues surrounding the DHS's billing processes are addressed in another report from the 2013-2014 Los Angeles County Civil Grand Jury, titled "A Timely and Clean "Bill" of Health May Save \$285 Billion."

What An Integrated System Means to the Residents of Los Angeles County.

The current health information system used by DHS operates as six independent silos associated with the six primary county health facilities. These include the four acute care hospitals (Los Angeles County/USC Medical Center, UCLA/Harbor Medical Center, Olive View/UCLA Medical Center, and Rancho Los Amigos National Rehabilitation Center), the two multi-service ambulatory care centers (Martin Luther King, Jr. MACC and High Desert MACC) as well as the clinics and healthcare centers serving the surrounding communities of each of the above facilities. Consequently, the associated in-patient hospitals, multi-service ambulatory care centers, and community clinics, collectively known as clusters, are unable to share patient data electronically. The simple task of transporting a patient from a DHS

hospital to another hospital can be highly inefficient and cumbersome. Paper medical records are photocopied while transport ambulances may sit idling while they are waiting for a patient's discharge orders to be located and completed. Additionally, in some instances, the receiving hospital may not have complete medical information about an incoming patient because all the paper records may not have been forwarded.

The new EHR system promises to usher in an era of efficiency for DHS by improving the unique identification of patients through a Master Patient Index (MPI).



(Source: Chief Information Office presentation April 2012
"Los Angeles Counties Enterprise Master Person Index (EMPI)".)

The MPI will supply physicians with a patient's medical history whenever and wherever care is sought within DHS. Caregivers will be able to access patient information from a single source across all DHS facilities. Medical providers will gain a 360 degree view of a patient's medical history. Nurses and doctors will be able to chart and gather performance data more rapidly. Simply put, accurate, comprehensive, and timely access to one's medical history means more targeted, efficient, and cost effective treatment. It may also save your life or that of a loved one.

According to Dr. Mitchell Katz, Director of Health Services, *"The movement to an electronic health record system is important to DHS for reasons that go beyond the usual factors as to why modern medical groups are adopting electronic health records . . . having one system will bring us together as a single integrated organization."* (www.laDHS.org "Fast Facts from Dr. Katz", June 4, 2013).

Major Steps in the ORCHID Implementation System

1. Design and Build the ORCHID Software System.

The design and build process of the system began with an evaluation and comparison of DHS's current workflow processes against industry standard best practices. About 900 DHS employees are now actively engaged with a large Cerner team to tailor the system to DHS. Subject matter experts and information technology analysts were recruited from the areas of nursing, clinical documentation, emergency medicine, pharmacy, lab, surgery, and twenty other work groups. The experts are creating system specifications in conjunction with chief medical, domain experts, and project managers.

The first two phases of the build-out, "System Review" and "System Validation" have been completed.

Concurrently, in order to deploy the ORCHID system within DHS facilities, Cerner is putting into place the needed hardware and software capital project and capital infrastructure.

2. Functional and User Acceptance Testing of the ORCHID System.

Unit system integration and user acceptance testing are scheduled to commence in the spring and early summer of 2014.

Shortly thereafter, DHS will commence with massive, wide-scale staff training for the first deployment, which is scheduled for August 2014.

3. Implementation of the ORCHID System at DHS Hospital and Ambulatory Clinic Facilities.

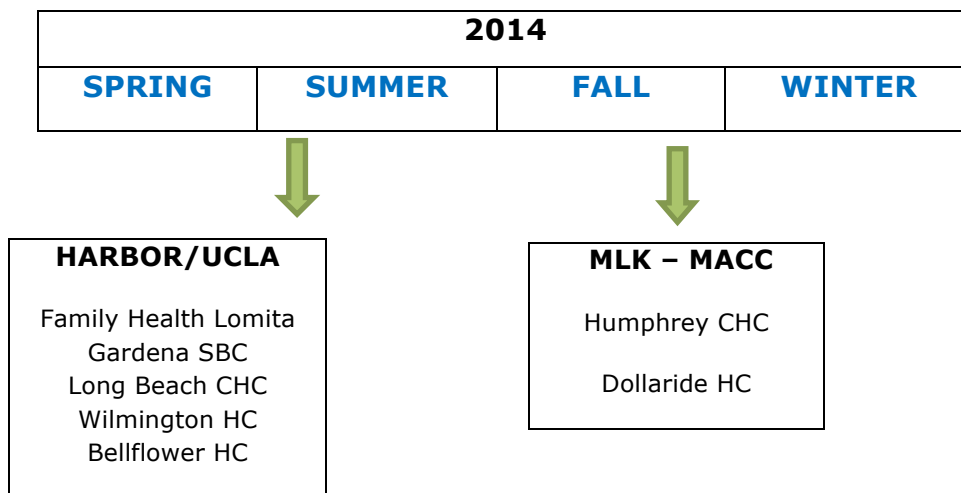
(Source: Items 1 through 3 above extracted from Board Letter dated September 24, 2013, titled " Status Update on Department of Health Services' Electronic Health Records'.)

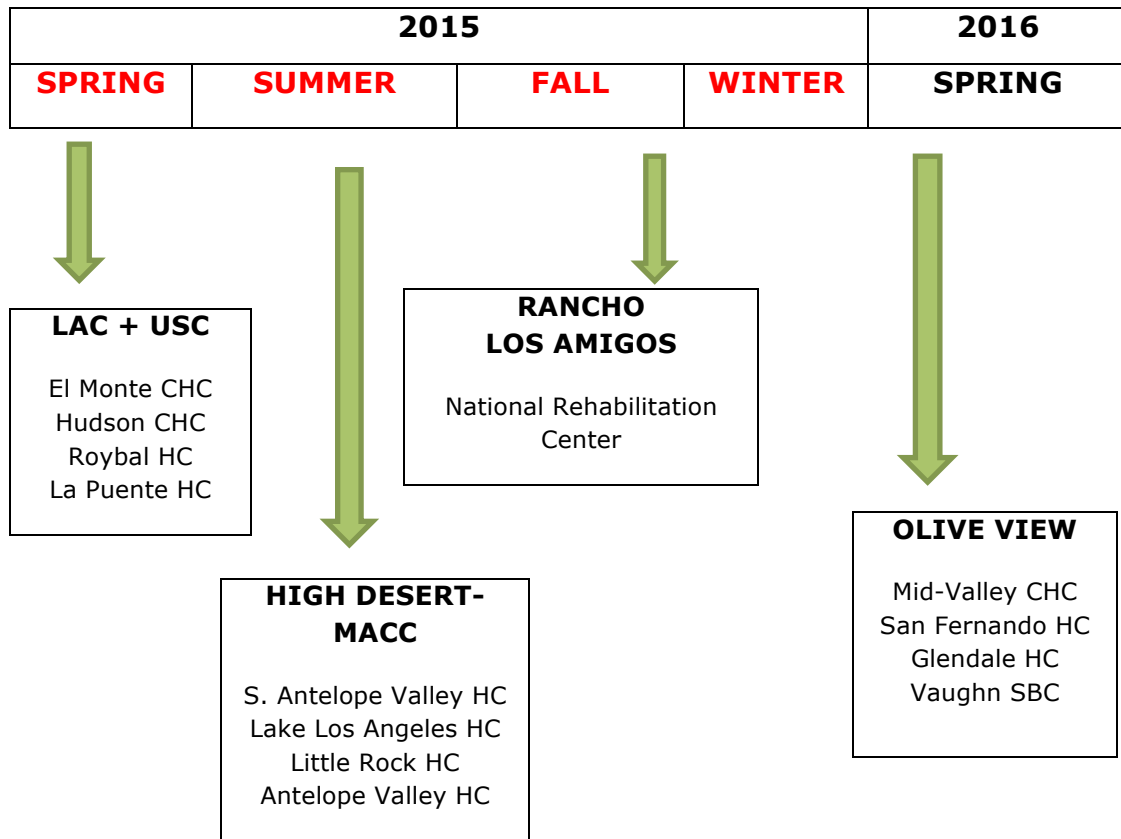
The phase-in of each new facility has a set "go live" date to meet implementation milestones. If the optimal timelines are met, this process is slated to be completed by March 2016. This date may be extended as noted below.

On December 3, 2013, DHS obtained authority from the Board of Supervisors to extend the Cerner agreement's "Go Live" date up to a combined total of 120 days. DHS found similar systems completed their implementation process anywhere from 90 to 120 days beyond the initial target date. (Approval of Amendment Number 1 to Agreement H-705407 with Cerner Corporation and Delegation of Authority to Amend Agreements with Cerner and other Contractors by the Board of Supervisors of Los Angeles County on December 3, 2013.)

Based on current capital project work efforts and software timeline estimates, DHS has planned implementation at each cluster as follows:

ORCHID Implementation Timeline





(Source: Department of Health Services 12/02/2013)

Section 2. Integration of EHR Systems Among Various Los Angeles County Departments

DHS is at the core of Los Angeles County's medical system. There are many other departments that interact with it. Other departments, such as Department of Mental Health, Probation Department, and Sheriff's Department, also maintain electronic health records for county residents. As early as Spring 2009, Los Angeles County recognized the need for county departments to coordinate data sharing efforts across county departments and with other private entities. At the Board of Supervisor's direction, a Core Working Group was formed to determine the feasibility of developing a countywide health information exchange system. (Board Letter dated June 29, 2009, from the Chief Executive Office titled "Initial Report on the Countywide Health Information Technology Assessment, Item No. 73, June 30, 2009".)

Two countywide initiatives, working in concert, will be examined below.

A. Countywide Master Data Management System

On April 9, 2013, the Chief Information Office, in partnership with the Chief Executive Office, issued a Request for Proposal for a Countywide Master Data Management System (CWMDM) that will utilize an EMPI at its core. In this instance, CWMDM's goal is to establish a countywide data management system that will enable various county departments to uniquely identify common clients/patients/persons in an accurate, reliable, secure, and timely manner.

Initially, this effort will focus on three departments: Department of Health Services, Department of Mental Health, and Department of Children and Family Services. When CWMDM is fully implemented, all county departments, including public safety and social services, will have access to the data.

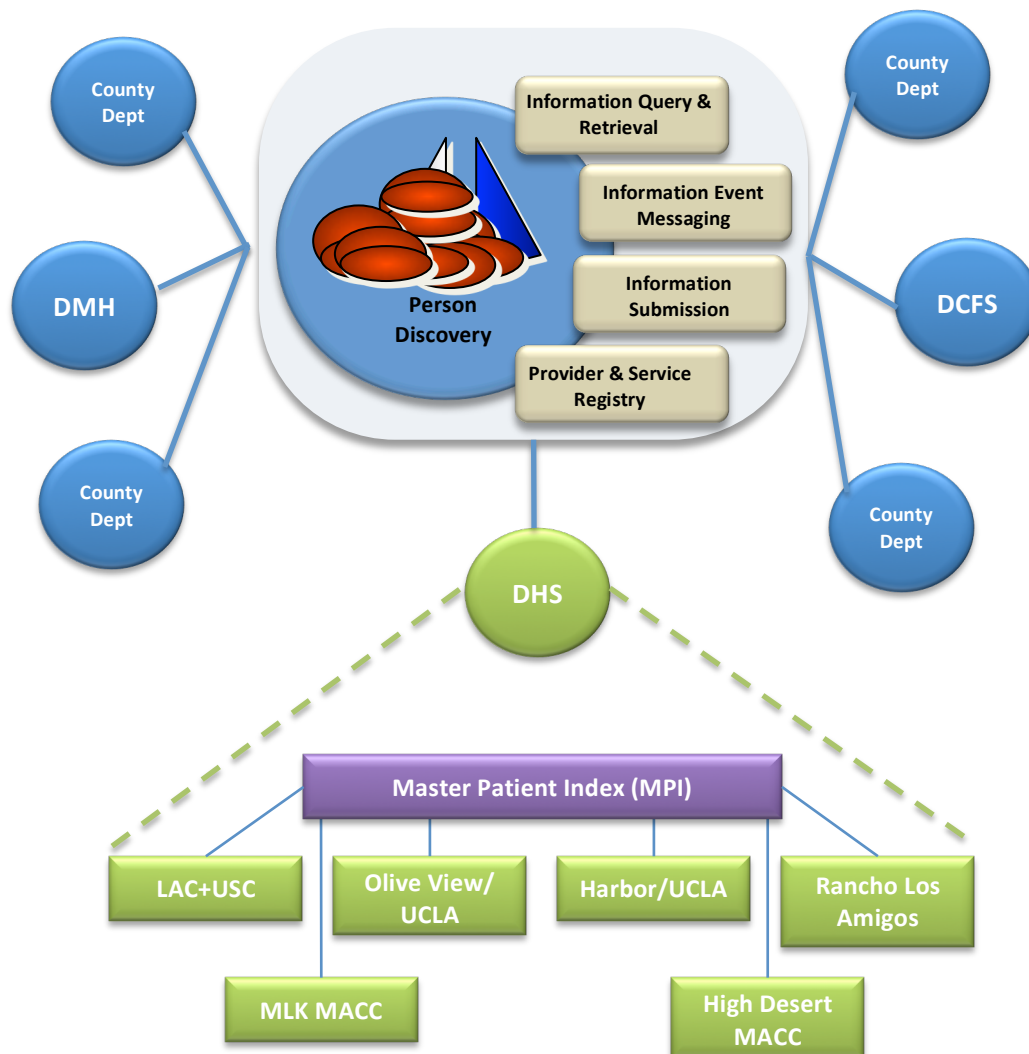
CWMDM will serve as a master identification data hub to create a complete picture of all the county entities providing services to an individual from a single trusted source. The purpose is to avoid redundant and inaccurate information from multiple sources. The focus of CWMDM is to create client/patient identification management that is cost effective, and complies with established privacy and security laws, regulations, and guidelines. It is an identifier, and is comprised of three domains: (1) person, (2) relationship, and (3) location. It will not handle or store client transaction data. (Chief Information Office "Countywide Data Management System (CWMDM) Vision and Scope" dated January 27, 2014".)

The centerpiece of CWMDM is an Enterprise Master Person Index (EMPI) that only an authorized county user can access. This will be a countywide index that identifies persons who receive services from one or more county departments and will contain only *basic demographic information and key identifiers*. EMPI's key functions will be to use established standards and secure protocols to:

1. **identify** persons based on defined demographics and key identifiers
2. **link** identifiers from multiple systems/departments to a specific person record

3. **refer** users to authoritative sources of information and records using established standards

Individual county departments will maintain various customized Master Person Index (MPI) solutions that are unique to their internal information systems. They will interface, as needed, with the countywide EMPI. This relationship is illustrated in the diagram which shows how DHS's MPI will feed into the Los Angeles County EMPI.



(Source: Chief Information Office presentation April 2012
 "Los Angeles Counties Enterprise Master Person Index (EMPI)".)

In August 2013, after a protracted bidding and evaluation process, the evaluation committee selected a vendor for CWMDM. Once it is completed a request for approval of the negotiated vendor contract is expected to be submitted to the Los Angeles County Board of

Supervisors in the second quarter of 2014. Implementation of the initial phase is anticipated to be completed approximately one year from contract signing.

B. Connecting County Electronic Health Record Systems

The Sheriff's Department, DHS, and Probation Department all provide patient health care services. Currently, these departments have limited ability to share each other's patient information electronically. All three departments have implemented, or are in the process of implementing, EHR systems from Cerner.

On November 19, 2012, at the direction of the Board of Supervisors, the Sheriff's Department, DHS, and the Probation Department signed a Memorandum of Understanding whereby they agreed to collaboratively develop and implement an effective and cost-efficient solution for the secure sharing of allowable patient information. In addition, Cerner agreed to provide the interconnectivity to their system, in most instances, at no additional cost. (Board Letter dated November 19, 2012, titled "Collaborative Efforts Related to Electronic Health Record Systems for the Sheriff's Department, Probation Department, and Department of Health Services. Items No. 11 and 26, Agenda of November 20, 2012".)

As noted in the Board Letter referenced above, the Sheriff's Department and Probation Department have already implemented, and DHS is in the process of implementing, EHR systems by Cerner as follows:

1. The Sheriff's Department's Jail Health Information System (JHIS) is used to track the delivery of health services. It maintains a centralized data repository for over 150,000 inmates annually.
2. The Probation Department's Electronic Medical Record System (PEMRS), implemented in 2011, is used to store and maintain medical records for all detained minors in the care and custody of Los Angeles County. PEMRS is a part of the collaborative among DHS, Department of Mental Health, and Probation Department.
3. As outlined in Section 1 above, DHS is in the process of implementing its ORCHID system.

The Memorandum of Understanding requires that the three participating departments develop and evaluate three specific options:

- a) A Cerner system-to-system connection between the Sheriff's Department, DHS, and the Probation Department's electronic health record systems to the Los Angeles Network for Enhanced Services (LANES) health information exchange and to other Cerner EHR's via a "Clinical Exchange Network";
- b) Connectivity through a Health Information Exchange (HIE), such as LANES; and
- c) Alternate models which allow for sharing of patient information.

(Electronic Sharing of Patient Health Information Assessment Project Charter, August 19, 2013.)

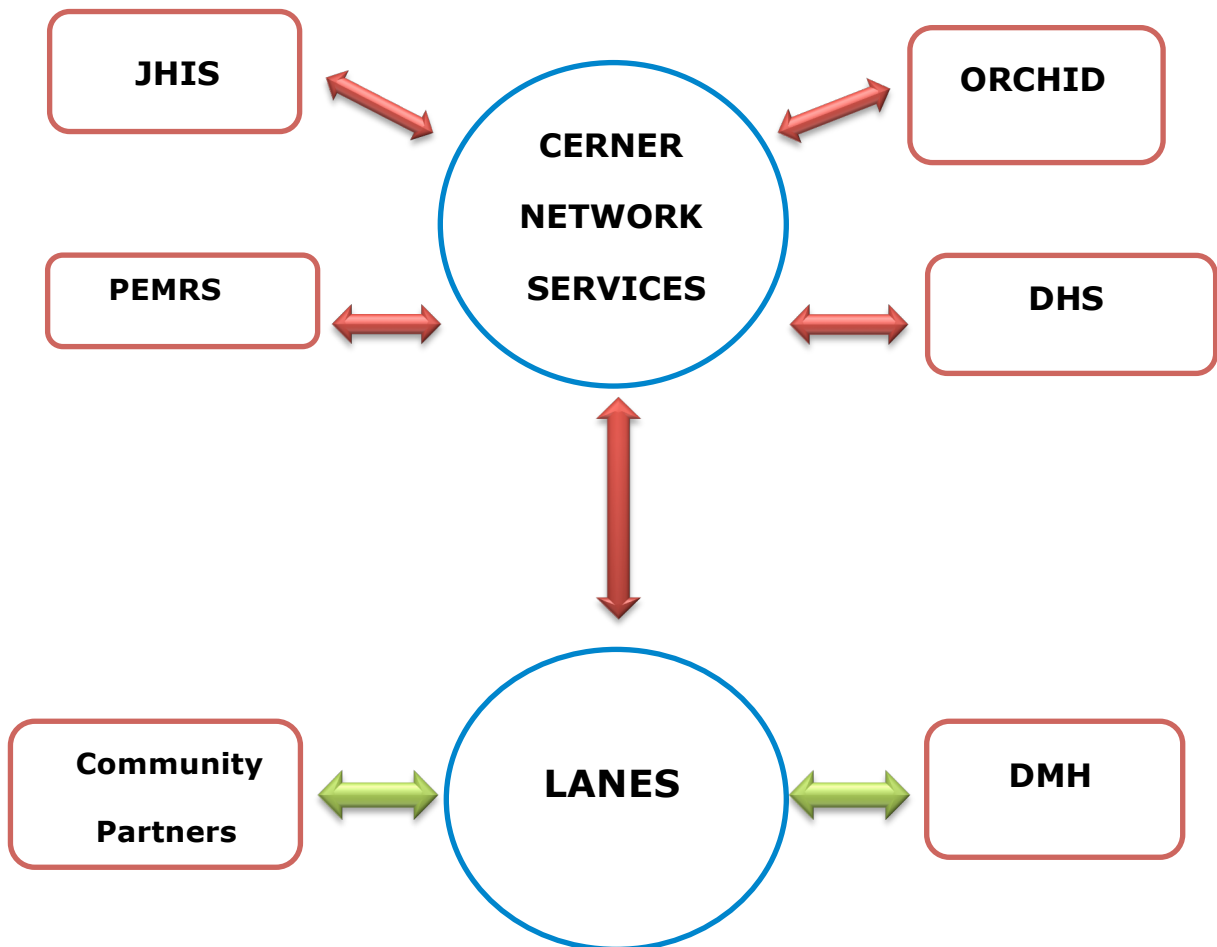
In August 2013, the Department of Mental Health (DMH) was added to the project. The Sheriff's Department, DHS, and Probation Department currently have clinical relationships with DMH. Additionally, because the ACA emphasizes coordination of care across the physical health, behavioral health, and substance abuse domains, it was deemed prudent to incorporate an option for DMH to directly link its non-Cerner EHR system in the future.

The assessment and evaluation process of selecting a solution that met the needs of all four departments was challenging. In late 2013, a solution was selected for further evaluation, as shown on the following pages. (Source: A Senior Representative of the Chief Executive Office) Other non-county Cerner EHR's may also be connected if the county opts to include them at a future date. Of paramount importance, however, is the connectivity portal to LANES and/or other HIOs. This latter flexibility is another milestone on the road toward a countywide HIE. Optimally, a regional HIE would also include other counties within California.

Certain required upgrades to the JHIS and PEMRS systems are in process, and should be completed in the fourth quarter of 2014. This dovetails with the ORCHID implementation schedule previously outlined. The technical/information sharing specification for each of the departments is scheduled to be finalized in the second quarter of 2014. Once these specifications are approved, there will be a legal review to confirm that all regulatory and patient confidentiality statutes relating to the sharing of patient clinical data have been satisfied.

The Countywide Cerner Connectivity Project is expected to be operational by end of year 2014.

**CLIENT FEDERATED QUERY
WITH CERNER AS NETWORK PROVIDER AND LANES
AS A NODE**



(Source: Chief Executive Office 4/8/2014)

Definition: Federated HIE Query model relies on an EMPI and record locator services to facilitate the secured exchange of electronic health records. It supports the retention of health records at the authoritative sources and authorized access is based on the requestor's credentials. Implementation requires coordination, communication and cooperation from different authoritative sources.

This provides current and accurate patient information. (Source: definition provided by CIO Staff)

Section 3. The Los Angeles Network for Enhanced Services (LANES)

The ARRA of 2009, and the ACA of 2010 created the impetus for connecting health care providers so that improved quality and cost effectiveness could be available to all. The county has been working to develop a health exchange network. It has become clear that in order to fully connect all relevant health care organizations and providers across the entire county, a mechanism needs to be developed that incorporates all stakeholders. **LANES** was created to meet this need.

An HIE is necessary because health care delivery today is very complex. It involves many types of caregivers working in multiple care settings which are not connected in a consistent or predictable manner. Too often, this complexity causes care to be fragmented, duplicative and unnecessarily costly. Patients may not always receive the services they need in a timely manner, and the efforts of health care providers to provide high quality care are stymied. A robust and coordinated HIE has the potential to improve health care delivery by insuring that patient care is coordinated, appropriate and preventive.

On April 7, 2009, the Board of Supervisors granted approval to form a public/private collaborative to deliver a countywide HIO. Led by the Chief Executive Office, the Core Working Group was formed, creating a public/private collaborative to develop strategies and options for governance and technology. The objective of this group was to reach out to the private sector for additional partners, resulting in the formation of LANES a collaborative between key Los Angeles County stakeholders, who represent a cross-section of health care providers in the county. (Board Letter dated June 29, 2009, "Initial Report on the Countywide Health Information Technology Assessment".)

Since its inception LANES has accomplished the following:

1. Selection of a Board of Directors from the stakeholders
2. Initial grant funding was received to establish the HIE framework and implement limited data sharing between participants.
3. Approval to execute a Data Participation Agreement which governs the sharing of patient clinical data in the HIO. This

is the most critical step in gaining access to the large DHS client base for members of LANES.

4. Established a technical “go-live” date and proof-of-concept evaluation of the HIE system. The LANES Board engaged a consultant to conduct a study of the system infrastructure. The consultant identified a set of technical architectural modifications that would optimize performance of the LANES HIE.
5. Facilitated its adoption by healthcare providers in a real-time clinical encounter. LANES is currently evaluating options to implement these modifications prior to the full end-user start date.

The evolution of EHR systems has broadened the health care community to encompass county departments, hospitals, doctors’ offices, community clinics, and managed care organizations. These are the stakeholders in LANES.

LANES will *“enable a cost effective and secure electronic exchange of patient medical records among relevant public and private health providers.”* The collaborative includes the County of Los Angeles, Community Clinic Association of Los Angeles County, Hospital Association of Southern California, LA Care Health Plan, an independent organization and an independent physician. The mission of LANES mission is to improve healthcare delivery in Los Angeles County and surrounding areas by ensuring that health information is available when and where it is needed in a safe and secure manner. (Board Letter dated June 29, 2009, “Initial Report on the Countywide Health Information Technology Assessment”.)

Success of an HIE is dependent upon its ability to share valuable real time information with healthcare providers that need it. The technology supports it, and the legal framework is in place to develop a comprehensive and sustainable countywide HIE. An integral part of its success will be successfully implementing LANES as part of its basic configuration.

Governance

In February 2011, LANES received close to \$1 million in funding from the State of California to establish a technology platform for HIE expansion. On March 19, 2013, the Board of Supervisors authorized

the Department of Health Services to execute the LANES Data Exchange Participation Agreement. This agreement allows for the sharing of DHS patient records with other participating stakeholders. Other county departments authorized to participate in LANES through the Data Exchange Participation Agreement include the Department of Mental Health, Department of Public Health, Probation Department, and Sheriff's Department. (Source: CGJ interview with CEO Senior Staff Member)

FINDINGS

1. The Department of Health Services has developed and is implementing an electronic health record system. It will allow all providers within the DHS system to access patient records. The system is known as ORCHID. The first hospital and set of clinics is scheduled to begin implementation of ORCHID in August 2014, with the expectation of full implementation by the end of the first quarter of 2016.
2. The Board of Supervisors' decision to allow DHS up to a 120 day extension on the "Go-Live" date could delay the full implementation of ORCHID beyond the scheduled target completion date.
3. Implementation of the DHS's EHR will greatly improve access to patient data throughout DHS facilities and remove the silo-effect of the six separate entities in their current health information system.
4. Through the leadership of the Chief Information Office and the Chief Executive Office, the Countywide Master Data Management system is being developed and will soon be implemented. It will provide a roadmap to identify a "single view of the client".
5. The Department of Health Services, Sheriff's Department, and Probation Department are each using Cerner as their individual contractor for electronic health records.
6. Cerner has a contractual agreement to electronically connect these systems in the afore mentioned departments with minimal or no increased costs.

7. In 2009, the Board of Supervisors directed the Chief Executive Office to develop **LANES** to facilitate a countywide HIE between public and private health care providers. **LANES**, as it is currently constituted, has implementation limitations, which include:
 - a. Limited resources to implement and sustain **LANES**;
 - b. Lack of sustainable funding;
 - c. Absence of a full-time director;
 - d. Indeterminate financial support from on-going stakeholders and buy-in from other potential health care providers; and
 - e. Uncertainty as to whether the current Federated technology architecture employed by LANES has the capacity to deliver patient information in a timely fashion.

RECOMMENDATIONS

- 1.1 The Department of Health Services must expeditiously complete the build-out and implementation of an Electronic Health Record System. It must provide easy accessibility for the county's participants in the DHS clinics and hospitals.
- 1.2 Medical records should be in an electronic format to allow billing to be done accurately, thoroughly, and in a timely fashion.
- 1.3 The Chief Executive Office, in coordination with the Board of Supervisors, must consider the following options for continued support of LANES, as well as input as a member of the LANES Board of Directors in establishing an effective HIO for Los Angeles County:
 - 1.3.1 Institute a dedicated staff for LANES to include a director, information technology managers, and staff for business outreach.
 - 1.3.2 Develop a sustainable business plan which would include healthcare providers, managed care plans, and other stakeholders.

1.3.3 Explore the possibility of linking with an established and successful HIE.

1.3.4 Purchase a complete HIE system that includes all necessary components from a commercial information technology vendor.

COMMENDATIONS

The Los Angeles County Board of Supervisors, Chief Executive Office, Chief Information Office, and Department of Health Services are commended for beginning the enormous task of moving patient health records into the electronic age.

The CGJ would also like to acknowledge the many individuals who so generously shared their time and expertise to make this report possible.

REQUEST FOR RESPONSE

Recommendation Number	Responding Agency
1.1 and 1.2	Department of Health Services
1.3	Chief Executive Office of Los Angeles County

ACRONYMS

CGJ	2013-2014 Los Angeles County Civil Grand Jury
ARRA	American Recovery and Reinvestment Act
ACA	Affordable Care Act
EHR	Electronic Health Records
HIO	Health Information Organization
HIE	Health Information Exchange
LANES	Los Angeles Network for Enhanced Services
EMPI	Enterprise Master Person Index
MPI	Master Person Index
ORCHID	Online Real Time Centralized Health
DHS	Department of Health Services
CWMDM	Countywide Master Data Management System
JHIS	Jail Health Information System (Sheriff's Department)
PEMRS	Probation Department's Electronic Medical System
DMH	Department of Mental Health

COMMITTEE MEMBERS

Robert J. Taub	Chairperson
Alicia F. Thompson	Co-Chairperson
Paulette B. Lang	Secretary
James Carter	
Carolyn Cobb	
Nancy M. Coleman	

A TIMELY AND CLEAN “BILL” OF HEALTH MAY SAVE \$285 MILLION



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Co-Chairperson
Secretary**

**A TIMELY AND CLEAN "BILL"
OF HEALTH MAY SAVE
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EXECUTIVE SUMMARY

TOPIC OF INVESTIGATION

The Los Angeles County Board of Supervisors approved write-offs totaling \$285,421,607 in gross charges billed to third party payers by the Department of Health Services for the five fiscal years from FY 2008-09 through FY 2012-13. An average of \$57,058,431 in gross charges was written off per year for the past five fiscal years.

After a preliminary investigation, the 2013-2014 Los Angeles County Civil Grand Jury (CGJ) initiated an audit to investigate and analyze the Department of Health Services (DHS or Department) annual write-offs, processes, and systems used for electronic health records and billing for third party payers. These third party payers include Medi-Cal, Medi-Cal Managed Care, Medicare, and private insurance.

BACKGROUND

In FY 2012-13, DHS had expenditures of \$3.6 billion. The estimated revenues from state, federal, and other sources totaled \$2.7 billion. To meet the Department's \$3.6 billion in projected expenditures, it was estimated the county would need to contribute \$981.4 million. Although actual county needed funding was \$860.8 million, or \$120.6 million less than the budgeted amount, it still represents a substantial county commitment.

If DHS reduced the write-offs for health services provided to patients covered by third party insurance, DHS could collect previously forgone revenue and fund a portion of its operational costs.

Write-Off of Charges

Monthly, DHS reports accounts that are no longer perceived as cost effective to pursue for collection to the Treasurer Tax Collector. The latter then submits them to the Los Angeles County Board of Supervisors (Board of Supervisors) for final authorization for write-offs of gross charges. These reports show there are various reasons why accounts are no longer viable for collection. This investigative report focuses on the following two types of write-offs that involve third party payers:

1. "Accounts where the patient was eligible for third-party reimbursement, but the county failed to bill for related charges within the payer's applicable time constraints," (DHS short title: Failed to Bill for Time Constraints); and,
2. "Accounts where the patient was eligible for third-party reimbursement, but billing did not meet third-party requirements and payment is denied. Patient is not responsible for charges." (DHS short title: Failed to Bill for Third Party Requirements.)

Although the Department reports write-offs of gross charges to the Treasurer Tax Collector, the gross charges are not equivalent to the Department's expected revenue from billing third party payers. According to the Department, the difference between the gross charges that are billed to third party payers and revenue received are considered contractual adjustments.

However, the Department does not have substantive and readily available support to estimate lost expected revenue from the write-offs because it does not consistently estimate reimbursement percentages per account by third party payer, type of service, and year.

As previously noted, over the past five fiscal years, the Board of Supervisors authorized Department write-offs of \$285,421,607 in gross charges. Approximately 75 percent of the write-offs, or \$212,693,766, was attributed to the Department's write-off classification, "Failed to Bill for Time Constraints". The remaining \$72,727,841 in write-offs was attributed to the Department's write-off classification "Failed to Bill for Third Party Requirements".

As shown in Figure I below, these write-off classifications are further divided by the Department into sub-classifications, or code titles, that broadly describe the primary reasons for write-offs. This report

examines the top three sub-classifications of write-offs over the past five fiscal years i.e., "Untimely Billing", "Incomplete or No Medical Records", and "No Authorization for Services".

Figure I: Total Write-Offs for Failed to Bill for Time Constraints and Third Party Requirements, by DHS Write-off Classification,

FYs 2008-09 through 2012-13

Write-off Classification	Gross Charges	Percent of Gross Charges
Failed to Bill for Time Constraints		
Untimely Billing	\$90,351,735	32%
Incomplete or No Medical Records	\$101,568,377	36%
Health Care Plan Adjustments	\$20,773,653	7%
<i>Subtotal Failed to Bill for Time Constraints</i>	<i>\$212,693,766</i>	<i>75%</i>
Failed to Bill for Third Party Requirements		
No Authorization for Services	\$68,247,160	24%
Medi-Cal Billing Adjustments	\$4,480,681	1%
<i>Subtotal Failed to Bill for Third Party Requirements</i>	<i>\$72,727,841</i>	<i>25%</i>
Total Write-Offs	\$285,421,607	100%

SECTION ONE

Untimely Billing

Within the "Failed to Bill for Time Constraints" write-off classification, there is a sub-classification "Untimely Billing". This "Untimely Billing" sub-classification is not referenced in the DHS write-off procedure. Instead, it represents write-offs issued by DHS that have not been fully classified in accordance with DHS staff policy. "Untimely Billing" write-offs between FYs 2008-09 and 2012-13 totaled \$90,351,846 in gross charges, with most of this amount attributed to Medi-Cal accounts.

The CGJ found four key causes for the "Untimely Billing" write-offs:

1. Vendors are not following-up on some denials, and information provided by the vendor does not enable DHS to determine causes for the denial.
2. Facility Patient Financial Services divisions are not processing some accounts in a timely fashion.

A TIMELY AND CLEAN "BILL" OF HEALTH MAY SAVE \$285 MILLION

3. Facility Utilization Review divisions maintain a substantial backlog on patient medical records to review for medical necessity.
4. The DHS Consolidated Business Office is not processing some claims in a timely fashion.

RECOMMENDATIONS

To improve revenue collection for accounts that have been written-off for "Untimely Billing", DHS should:

1. Utilize DHS's electronic billing system, Affinity Adjustment Codes on all accounts for classifying and better explaining the reasons for all write-offs.
2. Update the DHS write-off procedure to include all Reason Codes, including new Codes, as they are developed.
3. Expand the scheduled availability of Patient Financial Service Worker staff at all hospitals.
4. Develop and track a Reason Code classifying write-offs for denied or late claims that are billed by the DHS Consolidated Business Office without Treatment Authorization Requests (TARs) or InterQual Reviews (IQRs) demonstrating the medical necessity of the services provided.
5. Formalize the point at which Medi-Cal fee-for-service accounts are retrospectively reviewed for patients still in the Department hospitals.
6. Conduct a Utilization Review staffing analysis at county hospitals as an increase in staff may substantially increase Department cash flow by decreasing backlogs and increasing the timeliness of billings.

SECTION TWO

Incomplete or No Medical Records

DHS write-offs due to Incomplete or No Medical Records totaled \$101,568,377 in gross charges between FY 2008-09 and FY 2012-13. During the fiscal years reviewed, write-offs of Medicare accounts totaled \$57,673,677, or over 56 percent of the write-offs, because of Incomplete or No Medical Records.

The CGJ found three primary causes of Incomplete or No Medical Records write-offs:

1. A lack of registered National Provider Identifier numbers with Medicare for some DHS physicians and non-completion of the form 855R. These numbers must be linked to the DHS facility where the physician provides services and are required for Medicare billing.
2. Barriers or complications in coding accounts by Health Information Management divisions.
3. Coding backlog in Health Information Management divisions.

These issues are jeopardizing the Department's ability to bill payers in a timely fashion and receive reimbursement for services provided.

RECOMMENDATIONS

In order to improve revenue collection for accounts that have been typically written-off for Incomplete or No Medical Records, DHS should:

7. Utilize available systems and tools, and require DHS physicians to report their National Provider Identifier (NPI) number and complete the 855R form linking the NPI number to DHS, as required for Medicare billing purposes, prior to commencing work at a DHS facility.
8. Monitor the processing of Medicare claims to ensure that the implementation of ORCHID, the Department's new electronic health record system is aiding and providing Medicare itemized claims.
9. Track the backlog for coding at all facilities through regular reports, similar to those produced by Los Angeles County/USC Medical Center. Aggregate and analyze coding backlog data at all facilities for resulting trends and to identify any problem areas.
10. Perform a staffing analysis in DHS Health Information Management (HIM) divisions at all DHS facilities to assess whether additional staff might ameliorate the current HIM backlogs and delays in coding.

SECTION THREE

"No Authorization for Services"

No Authorization for Services is the most common reason for write-offs in the "Failed to Bill for Third Party Requirements" write-off classification.

Between FYs 2008-09 and 2012-13, the Department wrote off \$68,247,162 in gross charges because it had not obtained authorization from the patient's third party payer prior to providing non-emergency inpatient and outpatient services.

A total of \$58,567,426, or 85.8 percent of write-offs due to "No Authorization for Services" was Medi-Cal Managed Care accounts.

Factors contributing to the "No Authorization for Services" write-offs include:

1. Physicians reportedly scheduling follow-up outpatient services, after basic needs are met through the emergency room/urgent care or after a patient has been discharged from the hospital, when the patient does not have prior authorization.
2. The inability of Patient Financial Services staff to obtain prior authorization or redirect patients to facilities in the patient's health plan's network prior to all scheduled outpatient appointments.
3. Insufficient or inadequate allocation of resources and tools for Utilization Review nurses to obtain timely authorization from other health care plans for inpatient services.

RECOMMENDATIONS

To improve collection for accounts that have been written-off for "No Authorization for Services", DHS must:

11. Implement an electronic notification method for alerting physicians of the patients' required authorization from third party payers when follow-up services are required.
12. All physicians must be trained on the new electronic notification system and accountability measures should be implemented to ensure that physicians schedule follow-up services appropriately.

13. Require all DHS facilities to regularly pre-screen scheduled outpatient appointments to ensure that authorization is obtained or the patient is referred to a more appropriate provider.
14. Evaluate effective and efficient staffing models to support the need for obtaining authorization from third party payers for inpatient services; such as a designated unit, a centralized staff, or an independent utilization review unit.
15. Determine the cost-effectiveness of implementing third party payers' online authorization tools to ensure timely authorization for inpatient services.
16. Collaborate with Cerner, the Department's vendor for its new electronic medical record system, ORCHID, to determine if enhancements in the new system could facilitate online processing of health care plan authorizations for DHS services.

SECTION FOUR

County Financial Incentive Policies

Historically, DHS has ended a fiscal year with surplus revenue. It was able to retain these surplus funds for DHS operating expenditures in subsequent years and the county General Fund contribution to the DHS budget was not reduced in subsequent years to offset the retained surplus funds.

The Board of Supervisors could vote to reduce the county General Fund contribution to the DHS budget, subsequent to fiscal years with surplus revenue, as long as the total County contribution still meets the required minimum contribution amount per its agreement with the State of California.

RECOMMENDATIONS

To provide financial incentives for DHS to improve revenue collections, the County Board of Supervisors should:

17. Consider the advantages and disadvantages of adopting a formal policy to allow for a minimum level of annual General Fund contributions to the DHS budget.
18. Allocate a portion of the funds to DHS, if additional revenue is obtained through improved collection efforts, that are beyond the required contributions by the state and irrespective of any additional revenue DHS is able to obtain through improved collection efforts.

A TIMELY AND CLEAN "BILL" OF HEALTH MAY SAVE \$285 MILLION

TOPIC OF INVESTIGATION

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BACKGROUND

DHS Financial Profile

In FY 2012-13, DHS had a budget of \$3.6 billion in expenditures and estimated revenues from state, federal and other sources totaling \$2.7 billion. The county estimated contributing the remaining \$981.4 million in funds needed to meet the Department's \$3.6 billion expenditure needs. Sources of county funds include Vehicle License Fees, Tobacco Settlement Funds and the General Fund. However, as shown in Figure 1, DHS incurred expenditures were \$184.6 million less than budgeted and revenues were \$64 million less than budgeted, resulting in \$120.6 million less in county funding than originally anticipated.

Figure 1: DHS Budgeted and Actual Expenditures and Revenues, FY 2012-13

	Budget	Actual	Surplus/ (Deficit)
	(A)	(B)	(A-B)
Expenditures	\$3,677,100,000	\$3,492,500,000	\$184,600,000
Revenues	\$2,695,700,000	\$2,631,700,000	\$(64,000,000)
Funding from County	\$981,400,000	\$860,800,000	\$120,600,000

Source: DHS Fiscal Overview, FY 2012-13

*These figures are net of intergovernmental transfers required for various State programs.

Third Party Payers and Estimated Patient Service Revenue

Third party payers for services rendered at DHS facilities include Medi-Cal (full scope and restricted fee-for-service), Medi-Cal Managed Care, Medicare, commercial insurance and others. A patient's eligibility for Medi-Cal full scope, restricted or managed care is dependent on the patient's income, immigration status, and type of government aid they are receiving, if any. Medi-Cal patients without a satisfactory immigration status are limited to emergency and pregnancy-related services (restricted aid). Patients with specific Medi-Cal aid codes are required to enroll in Medi-Cal Managed Care such as families receiving refugee cash or medical assistance, families linked with California Work Opportunity (CalWORKS), seniors, and persons with disabilities.

Patients with Medi-Cal Managed Care are required to obtain non-emergency healthcare services from the plan's network providers, follow the plan's rules for seeking referrals, and obtain prior authorization for services provided outside their assigned health care plan. In Los Angeles County, there are two types of Medi-Cal Managed Care health care plans, a plan called Los Angeles Care Health Plan (LA Care) and a commercial plan called Health Net. Both plans also contract with other commercial plans, giving patients a total of six Medi-Cal Managed Care program choices in the County.

DHS estimated \$2.4 billion in net patient service revenue for FY 2012-13, which is the estimated *net realizable* amounts from patients, third party payers, and other sources for services rendered, including estimated retroactive adjustments under reimbursement agreements with third party payers. According to DHS, revenues from various Medi-Cal programs represent approximately 64 percent of DHS facilities' patient care revenue for FY 2012-13.

Pre-Billing and Billing Processes

The Consolidated Business Office (CBO) is responsible for facilitating billing for third party payers, including overseeing vendor contracts for conducting some billing, for most DHS facilities: Los Angeles County Medical Center (LAC+USC), Olive View/UCLA Medical Center (Olive View), High Desert Multi-Service Ambulatory Care Center (High Desert), Martin Luther King, Jr. Multi-Service Ambulatory Care Center, and the Ambulatory Care Network. The remaining two DHS facilities, Harbor-UCLA Medical Center (Harbor-UCLA) and Rancho Los Amigos National Rehabilitation Center (Rancho Los Amigos) have their own Patient Accounts staff conducting billing. However, these facilities' billing process will transition to the CBO in FY 2014-15.

In order to submit a complete bill to third party payers, the CBO requires information from multiple divisions within each DHS facility. Patient Financial Services (PFS) division staff ascertains the patient's third party payer information. Utilization Review (UR) division staff review medical records, determines medical necessity, and contacts third party payers to obtain authorization to provide inpatient services, if required to receive reimbursement for services provided. Finally, the DHS's Health Information Management division (HIM) staff codes medical records with diagnosis and procedures, which are required for billing. Critical business processes in the pre-billing and billing stages are briefly discussed below and further throughout the report. Sources: High-level interviews with staff from PFS at Rancho Los Amigos and LAC+USC on 2.18.14, UR Harbor/UCLA and CBO on 2.18.14, and HIM LAC+USC; on 2.20.14 and the Enterprise Director for HIM on 2.26.2014; Focus group discussions at LAC+USC and Harbor/UCLA that included PFS, UR and HIM staff on 2.24.14-2.25.14; Financial Practices and Procedures documents provided by DHS; and CBO and PFS flow charts provided by DHS.

Prior to a patient's discharge, PFS staff must conduct a financial screening process to determine the patient's existing third party payer coverage. If no third party payer coverage is identified, PFS staff determines the patient's eligibility for Medi-Cal or county reduced or no cost health care programs and assists with applications. The Medi-Cal applications process is discussed further in Section 1. For emergency services, financial screening cannot be initiated until (1) completion of a medical screening examination, and (2) necessary stabilizing treatment is underway, in order to be compliant with Emergency Medical Treatment and Active Labor Act laws. If the financial screening or application cannot be completed prior to discharge, PFS staff tries to follow up with the patient through mail or telephone contact.

Utilization Review nurses input data from the medical records into an automated system, InterQual Level of Care Criteria, to determine whether an inpatient's stay at a hospital meets inpatient medical necessity for all Medicare and Medi-Cal patients. The InterQual Review (IQR) process is only used for some commercial insurance companies,

though DHS management reported that the long-term goal is to use it for all patients, regardless of third party payer coverage. Prior to implementing the IQR process for Medi-Cal full scope admissions, DHS used the Treatment Authorization Request (TAR) process, which relied on more subjective reviews for medical necessity, as opposed to evidenced based, standard criteria.

Third party payer coverage dictates the frequency of IQRs and subsequent procedures. For Medicare patients, InterQual criteria should be met at admission. However, for Medi-Cal patients, each day of the patient's stay has to be assessed to see if it meets InterQual criteria. If a single patient day does not meet InterQual criteria, a Physician Advisor can authorize additional days of stay if the Physician Advisor determines the patient's condition meets inpatient medical necessity. For Medi-Cal Managed Care and most commercial insurance patients, UR staff and physicians must obtain authorization to continue providing services or try to facilitate the patient's transfer to an appropriate provider when InterQual criteria is not met.

After a patient has been discharged, Health Information Management staff collects medical records for coding. Currently, DHS uses a hybrid medical records system in which parts of the medical record are available electronically while other paper records are scanned and inputted into the system. There are two methods for coding medical records. The first method is through direct coding by certified and trained staff. The second process is for some outpatient clinics and requires physicians to complete forms with the diagnosis and procedure. Clerical staff then enters the information into the health information system. Sources: Interview with HIM Director at LAC+USC on 2.20.14; Focus group discussions at LAC+USC and Harbor that included HIM staff on 2.24.14-2.25.14; and interviews with Revenue Services and CBO staff on 2.3.14

Electronic Health Records and Billing Systems

Affinity is the current electronic health record and billing system at DHS. However, DHS is transitioning to an Online Real-time Centralized Health Information Database (ORCHID) through the vendor, Cerner. The first facility, Harbor-UCLA, is expected to implement the system in August 2014, while the system will be rolled out to the other facilities through early 2016. While medical records will be on ORCHID, DHS will continue to use Affinity for billing, which will interface with ORCHID.

According to DHS management, ORCHID implementation is still in the build and test phase. Approximately 900 employees are now actively engaged with a large Cerner team to tailor the system to DHS. The Department is also still determining which systems, in addition to Affinity for billing, will remain and require interfacing with ORCHID. Based on interviews and focus groups with staff, little information was provided to staff on which systems currently used for various pre-billing processes, such as IQRs and coding, will be replaced by ORCHID

or will require an interface. However, DHS management later reported that the IQR process will not be replaced. Potential improvements in the pre-billing and billing processes that could be facilitated enhancements or developments in ORCHID are suggested throughout the report.

Training on ORCHID is planned for staff approximately six weeks prior to the system going live at each facility. For example, training for Harbor-UCLA staff is expected to begin in June 2014. Classes will be offered 24 hours a day, seven days a week to accommodate all shifts. DHS management stated that backfill is being planned for staff attending training. Finally, basic computer skill needs are being identified and remedial training is being offered to those that require it.

Contract Vendors for Billing and Collections

As noted, various contract vendors assist DHS in billing and collecting revenue from patients and third party payers. Figure 2 illustrates that three vendors collected approximately 90 percent of the \$199,390,540 revenues collected by contract vendors for DHS in FY 2012-13. These vendors are Sutherland Global Solutions (Sutherland), UCSB America, and California Reimbursement Enterprises. Other, smaller vendors help collect payment from out of state Medicaid billing, workers compensation, and other sources.

Figure 2: Contract Vendor Collections and Fees, FY 2012-13

Vendor	Collections	% of Collections	Fees	% of Fees	Net Revenue	Percent of Net Revenue
Sutherland	\$139,648,822	70.0%	\$ 7,471,309	44.3%	\$132,177,513	72.4%
UCSB	\$ 22,042,405	11.1%	\$ 2,780,005	16.5%	\$ 19,262,400	10.6%
CRE	\$ 15,955,339	8.0%	\$ 3,572,987	21.2%	\$ 12,382,352	6.8%
Other	\$ 21,743,974	10.9%	\$ 3,049,719	18.1%	\$ 18,694,255	10.2%
Total	\$199,390,540	100.0%	\$16,874,020	100.0%	\$182,516,520	100.0%

Source: DHS

Write-Off of Charges

On a monthly basis, DHS refers to the Treasurer Tax Collector accounts that are no longer perceived as cost effective to pursue for collections. The latter then submits them to the Board of Supervisors for final authorization to write-off gross charges. There are various reasons why the account is no longer viable for collection, but this report focuses on two types of write-offs that involve third party payers. Per the County's Fiscal Manual, these write-off codes are defined as:

WFB Accounts where patient was eligible for third-party reimbursement, but the county failed to bill for a related charge within the payer's applicable time constraints.

WOM Accounts where patient was eligible for third-party reimbursement, but billing did not meet third-party requirements and payment is denied. Patient is not responsible for charges.

In addition, each of these classifications is divided into the following sub-classifications:

WFB Sub-classifications

1. Untimely Billing
2. Incomplete or No Medical Records
3. Medi-Cal Managed Care Adjustment (includes untimely billing, incomplete or no medical records and other adjustments for this specific third-party payer)

WOM Sub-classifications

1. No Authorization for Services
2. Medi-Cal Denials (for services beyond the scope of the Medi-Cal plan)

It should be noted that these classifications are not aligned with DHS's write-off procedures and code details provided, but they were used in presenting requested data on write-offs to the Board of Supervisors over the past five years and were defined through DHS staff interviews.

The write-offs are gross charges for an account adjusted for corrections. Further, charges written-off in one year include multi-year dates of services (e.g., charges adjusted in FY 2012-13 may be for accounts with prior dates of service and charges). Analysis of DHS data revealed that the average age of accounts at the time of write-off over the past five fiscal years was approximately two years and four months from the date of discharge.

Although the Department refers write-offs of gross charges to the Treasurer Tax Collector, who reports the same information to the Board of Supervisors for final authorization, the gross charges are not

equivalent to the Department's expected revenue from billing third party payers. According to the Department, the difference between the gross charges that are billed to third party payers and revenue received are considered contractual adjustments. As a result, expected revenue varies by third party payer, type of service, and year. The Department reportedly does not consistently track or report lost expected revenue from accounts with write-offs to the Treasurer Tax Collector or Board of Supervisors. Based on an indeterminate sampling of written-off accounts, DHS estimates that lost expected revenue from charges written off over the past five fiscal years ranged from 2 to 64 percent of the charges written off. The actual total lost expected revenue from previous write-offs is unknown.

As shown in Figure 3, DHS wrote off a total of \$285,421,607 in gross charges over the past five fiscal years, from FY 2008-09 through FY 2012-13, or an average of \$57,058,431 per year. Three-quarters of the write-offs, or \$212,693,766, was due to a failure to bill within the payer's time constraints. The remaining quarter, or \$72,727,841 in write-offs, was due to a failure to meet third party requirements. The top three sub-classifications in order of total charges written off over the past five fiscal years are Incomplete or No Medical Documentation, Untimely Billing and No Authorization for Services. Additional information related to the number of accounts, charges per account, and specific third-party information for these classifications are described in subsequent sections, including the potential reasons for these write-offs.

Figure 3: Write-Offs for Untimely Billing and Third Party Requirements Not Met, FYs 2008-09 through 2012-13

	"FAILED TO BILL WITHIN PAYER'S TIME CONSTRAINTS" (CODE WFB)				"BILLING FAILED TO MEET 3RD PARTY REQUIREMENTS" (CODE WOM)			(WFB & WOM)
Fiscal Year	Untimely Billing	HCP (Medi-Cal Managed Care) Adjustment	Incomplete Or No Medical Documentation	TOTAL GROSS CHARGES	No Authorization - HCP (Medi-Cal Managed Care)	Medi-Cal Billing Adjustment ⁽⁵⁾	TOTAL GROSS CHARGES	GRAND TOTAL
	Gross Charges	Gross Charges	Gross Charges	Gross Charges	Gross Charges	Gross Charges	Gross Charges	Gross Charges
FY 2008-09	\$ 5,639,223	\$ 2,225,400	\$ 19,351,938	\$ 27,216,562	\$ 3,967,969	\$ 1,053,533	\$ 5,021,501	\$ 32,238,063
FY 2009-10	\$ 6,992,605	\$ 2,695,423	\$ 2,319,535	\$ 12,007,563	\$ 5,133,386	\$ 616,755	\$ 5,750,141	\$ 17,757,703
FY 2010-11	\$ 10,689,138	\$ 9,169,876	\$ 23,306,435	\$ 43,165,448	\$ 10,345,807	\$ 1,292,965	\$ 11,638,772	\$ 54,804,220
FY 2011-12	\$ 23,436,588	\$ 3,097,706	\$ 19,708,817	\$ 46,243,110	\$ 16,936,726	\$ 99,414	\$ 17,036,140	\$ 63,279,250
FY 2012-13	\$ 43,594,183	\$ 3,585,248	\$ 36,881,652	\$ 84,061,084	\$ 31,863,273	\$ 1,418,014	\$ 33,281,287	\$ 117,342,371
GRAND TOTAL	\$ 90,351,736	\$ 20,773,653	\$ 101,568,377	\$ 212,693,766	\$ 68,247,160	\$ 4,480,681	\$ 72,727,841	\$ 285,421,607

Source: DHS Write-Offs for FY 2008-09 through FY 2012-13.

Although the write-offs represent services provided in previous fiscal years, the total WFB and WOM write-offs in FY 2012-13 of \$117,342,371 in gross charges represent 4.5 percent of the \$2,631,700,000 (Figure 1) in actual revenues from state, federal and other sources in FY 2012-13.

Realignment

The State of California (State) has an agreement with DHS regarding sharing costs and revenues associated with the provision of services. The formula for determining if funds will be redirected back to the State is based on meeting or exceeding revenue floors by payer type and meeting or exceeding annual cost caps. If revenue received exceeds the cost cap or actual cost of services (whichever costs are lower) then the "surplus" revenue is divided the following way:

FY 2012-13: State 70 percent, DHS 30 percent

FY 2014-15 and forward: State 80 percent, DHS 20 percent

Any shortfall in meeting the revenue baselines must be covered by available DHS reserve funds, or the county if no reserve funds are available. If actual costs exceed the annual cost cap, then the additional costs must be shared evenly between the State and DHS, up to the amount of excess funds available under the formula. The county is responsible for covering any additional costs not funded by the excess funds.

The following Figures show an example of when actual costs are less than the cost cap and surplus revenue is shared between the State and DHS (Figure A), actual costs are greater than the cost cap and excess costs are shared between the State and DHS (Figure B), actual costs are greater than the cost cap *and* revenue, resulting in the State, DHS and county sharing excess costs (Figure C) or just DHS and the county sharing excess costs (Figure D).

Figure A: If Actual Costs < Cost Cap < Revenue, Then State and DHS Share "Surplus", in Billions

Revenue (A)	\$3.0
Cost Cap (B)	\$2.5
Actual Costs (C)	\$2.0
<i>Surplus/(Deficit) - (A-C)</i>	<i>\$1.0</i>
State Surplus Portion	\$0.80
DHS Surplus Portion	\$0.20

Figure B: If Cost Cap < Actual Costs < Revenue, Then State and DHS Share "Excess Costs", in Billions

Revenue (A)	\$3.8
Cost Cap (B)	\$2.8
Actual Costs (C)	\$3.8
<u>Surplus/(Deficit) - (A-B)</u>	<u>\$1.0</u>
<u>Excess Cost (B-C)</u>	<u>(\$1.0)</u>
State Share of Excess Cost	(\$0.50)
DHS Share of Excess Cost	(\$0.50)

Figure C: If Cost Cap < Revenue < Actual Costs, Then State, DHS and County Share "Excess Costs", in Billions

Revenue (A)	\$3.8
Cost Cap (B)	\$2.8
Actual Costs (C)	\$4.0
<u>Surplus/(Deficit) - (A-B)</u>	<u>\$1.0</u>
<u>Excess Cost (B-C)</u>	<u>(\$1.2)</u>
State Share of Excess Cost	(\$0.50)
DHS Share of Excess Cost	(\$0.50)
County Funded Shortfall	(\$0.20)

Figure D: If Revenue < Cost Cap < Actual Costs, Then State, DHS and County Share "Excess Costs", in Billions

Revenue (A)	\$2.5
Cost Cap (B)	\$3.0
Actual Costs (C)	\$3.5
<u>Surplus/(Deficit) - (A-B)</u>	<u>(\$0.5)</u>
DHS and/or County Funding of Formula Deficit (A-B)	(\$0.5)
DHS and/or County Funding of Actual Deficit (A-C)	(\$1.00)

As illustrated by the Figures above, the goal for DHS should be to maximize revenue, while minimizing costs. As DHS considers the various recommendations in the following sections, DHS should

evaluate the ratio of expected revenue collection to the cost of implementation such that the cost to implement does not result in total DHS costs exceeding the annual cost cap and expected revenue collection.

SECTION ONE

Untimely Billing

Untimely Billing write-offs between FYs 2008-09 and 2012-13 totaled \$90,351,846 in gross charges, with most of this amount attributed to Medi-Cal accounts. In FY 2012-13 alone, Untimely Billing write-offs totaled \$43,594,184, of which \$31,734,448, or 72.8 percent, were Medi-Cal accounts.

Medi-Cal Accounts Represent the Majority of Untimely Billing Write-offs

DHS's coded write-off data allows for a review of write-offs by payer. The distribution of the \$90,351,846 in Untimely Billing write-offs between FY 2008-09 and FY 2012-13 is shown in Figure 1.1. As can be seen, the overall percent of write-offs pertaining to Medi-Cal has increased steadily, from approximately 14 percent of the Untimely Billing write-offs in FY 2008-09 to over 71 percent of the Untimely Billing write-offs in FY 2012-13. The total value of gross charges written off for Medi-Cal has similarly increased, from approximately \$3,736,677 in FY 2008-09 to \$31,734,448 in FY 2012-13.

In part, this trend of increasing write-offs for Medi-Cal accounts is representative of DHS's patient profile as most patients are covered by Medi-Cal. Some identified issues pertaining to DHS's billing processes and staffing may aid in the reduction of Untimely Billing write-offs by allowing DHS to meet unique requirements of payers, including Medi-Cal, as discussed further below.

Figure 1.1: Breakdown of DHS Write-Offs Due to Untimely Billing, by Payer, FY 2008-09 through FY 2012-13

Fiscal Year	Payer	Accounts	Percent Accounts of Total	Gross Charges	Percent Gross Charges of Total
2008-2009	Commercial Insurance	165	2.3%	\$ 205,563	3.6%
	Medi-Cal Managed Care	6	0.1%	\$ 50,084	0.9%
	Medi-Cal	1,026	14.4%	\$ 3,736,677	66.3%
	Medicare	5,911	83.2%	\$ 1,647,013	29.2%
	Other	-	0.0%	\$ -	0.0%
	Total	7,108	100.0%	\$ 5,639,337	100.0%
2009-2010	Commercial Insurance	663	9.3%	\$ 1,306,906	18.7%
	Medi-Cal Managed Care	1	0.0%	\$ 11,857	0.2%
	Medi-Cal	2,427	34.0%	\$ 3,029,734	43.3%
	Medicare	4,394	61.5%	\$ 2,860,305	40.9%
	Other	(346)	-4.8%	\$ (216,198)	-3.1%
	Total	7,139	100.0%	\$ 6,992,604	100.0%
2010-2011	Commercial Insurance	1,220	15.1%	\$ 1,335,236	12.5%
	Medi-Cal Managed Care	165	2.0%	\$ 123,249	1.2%
	Medi-Cal	3,452	42.6%	\$ 6,211,437	58.1%
	Medicare	3,222	39.8%	\$ 2,931,932	27.4%
	Other	43	0.5%	\$ 87,283	0.8%
	Total	8,102	100.0%	\$ 10,689,137	100.0%
2011-2012	Commercial Insurance	1,715	9.9%	\$ 2,563,403	10.9%
	Medi-Cal Managed Care	162	0.9%	\$ 685,562	2.9%
	Medi-Cal	7,431	43.0%	\$ 15,285,846	65.2%
	Medicare	7,792	45.1%	\$ 4,535,213	19.4%
	Other	180	1.0%	\$ 366,561	1.6%
	Total	17,280	100.0%	\$ 23,436,584	100.0%
2012-2013	Commercial Insurance	3,346	16.5%	\$ 6,866,452	15.8%
	Medi-Cal Managed Care	484	2.4%	\$ 1,084,188	2.5%
	Medi-Cal	14,571	71.8%	\$ 31,734,448	72.8%
	Medicare	1,648	8.1%	\$ 2,989,168	6.9%
	Other	250	1.2%	\$ 919,928	2.1%
	Total	20,299	100.0%	\$ 43,594,184	100.0%
Grand Total		59,928		\$ 90,351,846	
Five Year Average	Commercial Insurance	1,422	11.9%	\$ 2,455,512	13.6%
	Medi-Cal Managed Care	164	1.4%	\$ 390,988	2.2%
	Medi-Cal	5,781	48.2%	\$ 11,999,629	66.4%
	Medicare	4,593	38.3%	\$ 2,992,726	16.6%
	Other	25	0.2%	\$ 231,515	1.3%
	Five Year Average Total	11,986	100.0%	\$ 18,070,369	100.0%

Source: Los Angeles County Department of Health Services

The DHS System for Coding Write-Offs Is Not Fully Utilized

The County of Los Angeles Department of Health Services Consolidated Business Office (CBO) ATW [Audit Trail Worksheet] Write-Offs procedure stipulates a detailed system for coding DHS write-offs. Coding and summarizing all write-offs in accordance with the procedure would allow DHS management to identify problem areas or inefficiencies to aid in the reduction of write-offs. Unfortunately, not all codes are being used as stipulated by the procedure. DHS intends to incorporate all DHS facilities into the CBO, which should improve the Department's ability to standardize procedures and processes.

Generally, for DHS write-offs, there are three levels of classification of which the Department can make use, as depicted in Figure 1.2. The three levels of write-off classification, increasing in specificity, are: Fiscal Manual Codes, Affinity Adjustment Codes, and Reason Codes. Each level of classification can provide additional insight into the cause of the write-off.

1. The Fiscal Manual Code identifies the broad problem with the account, e.g., for Failed to Bill for Time Constraints (Fiscal Manual Code: WFB) write-offs, "Accounts where patient was eligible for third-party reimbursement, but County failed to bill for related gross charges within the payer's applicable time constraints."
2. The Affinity Adjustment Code identifies the specific payer, e.g., Medi-Cal Time Limit, "To adjust Medi-Cal gross charges which have passed the statutory time limit for billing or were billed and denied for late submission."
3. The Reason Code then further specifies the internal DHS division or agent and cause that finally led to the write-off, e.g., "PFS [Patient Financial Services] – Delay in Claim Disposition."

Figure 1.2: DHS Write-off Code Structure

Fiscal Manual Code and Description	Affinity Adjustment Code and Description	Reason Code and Description
WFB: "Accounts where patient was eligible for third-party reimbursement, but County failed to bill for related charges within the payer's applicable time constraints."	Insurance Time Limit (072): "To adjust privatized insurance charges which have passed the time limit for billing or were billed and denied for late submission."	ATW04: "Facility - A/R [Accounts Receivable] Denial - Efforts Exhausted"
		ATW05: "Facility - Billing Error"
		ATW06: "Facility - Delay in Processing Claim"
		ATW07: "Facility - EDS Delay"
		ATW08: "Facility - Ins [Insurance] Untimely Follow-Up"
		ATW11: "Facility - Untimely Follow-Up"
		ATW29: "Facility - Insurance Claim Denial"
		ATW30: "Facility - Readers Untimely Follow-Up"
		ATW31: "Facility - Rev [Review] Unit Processing Delay"
	Medi-Cal Time Limit (073): "To adjust Medi-Cal charges which have passed the statutory limit for billing or were billed and denied for late submission."	ATW01: "Apollo - Untimely Billing"
		ATW02: "Apollo - Untimely Follow-Up"
		ATW04: "Facility - A/R [Accounts Receivable] Denial - Efforts Exhausted"
		ATW05: "Facility - Billing Error"
		ATW06: "Facility - Delay in Processing Claim"
		ATW07: "Facility - EDS Delay"
		ATW10: "Facility - Clearinghouse Delay"
		ATW11: "Facility - Untimely Follow-Up"
		ATW23: "PFS - 1 Year Letter Not Available"
		ATW24: "PFS - Administrative Error"
		ATW25: "PFS - Delay in Claim Disposition"
		ATW26: "PFS - No Response to Request"
		ATW30: "Facility - Readers Untimely Follow-Up"
		ATW31: "Facility - Rev [Review] Unit Processing Delay"
		ATW32: "PFS - Out of District"
	Medicare Time Limit (074): "To adjust Medicare charges which have passed the statutory time limit for billing or were denied for late submission."	ATW33: "USCB - Untimely Follow-Up"
		ATW34: "USCB - Untimely Billing"
		ATW04: "Facility - A/R [Accounts Receivable] Denial - Efforts Exhausted"
		ATW05: "Facility - Billing Error"
		ATW06: "Facility - Delay in Processing Claim"
		ATW07: "Facility - EDS Delay"
		ATW09: "Facility - Medicare Untimely Follow-Up"
		ATW11: "Facility - Untimely Follow-Up"
		ATW30: "Facility - Readers Untimely Follow-Up"
		ATW31: "Facility - Rev [Review] Unit Processing Delay"
	CCS Time Limit (075): "To adjust California Children's Services (CCS) charges which have passed the statutory time limit for billing or were billed and denied for late submission."	ATW04: "Facility - A/R [Accounts Receivable] Denial - Efforts Exhausted"
		ATW05: "Facility - Billing Error"
		ATW06: "Facility - Delay in Processing Claim"
		ATW07: "Facility - EDS Delay"
		ATW11: "Facility - Untimely Follow-Up"
	Medi-Cal Time Limit. No MR information (135): "To adjust and track charges for inpatient and outpatient Medi-Cal accts that have passed the billing time limit due to missing Medical Records information."	ATW25: "PFS - Delay in Claim Disposition"
		ATW14: "HIM - Invalid Diagnosis for DOS" (sic)
		ATW15: "HIM - Medical Records Received Late"
		ATW16: "HIM - Incomplete or Missing Coding"
		ATW17: "HIM - No Medical Records Found"
	Medicare Time Limit. No MR information (136): "To adjust and track charges for inpatient and outpatient Medicare accounts that have passed the billing time limit due to missing Medical Records information."	ATW18: "HIM - No Response"
		ATW36: "HIM - Incomplete Physician Data/Name Missing"
		ATW35: "Medical Admin/Missing NPI# or Phy Lic#"
		ATW14: "HIM - Invalid Diagnosis for DOS" (sic)
		ATW15: "HIM - Medical Records Received Late"
	Incomplete Medical Documentation (137): "To adjust inpatient and outpatient charges for patients who have received medical services that cannot be billed due to incomplete medical record documentation. To be used only with authorization of the Chief Financial Officer."	ATW16: "HIM - Incomplete or Missing Coding"
		ATW17: "HIM - No Medical Records Found"
		ATW18: "HIM - No Response"
		ATW36: "HIM - Incomplete Physician Data/Name Missing"
		ATW35: "Medical Admin/Missing NPI# or Phy Lic#"
	Health Care Plan - Untimely Billing and Follow Up (153): "To adjust and track charges for inpatient and outpatient Health Care Plan (HCP) accounts that are considered either unbillable or uncollectible due to untimely billing and follow-up, missing medical records, arbitration dismissal, etc."	ATW01: "Apollo - Untimely Billing"
		ATW02: "Apollo - Untimely Follow-Up"
		ATW13: "Health Care Plan - Untimely Billing"
		ATW23: "PFS - 1 Year Letter Not Available"
		ATW24: "PFS - Administrative Error"
		ATW25: "PFS - Delay in Claim Disposition"
		ATW26: "PFS - No Response to Request"
		ATW27: "UR - No Responses to Request"
		ATW28: "UR - TAR Delay"
		ATW32: "PFS - Out of District"
		ATW33: "USCB - Untimely Follow-Up"
		ATW34: "USCB - Untimely Billing"

Source: Los Angeles County Department of Health Services

As noted in this section, within the Failed to Bill for Time Constraints DHS write-off classification, there is a sub-classification also classified as "Untimely Billing" that DHS uses. Figure 1.2 shows this "Untimely Billing" sub-classification is not an Affinity Adjustment Code, according to the DHS write-off procedure. This Untimely Billing sub-classification is all "Failed to Bill" for Time Constraints write-offs that were not further sub-classified into Affinity Adjustment Codes. This inconsistent structure does not provide DHS management with sufficient detail to assess causes of all "Failed to Bill" for Time Constraints write-offs. DHS should actively and consistently sub-classify write-offs using existing Affinity Adjustment Codes to monitor any problematic trends, including a repeated failure to meet the requirements of payers.

The sample data received by the audit team does demonstrate that DHS uses Reason Codes to classify write-offs. Some Reason Codes listed in the data sets received, though, are not included or defined in the Department's procedure for write-offs. Those Reason Codes are noted in the analyses below. This raises the possibility that staff may be interpreting the Reason Codes differently or not using the appropriate code for a write-off. Additionally, some Reason Codes in the provided data are not attributable to the Fiscal Manual Code, WFB, according to the DHS procedure. The Department should update their procedures accordingly and then ensure that all staff receives training or orientation on coding to ensure then uniform application of Reason Codes.

Untimely Billing Write-Offs Sample Demonstrate Key Trends That Align with Reported Problems

To analyze causes of Untimely Billing write-offs, the audit team reviewed a sample of accounts written off due to Untimely Billing in FY 2012-13 from Los Angeles County Medical Center (LAC+USC). Of those accounts, \$11,823,481 in gross charges, or approximately 88 percent of the total accounts classified as Untimely Billing, were written off due to time delays and backlogs attributed to DHS vendors, Patient Financial Services division operations at certain DHS facilities, the DHS Consolidated Business Office, and Utilization Review divisions at certain DHS facilities. Figure 1.3 provides a breakdown of LAC+USC accounts that were written off in FY 2012-13 and LAC+USC receipts for past write-offs, which the Department received in FY 2012-13. The receipts correspond to past write-offs that are being adjusted in FY 2012-13. The receipts are included in Figure 1.3 because when DHS reports gross charges to the Board of Supervisors to authorize write-offs, the these totals include receipts. While this report will largely be addressing write-offs issued, not the receipts recovered later, the audit team included the receipts in this initial table to ensure that if there is a comparison between this report and the documents on record with the Board of Supervisors, the numbers would align. Because the receipts correspond to past written off accounts, the audit team

A TIMELY AND CLEAN "BILL" OF HEALTH MAY SAVE \$285 MILLION

analyzed only the Total Gross Charges for Write-Offs, which only focuses on new write-offs approved in FY 2012-13.

Figure 1.3: All Untimely Billing Write-Offs at LAC+USC, Issued in FY 2012-13, by Reason Code

Reason Code Definition	Reason Code	Total Accounts Written Off	Inpatient Accounts	Outpatient Accounts	Total Gross Charges Written Off	Total Receipts Adjusting Past Write-Offs	Total Gross Charges Written Off Less Receipts
Apollo - Untimely Follow-Up	ATW02	1,836	66	1,770	\$ 3,018,025	\$ (40,729)	\$ 2,977,296
Facility [CBO] - Delay in Processing Claim	ATW06	20	15	5	\$ 2,120,927	\$ (10,480)	\$ 2,110,447
PFS [Patient Financial Services] - Delay in Claim Disposition	ATW25	1,499	2	1,497	\$ 1,738,741	\$ (327,240)	\$ 1,411,501
Facility [CBO] - A/R [Accounts Receivable] Denial - Efforts Exhausted	ATW04	19	19	-	\$ 1,551,957	\$ (264,448)	\$ 1,287,509
Facility [CBO] - Untimely Follow-Up	ATW11	30	29	1	\$ 1,211,132	\$ (11,947)	\$ 1,199,185
Facility [CBO] - Insurance Claim Denial	ATW29	50	16	34	\$ 803,726	\$ -	\$ 803,726
UR [Utilization Review] - TAR Delay	ATW28	22	21	1	\$ 693,558	\$ -	\$ 693,558
Facility [CBO] - Ins [Insurance] Untimely Follow-Up	ATW08	539	3	536	\$ 685,415	\$ (742,136)	\$ (56,721)
Subtotal for Top Reason Codes		4,015	171	3,844	\$ 11,823,481	\$ (1,396,980)	\$ 10,426,501
Apollo - Untimely Billing	ATW01	150	8	142	\$ 363,195	\$ (21,606)	\$ 341,589
HIM - No Medical Records Found	ATW17	3	3	-	\$ 345,710	\$ -	\$ 345,710
Administrative Adjustment*	ATW03	11	11	-	\$ 263,042	\$ -	\$ 263,042
Other - Various Reasons**	ATW22	197	-	197	\$ 237,575	\$ -	\$ 237,575
HOSP - PHP No Prior Authorization*	ATW19	106	-	106	\$ 173,934	\$ (97,642)	\$ 76,292
Facility - Billing Error	ATW05	7	7	-	\$ 148,091	\$ (10,414)	\$ 137,677
PFS - Administrative Error	ATW24	9	3	6	\$ 91,749	\$ (2,100)	\$ 89,649
Facility - Clearinghouse Delay	ATW10	7	7	-	\$ 52,678	\$ (1,132)	\$ 51,546
Facility - EDS Delay	ATW07	1	1	-	\$ 33,006	\$ -	\$ 33,006
CSI - Untimely Follow-Up**	ATW44	24	-	24	\$ 32,767	\$ -	\$ 32,767
HIM - Incomplete or Missing Coding	ATW16	2	1	1	\$ 11,714	\$ (20,110)	\$ (8,396)
CRE - Untimely Follow-Up**	ATW40	8	-	8	\$ 11,550	\$ -	\$ 11,550
UR - No Response to Request	ATW27	1	1	-	\$ 10,414	\$ -	\$ 10,414
HIM - Invalid Diagnosis for Date of Service (DOS)	ATW14	1	1	-	\$ 5,789	\$ -	\$ 5,789
MA - Other/No Sterilization Authorization**	ATW37	1	-	1	\$ 1,995	\$ -	\$ 1,995
CRE - Untimely Billing**	ATW39	2	-	2	\$ 1,655	\$ -	\$ 1,655
CSI - Untimely Billing**	ATW43	1	-	1	\$ 1,470	\$ -	\$ 1,470
Facility - Medicare Untimely Follow-Up	ATW09	1	1	-	\$ 1,068	\$ -	\$ 1,068
PFS - Out of District	ATW32	-	-	-	\$ -	\$ (42,574)	\$ (42,574)
Total		4,547	215	4,332	\$ 13,610,883	\$ (1,592,558)	\$ 12,018,325

Source: Los Angeles County Department of Health Services

* This Reason Code is not listed as a sub-classification for the WFB write-offs, according to the County of Los Angeles Department of Health Services Consolidated Business Office ATW Write-Offs procedure provided to the audit team.

** This Reason Code is not included in the County of Los Angeles Department of Health Services Consolidated Business Office ATW Write-Offs procedure provided to the audit team.

As shown in Figure 1.3 above, there were 4,547 accounts written off in FY 2012-13 at LAC+USC for Untimely Billing, with a total value of \$13,610,883 in gross charges. Of those 4,547 accounts, 4,015 accounts, or 88 percent of the total accounts, comprise \$11,823,481 or approximately 87 percent of the total write-offs, and are classified using just eight of the 27 available Reason Codes. In the course of audit interviews and reviews of additional datasets, key problems in DHS's billing processes were identified that align with the top eight Reason Codes above.

Untimely Billing Data for DHS Billing Vendors Show Vendors Are Not Following-Up on Some Denials, but Information Provided by Vendor Does Not Enable DHS to Determine Causes

As noted in Figure 1.4, a total of 1,836 accounts, or approximately 40 percent of the total of accounts written off as Untimely Billing at LAC+USC in FY 2012-13, totaling \$3,018,025 in gross charges, were classified as due to "Apollo - Untimely Follow-Up." This Reason Code references the largest billing vendor, Apollo, which is now Sutherland Global Services. For these written off accounts, SGS either 1) did not follow-up on a billed, but unpaid, account, or 2) SGS did not follow-up on a denial for an unpaid account within the payer's time constraints. In some cases, Apollo reportedly could not complete the billing process because DHS did not provide the data needed to complete the billing process.

Figure 1.4: "Apollo – Untimely Follow-Up" Write-Offs at LAC+USC, Issued in FY 2012-13

	Number of Accounts Written Off	Total Gross Charges Written Off
Reason Code "Apollo - Untimely Follow-Up" at LAC+USC	1,836	\$ 3,018,025
Total Untimely Billing Write-offs at LAC+USC	4,547	\$ 13,610,883
Percent of Total Untimely Billing Write-Offs	40.4%	22.2%

Source: Los Angeles County Department of Health Services

The average gross charge written off per account was \$1,643, which is consistent with the type of accounts assigned to Sutherland Global Services (Sutherland) as the primary biller for outpatient accounts. These outpatient accounts are not billed by DHS prior to Sutherland receiving patient and billing information. On some occasions, Sutherland is asked to follow up on inpatient accounts that were first billed by DHS. A total of 798, or 43 percent, of these 1,836 accounts dated from FY 2001-02 to FY 2008-2009. Some of these accounts could have been involved in lengthy appeals processes, while some could have remained inactive for years.

To assess potential problem areas with Sutherland's billing process that may explain these Untimely Billing write-offs, the audit team requested management reports provided by Sutherland to DHS several times. The management reports provided did not include detailed information such as (1) the date of service for specific accounts billed by Sutherland; (2) date of the initial bill and the entity that submitted the bill (i.e., Sutherland, CBO, or facility); (3) date of denial and/or remittance advice from the third party payer; and, (4) date of any additional follow-up to allow for an analysis of the timeliness of billing.

According to the most recent contract with Sutherland, the audit team believes that DHS could request such information to help assess the efficiency and effectiveness of the vendor's billing processes. Specifically, Section 3.2.16 of the contract states that Sutherland will "provide various management reports (i.e., eligibility identifications, claims billed, collections, remittance advice, denials, and *other reports*, in formats, content, and frequency)."

Patient Financial Services is Failing to Process some Accounts in a Timely Fashion

As noted in Figure 1.5, a total of 1,499 accounts, or approximately 33 percent of the total of accounts written off as Untimely Billing at LAC+USC in FY 2012-13, totaling \$1,738,741 in gross charges, were reportedly due to "PFS – Delay in Claim Disposition." This Reason Code references the failure of the Patient Financial Services (PFS) division at LAC+USC to collect all the necessary billing information from the patient, including any insurance provider, and then the division's failure to issue a claim to the Health Information Management division to continue the billing process.

Figure 1.5: "PFS [Patient Financial Services] - Delay in Claim Disposition" Write-Offs at LAC+USC, Issued in FY 2012-13

	Number of Accounts Written Off	Total Gross Charges Written Off
Reason Code "PFS [Patient Financial Services] - Delay in Claim Disposition" at LAC+USC	1,499	\$ 1,738,741
Total Untimely Billing Write-offs at LAC+USC	4,547	\$ 13,610,883
Percent of Total Untimely Billing Write-Offs	33.0%	12.8%

Source: Los Angeles County Department of Health Services

There are two key reported barriers to processing a claim in the PFS patient processing: 1) receiving accurate personal information from a patient, and 2) availability of authorized staff to process Medi-Cal applications.

First, PFS staff is dependent on the information provided by the patient to begin processing the necessary paperwork to later bill the account properly. In focus groups conducted by the audit team, many PFS staff reported that some patients are not forthcoming with accurate personal information, which later prevents claims from being properly processed.

The second reported problem is the frequency with which patients initiate Medi-Cal applications while at a DHS facility or after visiting a DHS facility, but then fail to complete them, leaving DHS unable to bill

Medi-Cal for the services provided to the patient. Many patients seen at DHS facilities may be eligible for Medi-Cal coverage, though they may not have active coverage upon entering the facility for services. PFS staff can process a Medi-Cal application for a patient to cover services received in the current visit. In FY 2012-13, DHS reported collecting 8,489 Medi-Cal applications, of which only 6,059 or 71 percent were completed and approved. Sources: Focus group discussions at LAC+USC and Harbor/UCLA that included HIM staff on 2.24.14-2.25.14; and email from CBO office detailing the number of Medi-Cal applications taken and approved on 3.20.14

At DHS facilities, Patient Financial Service Workers (PFSWs) are the only staff certified to take and complete Medi-Cal applications. PFSWs at LAC+USC, however, are only available for limited working hours. DHS reports PFSW shifts are 7:30 am to 5:30 pm, Monday through Friday, at LAC+USC. In contrast, at Harbor/UCLA, PFSW shifts are from 7:00 am to 5:00 pm, Monday through Friday, and then 12:30 pm to 9:00 pm, Saturday and Sunday. Sources: Interview with staff from PFS staff at Rancho Los Amigos and LAC+USC; 2.18.14; and suggested edits provided by DHS senior staff to draft report altering originally provided work hours for PFS staff 4.15.14

At all DHS facilities, the Patient Resource Workers (PRWs), which are PFS staff positions below PFSW positions, are available for all hours. Unfortunately, patients cannot complete Medi-Cal applications with PRWs. DHS reports that PRWs can complete the Medi-Cal Eligibility Checklist that indicates whether the patient is potentially eligible for Medi-Cal. If the patient is eligible for Medi-Cal, the patient will be reportedly referred to a PFSW who will take and process the Medi-Cal application. The lack of readily available PFSW staff likely presents a formidable barrier for patients to complete Medi-Cal applications, further limiting the Department's ability to bill for services. To address this problem, the Department should explore expanding the availability of PFSW staff at all facilities. Sources: Focus group discussion at LAC+USC that included PFS staff on 2.25.14; and edits provided by senior DHS staff to draft report adding description of PFS staff duties on 4.15.14

It should be noted that patients may also complete the application on their own online or through another agency, such as Department of Public Social Services. However, in these situations, DHS may not become aware of the approved application in time to bill Medi-Cal within its time constraints for the associated accounts. Sources: Interview with staff from PFS staff at Rancho Los Amigos and LAC+USC on 2.18.14; and edits provided by DHS Senior Staff to draft report adding description institutions that can take Medi-Cal applications on 4.15.14

Additionally, as of January 1, 2014, Medi-Cal launched the Hospital Presumptive Eligibility program (HPE). This program allows for temporary coverage for two calendar months (the month of enrollment plus the following month) with the completion of an abbreviated online form for children under 18 as well as their parents, caretakers, or relatives; pregnant women; "new adults" between 19 to 64 years old who are not pregnant, on Medicare, or eligible for any other

mandatory group; and former foster care children between 18 and 26 years old. This new application process can be completed with a PRW staff member. If the services are determined to be medically necessary, the Department can bill for services without the completion of a full Medi-Cal application with a PFSW. Under HPE, DHS will be able to receive reimbursement for services from Medi-Cal for an expanded population as services will be covered prior to the establishment of on-going Medi-Cal eligibility and patient enrollment will not be compromised by availability of authorized staff. DHS will likely see an increase in revenue due to this expanded eligibility, even if PFSW staff availability is not adjusted. Sources: Medi-Cal "Hospital Presumptive Eligibility Program Description" webpage, retrieved on 3.10.14; "Hospital Presumptive Eligibility Program Frequently Asked Questions" webpage retrieved on 3.10.14; and edits provided by senior DHS staff to draft report adding description institutions that can take Medi-Cal applications 4.15.14

Notwithstanding the two-month temporary coverage described above, enrollment in the HPE is limited to one enrollment per 12-month period. Outside of this period, the patient can complete a Medi-Cal application for on-going coverage. If the patient fails to complete Medi-Cal enrollment during the referenced 12-month period, he/she can reapply for HPE 13 months after the initial HPE approval and then apply for Medi-Cal.

Consolidated Business Office Is Not Processing Some Claims in a Timely Fashion

As shown in Figure 1.3, five of the eight Reason Code classifications comprising the top reasons for writing off Untimely Billing accounts relate to problems with the Consolidated Business Office (CBO). The Consolidated Business Office is responsible for submitting invoices to payers and following-up when payments are not received for five DHS facility clusters.

A total of 658 accounts, or approximately 15 percent of the number of Untimely Billing written-off accounts, totaling \$6,373,157 in gross charges, or approximately 47 percent of the total Untimely Billing write-offs for FY 2012-13 at LAC+USC were related to complications in the CBO, as demonstrated in Figure 1.6.

Figure 1.6: Consolidated Business Office-Related Write-Offs at LAC+USC, Issued in FY 2012-13

	Number of Accounts Written Off	Total Gross Charges Written Off
Facility [CBO] - Delay in Processing Claim	20	\$ 2,120,927
Facility [CBO] - A/R [Accounts Receivable] Denial - Efforts Exhausted	19	\$ 1,551,957
Facility [CBO] - Untimely Follow-Up	30	\$ 1,211,132
Facility [CBO] - Insurance Claim Denial	50	\$ 803,726
Facility [CBO] - Ins [Insurance] Untimely Follow-Up	539	\$ 685,415
Subtotal CBO-Related Write-Offs at LAC+USC	658	\$ 6,373,157
Total Untimely Billing Write-offs at LAC+USC	4,547	\$ 13,610,883
Percent of Total Untimely Billing Write-Offs	14.5%	46.8%

Source: Los Angeles County Department of Health Services

The five different Reason Codes listed above are generally defined as follows:

1. "Facility [CBO] – Delay in Processing Claim:" The CBO was unable to bill a payer within the time constraints set by the payer because of unspecified internal delays.
2. "Facility [CBO] – A/R [Accounts Receivable] Denial – Efforts Exhausted:" The CBO billed a payer for the claim and received a denial. They were unable to receive a reversal on the denial from the payer despite repeated attempts.
3. "Facility [CBO] – Untimely Follow-Up:" The CBO received a denial on a claim from a payer for some reason that warranted follow-up (e.g., missing documentation) and did not follow-up on the denial within the payer's stipulated time constraints.
4. "Facility [CBO] – Insurance Claim Denial:" The CBO billed a private insurance company and received a denial. It is not clear if the CBO followed-up on the denial in any way.
5. "Facility [CBO] – Ins [Insurance] Untimely Follow-Up:" The CBO billed a private insurance company for a claim, received a denial for a reason that warranted follow-up (e.g., missing documentation), and failed to follow-up on that denial within the payer's time constraints.

As compared to the previously discussed problems with the vendors and PFS, the accounts being written off by the CBO are high-dollar accounts, approximately \$9,686 per account. This number is likely skewed because CBO is the chief processor of higher dollar inpatient accounts in DHS. The CBO will pass on high dollar inpatient accounts to vendors only as a last effort to process them.

There are a number of factors that impact the CBO's timeliness in billing accounts, a chief problem as indicated by the proportion of Untimely Billing gross charges attributable to the CBO. A key recurring theme in interviews was the backlog of accounts to be billed that is maintained by the CBO. This backlog is reportedly largely due to a lack of required documents or medical record coding, and then exacerbated by the CBO's practice of billing verified eligible accounts multiple times to receive denials that elongate the claims billable timeline.

As presented in Figure 1.1 at the start of this section, write-offs of Medi-Cal accounts represent a substantial proportion of the Untimely Billing write-offs. To bill Medi-Cal fee-for-service for inpatient services, DHS is required to provide Medi-Cal with an InterQual Review (IQR) or Physician Advisor second level review approval for each day of a patient's stay at a DHS hospital. As discussed in the Background Section, IQRs establish both the inpatient medical necessity of a patient's stay at a hospital and the ability to receive reimbursements for such services from Medi-Cal. The IQRs are processed by Utilization Review (UR) nurses and then provided to the CBO to submit with Medi-Cal fee-for-service bills.

However, as further discussed below, there is an extensive backlog of accounts requiring completed IQRs with the UR staff. In order to extend the billing period for an account, CBO will reportedly bill Medi-Cal for reimbursement for an account without a completed IQR for that account to receive a denial. These denials extend the billing period to allow DHS to gather the necessary, but previously missing, materials (i.e., the IQR). This process of elongating the billing cycle, in turn, likely increases the workload of the CBO as they are responsible for submitting a Claims Inquiry Form for re-billing the given accounts, likely preventing CBO staff from meeting some deadlines for payers.

Write-offs are generally classified based on the last obstacle that caused the account to go unpaid. While there may be a series of events leading up to the last obstacle, those events go unrecorded in the classification of the write-off. For example, when a claim is billed to a payer by CBO, and is not paid, the classification of the write-off of the unpaid claim would be related to a problem with the billing process, e.g., for a denial, a missed deadline, etc. This would mean if the CBO bills for a claim without an IQR to extend the billing timeline, and if the IQR is never produced, the write-off is likely classified as one of the five CBO-related Reason Codes above for CBO-related timeliness. There is a code, "UR [Utilization Review] – TAR [Treatment Authorization Request] Delay," that references the delay in receiving a TAR, which is the older version of an IQR. Write-offs classified as "UR – TAR Delay" are reportedly for claims that are never billed and for which UR never sends a TAR or IQR to CBO. This means that the coded UR-related write-offs are likely understated, and the coded CBO-related write-offs are at least somewhat overstated.

In the recommended update of the DHS Reason Codes, DHS should consider developing a Reason Code to classify write-offs that are billed, but denied by the payer and finally written off because the claims lack TARs or IQRs. This would allow DHS management to track more effectively UR division performance across the county.

Utilization Review Division Maintains a Substantial Backlog

The last of the eight top Reason Codes for Untimely Billing write-offs is "UR [Utilization Review] – TAR [Treatment Authorization Request] Delay." As mentioned above, this Reason Code captures the write-offs of accounts that are never billed and for which the CBO never receives either a Treatment Authorization Request (TAR), which is the older version of an InterQual Review (IQR), or an IQR. This DHS write-off classification does not include accounts that were billed but for which the Utilization Review (UR) process delayed submission of the bill.

As shown in Figure 1.7 below, a total of 22 accounts, or approximately 0.4 percent of the sample accounts reviewed written off as Untimely Billing at LAC+USC in FY 2012-13, totaling \$693,558 in gross charges, were due to "UR [Utilization Review] – TAR [Treatment Authorization Request] Delay."

Figure 1.7: "UR [Utilization Review] – TAR [Treatment Authorization Request] Write-Offs at LAC+USC, Issued in FY 2012-13

	Number of Accounts Written Off	Total Gross Charges Written Off
Reason Code "UR [Utilization Review] – TAR [Treatment Authorization Request] Delay" at LAC+USC	22	\$ 693,558
Total Untimely Billing Write-offs at LAC+USC	4,547	\$ 13,610,883
Percent of Total Untimely Billing Write-Offs	0.5%	5.1%

Source: Los Angeles County Department of Health Services

As noted in audit focus groups and interviews, the completion of an InterQual Review (IQR) for Medi-Cal fee-for-service patients is time consuming for nursing staff because of the volume of data entry and frequency of reviews required by Medi-Cal. Formerly, a TAR was required by Medi-Cal for each day of an inpatient stay, and this was less time-consuming to complete than an IQR. Despite this, InterQual is a better system for DHS because it tracks with Medi-Cal requirements. In contrast, Medicare patients receiving inpatient services only need to meet the standard for medical necessity at admission not on each day of their stay.

At the majority of DHS facilities, DHS reports there are backlogs for reviewing the medical records of Medi-Cal patients for medical necessity and completing the IQR. DHS transitioned each of its

hospitals to the IQR system from the TAR system between October 2012 and February 2013. To prepare for the transition, the Department reports it stopped processing accounts that required TAR reviews in April 2012, exacerbating existing backlogs.

Because UR is responsible for reviewing each day of a patient's stay using InterQual, the divisions at all facilities track backlogs in terms of total days across all patients for all stays that continue to require InterQual review. In April 2012, prior to the DHS temporary pause in processing TARs; UR divisions across the Department had a total backlog of 80,999 days to review in order to proceed with processing outstanding Medi-Cal claims. Reportedly recognizing the increased workload for UR staff due to the IQR transition, DHS augmented its UR staff at the hospitals and reportedly increased staff overtime. By November 2013, DHS states its UR divisions across the Department had reduced the existing backlog in days to be reviewed in the new IQR system to 50,540 outstanding days from 80,999 outstanding days. While this decrease in the existing backlog is likely due in part to the increase in available staff, a backlog continues to exist, at 37,772 days to be reviewed as of March 2014.

Figure 1.8 below shows current outstanding inpatient Medi-Cal claims at LAC+USC that, depending on the age of the account, lack completed TARs or IQRs, as of February 2014. Again, this backlog within the UR divisions in completing TARs and IQRs is a key reason that the CBO processes claims without these documents to elongate the billing timeline for the claims.

Figure 1.8: Outstanding LAC+USC Medi-Cal Claims Lacking Utilization Review Documentation (TAR or IQR)

	Due Between January 1, 2014 and June 27, 2014	Pending: No Due Date Received Yet	Total
Claims Billed to Medi-Cal Without TAR or IQR	1,009	871	1,880
Claims Not Yet Billed to Medi- Cal Without TAR or IQR	Over a Year Since Discharge	Less than a Year Since Discharge	
	614	2,438	3,052
			4,932

Source: Los Angeles County Department of Health Services

As the figure demonstrates, 1,880 accounts, or approximately 38 percent, of the outstanding claims have been intentionally billed to Medi-Cal by CBO without a TAR or IQR to receive denials from Medi-Cal. As stated previously, when the denials are received, Medi-Cal provides CBO with a new due date based on the denial date, which extends the overall window within which CBO can submit a Claims Inquiry Form or re-bill for a claim. The table shows the range of new

due dates for these accounts that lack TARs or IQRs. Of the billed claims, a total of 1,009 revised claims are due between January 1, 2014 and June 27, 2014, and for those revised claims, the TAR and IQR information is missing.

The figure also demonstrates that there are 614 accounts that are over a year old and lack TARs or IQRs that have not been billed by CBO. Then there are 2,438 accounts that are less than a year old and lack TARs or IQRs that have also not been billed by CBO. A total of 3,052 accounts, or about 62 percent of the outstanding claims, have not been processed at all, with 20 percent of those claims that have not been billed being over a year old.

In addition to augmenting UR staff and increasing overtime work of existing UR staff, DHS has undertaken other tactics for addressing the backlogs. Presently, because of the UR backlog in processing TARs and IQRs, if a patient receiving inpatient services is discovered to have Medi-Cal or to be Medi-Cal eligible during his/her stay, reportedly around 7-10 days after being admitted to a hospital, the patient's account is processed as a retrospective review. This means the account is reviewed for medical necessity by UR staff after the patient's stay is complete. This retrospective review is in contrast to a concurrent review, or a review of a patient's stay for medical necessity, while the patient is in the facility. When it is discovered that a patient has access to Medi-Cal coverage, UR staff is required to process IQRs for each day of the patient's stay.

By processing an account as retrospective review, the UR staff postpones the review of the patient's medical record and the processing of all IQRs for each day of the patient's stay until after the patient is discharged. While this may relieve the immediate workload of a UR nurse, it is not clear that this system of retrospectively reviewing days for Medi-Cal eligible patients saves staff time. The retrospective IQR adds to the ongoing backlog of IQRs to be completed.

Additionally, the 7-10 day timeframe, after which UR staff decide to process an account for an onsite patient as retrospective review is not formally established in Department policies and procedures. The timeframe was reported in interviews and appears to be subjectively employed by staff based on perceived current workloads. The benefit, as stated, of the IQR system is that it is closely linked with Medi-Cal requirements, and if a patient's stay meets the IQR requirements, DHS is likely to be reimbursed for services. The retrospective completion of an IQR of a patient's medical record not only poses a risk for DHS, in that staff will only discover after a patient is discharged that some or all of the services provided did not meet the medical necessity test, but also adds to ongoing workloads.

This could lead to DHS incurring potentially unnecessary costs for services. Sources: Focus group discussions at LAC+USC and Harbor/UCLA that included UR staff on 2.24.14-2.25.14; and edits provided by Senior DHS staff to draft report adding description institutions that can take Medi-Cal applications on 4.15.14

Conducting IQRs for patients while those patients are still at a DHS hospital, even if the first days of a patient's stay have to be completed retrospectively, present the opportunity for DHS to lessen the growing, on-going backlog while reducing the financial liability of those patient stays. DHS should formalize in Department procedures the point at which accounts are retrospectively reviewed for medical necessity by UR staff.

As referenced earlier, the new Medi-Cal Hospital Presumptive Eligibility program (HPE), which expedites Medi-Cal coverage for an expanded population, has likely led to an increase in the volume of IQRs needing to be completed by UR because more patients are covered. The additional applicants only add to the existing IQR backlog as UR now has to monitor for inpatient medical necessity for an increased number of patients.

While it was reported that the Department is continuing to explore increasing staffing for Utilization Review teams, it seems that the scale of the increase, at least as currently implemented, is not meeting the ongoing, and likely increasing, demand for services. The Department did not provide the audit team with detail organization charts of the hospitals across the county, so the audit team was unable to conduct a staffing analysis. It is recommended that the Department explore conducting a staffing analysis at county facilities as an increase in staff may improve cash flow and reduce the risk of lost revenue.

FINDINGS

1. Medi-Cal accounts represent the majority of write-offs for the Untimely Billing write-off sub-classification.
2. The Department does not use Affinity Adjustment Codes or Reason Codes in all "Failed to Bill" for Time Constraints (WFB) classifications uniformly, making it difficult to accurately assess weaknesses in business processes contributing to DHS write-offs. By properly assigning stipulated codes and reviewing the data on write-offs, DHS management may be able to better address recurring internal problems.
3. The sample of Untimely Billing write-offs analyzed demonstrates key trends that align with reported problems in interviews.

4. Vendors are not following-up on some denials and information provided by the vendor does not enable DHS to determine causes for the denial.
5. Facility Patient Financial Services is not processing some accounts in a timely fashion
6. The Department's Consolidated Business Office is not processing some claims in a timely fashion.
7. Facility Utilization Review divisions maintain a substantial backlog on patient medical records in need of review for medical necessity

RECOMMENDATIONS

DHS should:

- 2.1 Utilize DHS's electronic billing system, Affinity Adjustment Codes on all accounts for classifying and better explaining the reasons for all write-offs.
- 2.2 Update the DHS write-off procedure to include all Reason Codes, including new Codes, as they are developed to ensure that there is uniform application of Reason Codes.
- 2.3 Expand the scheduled availability of Patient Financial Service Worker staff at all hospitals.
- 2.4 Develop and track a Reason Code which classifies write-offs for denied or late claims that are billed by the DHS Consolidated Business Office without Treatment Authorization Requests (TARs) or InterQual Reviews (IQRs) demonstrating the medical necessity of the services provided.
- 2.5 Formalize the point at which Medi-Cal fee-for-service accounts are retrospectively reviewed for patients still in the Department hospitals.
- 2.6 Conduct a Utilization Review staffing analysis at county hospitals as an increase in staff may substantially increase Department cash flow by decreasing backlogs and increasing the timeliness of billings.

SECTION TWO

Incomplete or No Medical Records

This section reviews the written-off accounts that are classified as Failed to Bill for Time Constraints, and then sub-classified as Incomplete or No Medical Records, which are "charges for patients who have received medical services that cannot be billed due to incomplete medical record documentation."

DHS's write-offs due to Incomplete or No Medical Records totaled \$101,568,377 in gross charges between FY 2008-09 and FY 2012-13. Across the five fiscal years reviewed, write-offs of Medicare accounts totaled \$57,673,677, or over 56 percent of the dollars written off due to Incomplete or No Medical Records. The total for Incomplete or No Medical Records write-offs for DHS in just FY 2012-13 was \$36,881,653, of which Medicare was the payer for \$31,521,556, or over 90 percent of FY 2012-13 write-offs in this sub-classification.

The audit team found there were three primary causes of Incomplete or No Medical Records write-offs: 1) a lack of registration of some DHS physicians required for Medicare billing, 2) barriers or complications in coding accounts by Health Information Management divisions, and 3) backlogs in coding by Health Information Management divisions. These three issues are jeopardizing the Department's ability to bill third party payers in a timely fashion and receive reimbursement for services provided.

For Write-offs due to Incomplete or No Medical Records, Medicare Charges were the Highest among All Payers

Section 1 and this section address the trends and reported problems for the write-offs due to Failed to Bill for Time Constraints (DHS Fiscal Manual Code: WFB). Accounts that are "Failed to Bill" for Time Constraints are defined by the county as "Accounts where patient was eligible for third-party reimbursement, but [the] county failed to bill for related charges within the payer's applicable time constraints."

This section addresses account write-offs in the Incomplete or No Medical Records sub-classification¹ of the Department's "Failed to Bill" for Time Constraints classification. These accounts are classified as Failed to Bill for Time Constraints, and then further classified as Incomplete or No Medical Records. These Incomplete or No Medical Records accounts are defined by DHS as accounts for which there are "charges for patients who have received medical services that cannot be billed due to incomplete medical record documentation." According to the Department write-off procedure, this Incomplete Medical Documentation code can only be used with the approval by DHS's

¹ DHS Affinity Adjustment Code: 137

Consolidated Business Office Manager. As shown in Figure 2.1, the proportion of write-offs for which Medicare and Medi-Cal were the payers has fluctuated greatly over the past five fiscal years. The write-offs averaged 56.8 percent and 35.3 percent, respectively, of the gross dollars written off due to Incomplete or No Medical Records. DHS efforts to reduce the write-offs due to Incomplete or No Medical Records should thus focus on the internal claims processes for Medicare and Medi-Cal.

Figure 2.1: Breakdown of DHS Write-Offs Due to Incomplete or No Medical Records, by Payer, FY 2008-09 through FY 2012-13

Fiscal Year	Payer	Accounts	Percent Accounts of Total	Gross Charges	Gross Charges of Total
2008-2009	Commercial Insurance	49	0.8%	\$ 76,404	0.4%
	Medi-Cal Managed Care	2,359	38.0%	\$ 2,113,866	10.9%
	Medi-Cal	3,739	60.2%	\$ 17,107,481	88.4%
	Medicare	68	1.1%	\$ 53,539	0.3%
	Other	1	0.0%	\$ 650	0.0%
	Total	6,216	100.0%	\$ 19,351,939	100.0%
2009-2010	Commercial Insurance	19	0.2%	\$ 315,520	13.6%
	Medi-Cal Managed Care	520	6.4%	\$ 823,980	35.5%
	Medi-Cal	3,018	36.9%	\$ (2,362,085)	-101.8%
	Medicare	4,610	56.4%	\$ 3,501,363	151.0%
	Other	7	0.1%	\$ 40,757	1.8%
	Total	8,174	100.0%	\$ 2,319,535	100.0%
2010-2011	Commercial Insurance	617	3.0%	\$ 320,605	1.4%
	Medi-Cal Managed Care	432	2.1%	\$ 747,275	3.2%
	Medi-Cal	9,351	44.8%	\$ 12,756,262	54.7%
	Medicare	10,292	49.4%	\$ 9,279,641	39.8%
	Other	163	0.8%	\$ 202,650	0.9%
	Total	20,855	100.0%	\$ 23,306,434	100.0%
2011-2012	Commercial Insurance	419	1.4%	\$ 949,568	4.8%
	Medi-Cal Managed Care	310	1.0%	\$ 1,179,422	6.0%
	Medi-Cal	8,381	27.3%	\$ 4,206,143	21.3%
	Medicare	21,621	70.3%	\$ 13,317,579	67.6%
	Other	24	0.1%	\$ 56,105	0.3%
	Total	30,755	100.0%	\$ 19,708,817	100.0%
2012-2013	Commercial Insurance	183	0.3%	\$ 438,773	1.2%
	Medi-Cal Managed Care	374	0.7%	\$ 650,119	1.8%
	Medi-Cal	4,716	8.5%	\$ 4,189,585	11.4%
	Medicare	49,829	90.3%	\$ 31,521,556	85.5%
	Other	58	0.1%	\$ 81,619	0.2%
	Total	55,160	100.0%	\$ 36,881,653	100.0%
Grand Total		121,160		\$ 101,568,377	
Five Year Average	Commercial Insurance	257	1.1%	\$ 420,174	2.1%
	Medi-Cal Managed Care	799	3.3%	\$ 1,102,932	5.4%
	Medi-Cal	5,841	24.1%	\$ 7,179,477	35.3%
	Medicare	17,284	71.3%	\$ 11,534,735	56.8%
	Other	51	0.2%	\$ 76,356	0.4%
	Five Year Average Total	24,232	100.0%	\$ 20,313,675	100.0%

Source: Los Angeles County Department of Health Services

Sample of Incomplete or No Medical Records Write-Offs Demonstrate Key Trends That Align with Reported Problems

The audit team reviewed a sample of FY 2012-13 write-offs from the Los Angeles County Medical Center (LAC+USC) to further clarify and document billing process issues contributing to write-offs, as identified in staff interviews and focus groups conducted for this audit. Figure 2.2 displays a breakdown of the write-offs due to Incomplete or No Medical Records at LAC+USC, showing both accounts that were written off as well as receipts for past write-offs, which LAC+USC received in FY 2012-13.²

Figure 2.2: Grand Total Breakdown of Write-Offs due to Incomplete or No Medical Records, by Reason Code at LAC+USC, FY 2012-13

Reason Code Definition	Reason Code	Total Accounts Written Off	Inpatient Accounts	Outpatient Accounts	Total Gross Charges Written Off	Total Receipts Adjusting Past Write-Offs	Total Gross Charges Written Off Less Receipts
HIM** - Incomplete or Missing Coding	ATW16	60	9	51	\$ 271,403	\$ (34,635)	\$ 236,768
PFS** - Delay in Claim Disposition*	ATW25	4	2	2	\$ 162,170	\$ (1,320)	\$ 160,850
HIM - No Medical Records Found	ATW17	32	9	23	\$ 102,624	\$ (1,889,944)	\$ (1,787,320)
HIM - Medical Records Received Late	ATW15	38	1	37	\$ 45,682	\$ (1,000)	\$ 44,682
HIM - Invalid Diagnosis for Date of Service (DOS)	ATW14	19	0	19	\$ 30,615	\$ (5,250)	\$ 25,365
HIM - Incomplete Physician Data/Name Missing	ATW36	15	0	15	\$ 20,585	\$ -	\$ 20,585
HOSP** - PHP** No Prior Authorization*	ATW 19	14	0	14	\$ 18,890	\$ (12,600)	\$ 6,290
HIM - Medical Administration - Missing NPI** Number or Physician License Number	ATW35	7	0	7	\$ 8,760	\$ (40,619)	\$ (31,859)
HIM - No Response	ATW18	0	0	0	\$ -	\$ -	\$ -
Total		189	21	168	\$ 660,729	\$ (1,985,368)	\$ (1,324,639)

* This Reason Code is not listed as a sub-classification for the Incomplete or No Medical Records (DHS Affinity Adjustment Code: 137) write-offs, or for the broader classification, Failed to Bill for Time Constraints (DHS Fiscal Manual Code: WFB) write-offs according to the County of Los Angeles Department of Health Services Consolidated Business Office ATW Write-Offs procedure provided to the audit team.

** The following acronyms are represented in the above Reason Codes and are defined here: HIM (Health Information Management), PFS (Patient Financial Services), HOSP (Hospital), PHP (Patient Hospitalization Program), NPI (National Provider Identifier).

Source: Los Angeles County Department of Health Services

There were a total of 189 accounts at LAC+USC written off as Incomplete or No Medical Records in FY 2012-13, as shown in Figure 2.2. Write-offs for the 189 accounts totaled \$660,729 in gross charges, or approximately \$3,496 in gross charges per account. Of the nine Reason Codes listed for Incomplete or No Medical Records write-offs in Figure 2.2, seven are directly attributable to processes managed by DHS's Health Information Management Division (HIM).³ HIM is the division in each DHS facility responsible for medical record coding and maintenance. Staff in this division is trained to code

² DHS Affinity Adjustment Code: 137

³ Reason Codes: HIM - Incomplete or Missing Coding, HIM - No Medical Records Found, HIM - Medical Records Received Late, HIM - Invalid Diagnosis for Date of Service, HIM - Incomplete Physician Data/Name Missing, HIM - Medical Administration - Missing NPI Number or Physician License Number, HIM - No Response.

accounts in the Affinity billing system based on the paper or electronic medical records received from clinical staff after a patient's discharge.

There are three key problems in HIM divisions across DHS facilities that contribute to write-offs attributed to Incomplete or No Medical Records:

1. Some DHS physicians reportedly do not have their National Provider Identifier Number linked to the DHS facility in which they practice, preventing the Department from billing Medicare
2. Records management practices are not consistent across DHS facilities
3. Backlogs in medical coding are prevalent at DHS.

Physicians without National Provider Identifier Numbers or Provider Transaction Access Number Prevent DHS from Billing for Medicare Services

DHS is required to report to Medicare a National Provider Identifier (NPI) number, which is a unique 10-digit identification number, and a Provider Transaction Access Number (PTAN), which links the physician with a facility or practice, for the physician with each account when billing Medicare for services. HIM staff cannot process a Medicare account without this information.

To obtain an NPI number and a PTAN, a physician will need to complete the online enrollment process with the National Plan and Provider Enumeration System. NPI numbers are typically assigned within twenty days of completing the online process. Then, an application⁴ must be completed by the physician and filed with Medicare linking the physician's NPI number to the DHS facility where services are provided. When the application form is received and approved by Medicare, the physician receives the PTAN. Medicare will not reimburse DHS for services without a current NPI number or a PTAN for the physician. Sources: "Examining the Difference between a National Provider Identifier (NPI) and a Provider Transaction Access Number (PTAN)," published by Department of Health and Human Services Centers for Medicare and Medicaid Services retrieved on 3.25.14; "Frequently Asked Questions: Provider Enrollment & Certification," published by Department of Health and Human Services Centers for Medicare and Medicaid Services retrieved on 3.25.14; and interview with Enterprise Director for HIM on 2.26.14

DHS reportedly does not have a formal process for ensuring that all physicians working at DHS facilities have registered NPI numbers and PTANs, despite the ease with which both can be obtained. This presents a potential barrier to billing for Medicare services. According to DHS staff, physicians who typically provide services to Medicare

⁴ An 855R form.

clientele usually have NPI numbers and PTANs prior to providing services at DHS facilities or receive one soon after arriving. However, if a Medicare patient arrives in the emergency room and receives treatment from a physician who typically does not provide Medicare-specific services, DHS would be faced with the great likelihood that the services provided could not be billed because the physician would lack a PTAN, as well as an NPI number.

DHS staff provided the audit team with lists of Medicare-approved physicians for all facilities across the Department. These lists included the following information for each physician: name, NPI, PTAN, date the PTAN request was sent to Medicare, date that confirmation of the request was received, and date the PTAN was approved. DHS staff noted that not every physician in the given facilities would be included on a facility's list because they may not be approved to bill to Medicare.

Only lists for three county facilities out of twelve facility lists provided showed that all the physicians listed held the requisite NPI numbers and approved PTANs. For nine of the facility lists provided, at least one of the Medicare-approved physicians at each facility lacked the NPI number, the PTAN number, or the PTAN approval date. In total, across all facilities, based on the lists of the Medicare-approved physicians provided, 19 physicians did not have listed NPI numbers, 23 physicians did not have listed PTANs, and 35 physicians did not have PTAN approval dates noted. These lists reportedly included the physicians for whom the facilities had this information on file and could successfully bill Medicare for services provided by the physician. DHS staff reportedly addresses the lack of an NPI number or a PTAN by tracking down the physician directly, usually after a claim is denied for the lack of an NPI number and completed application.

Additionally, DHS staff provided the audit team with selected data reportedly showing the total write-offs attributable to the lack of an NPI number or the lack of a PTAN in the past five fiscal years across all facilities. Figure 2.3 outlines the total countywide write-offs reportedly attributable to lack of NPI numbers or PTANs.

Figure 2.3: Total Write-Offs for Lack of NPI Numbers or PTANs across All Facilities for Past Five Fiscal Years

Fiscal Year	Total Gross Charges for NPI-Related Write-Offs	Total Gross Charges for Incomplete or No Medical Records Write-Offs	Percent
2008-2009	\$ -	\$ 19,351,939	0.0%
2009-2010	\$ 456,488	\$ 2,319,535	19.7%
2010-2011	\$ -	\$ 23,306,434	0.0%
2011-2012	\$ 8,497,030	\$ 19,708,817	43.1%
2012-2013	\$ 15,515,098	\$ 36,881,653	42.1%
Total	\$ 24,468,616	\$ 101,568,377	24.1%

Source: Los Angeles County Department of Health Services

In additional documents provided to the audit team at the start of the audit, DHS noted that it is estimated that in FY 2010-11, for all facilities, a total of \$8 million out of the total of \$23.3 million in Incomplete or No Medical Records write-offs were attributable to "physicians failure to complete Medicare NPI application to link to facility" (*sic*). When DHS staff then selected the raw data to provide to the audit team, this total write-off was not reflected in the raw data. Instead, it is shown that no dollars were written off in FY 2010-11 due to NPI-related problems. This suggests the total written off gross charges related to this matter may be understated.

Based on the provided total NPI-related write-offs and the lists of Medicare-approved physicians that lack key information needed for Medicare billing, DHS should require all physicians to receive and link their NPI number to their facility prior to commencing work at a DHS facility. This should be accomplished by the DHS division responsible for credentialing physicians. At the close of the audit fieldwork, DHS staff provided the audit team with documents demonstrating the sole source acquisition in March 2014 of Cactus Software. Cactus Software is a system for tracking physician credentials, like NPI numbers and PTANs. The addition of this software, however, is only the addition of a new tool for DHS to utilize to monitor physician credentials. The existence of Cactus alone does not guarantee that DHS will improve collecting or monitoring the necessary physician credentials absent management monitoring of physician compliance with this requirement.

In the interim, while not all physicians are required to have PTANs or NPIs, DHS should consider implementing a system, in coordination with facility clerical staff, by which a note or sticker in a patient's medical record alerts the physician to whether a patient is a Medicare patient and should be seen by a Medicare-approved physician. This would aid in preventing non-Medicare-approved physicians from providing services to Medicare patients. If DHS fails to require all practicing physicians to obtain an NPI number or a PTAN, the Department should develop a version of the alert system in the implementation of ORCHID.

Inconsistent Records Management Practices Prevent DHS from Billing Medicare and Medi-Cal for Some Patients

While Department-wide data on NPI-related write-offs was provided to the audit team, the remainder of the analysis in this section was only performed with LAC+USC sample data provided.

As shown in Figure 2.4, five of the Reason Codes for LAC+USC Incomplete or No Medical Record write-offs in FY 2012-13 were due to Health Information Management (HIM) division problems with coding: 1) Incomplete or Missing Coding, 2) No Medical Records Found, 3)

Medical Records Received Late, 4) Invalid Diagnosis for Date of Service, and 5) Incomplete Physician Data/Name Missing. The following table breaks down the aggregated dollars by these five Reason Codes.

**Figure 2.4: Write-Offs at LAC+USC Issued in FY 2012-13
Related to Health Information Management Problems**

	Number of Accounts Written Off	Total Gross Charges Written Off
HIM - Incomplete or Missing Coding	60	\$ 271,403
HIM - No Medical Records Found	32	\$ 102,624
HIM - Medical Records Received Late	38	\$ 45,682
HIM - Invalid Diagnosis for Date of Service (DOS)	19	\$ 30,615
HIM - Incomplete Physician Data/Name Missing	15	\$ 20,585
Subtotal HIM-Related Write-Offs at LAC+USC	164	\$ 470,909
Total Incomplete or No Medical Records Write-offs at LAC+USC	189	\$ 660,729
Percent of Incomplete or No Medical Records Write-Offs at LAC+USC	86.8%	71.3%

Source: Los Angeles County Department of Health Services

The following recurring problems were reported in audit interviews and focus groups as significant issues for HIM staff that can result in write-offs:

1. Codes are entered inaccurately by HIM staff.
2. Physicians take medical records off-site with them to review and it takes a long time to recover them.
3. International Statistical Classification of Diseases and Related Health Problems (ICD-09), the code standard used by DHS, does not have a code for some procedures or services provided.
4. Physicians frequently do not complete a form (PM 330) for each sterilization procedure as required by most third party payers.
5. Physicians frequently do not fill outpatient medical records fully.

These situations can stall, if not entirely prevent, HIM staff from completing the account coding so the claim can be processed. As noted, DHS currently maintains a hybrid paper-electronic system for processing patients' medical records, which allows many of the problems mentioned earlier, like physicians taking medical records off-site, to occur. These problems with the maintenance of records lead to HIM staff not being able to actively code an account. The

implementation of ORCHID, which will allow DHS to maintain a patient's records electronically and require physicians to electronically complete a patient's medical record, present an opportunity for DHS to work toward eliminating these problems such as missing or incomplete medical records going forward. At the time of the audit writing, the complete set of controls DHS will implement to ensure that all ORCHID users (e.g., physicians, nurses, coders, etc.) complete steps and forms on the electronic system have not been established by DHS staff. If the ORCHID system were to include alerts that prevented users from proceeding with other work until a required task is completed, that would likely aid in the reduction of these reported problems. DHS should monitor the processing of Medicare claims to ensure that the implementation of ORCHID is aiding in providing Medicare itemized claims.

Backlogs with HIM Jeopardize Billing Payers for Millions

As demonstrated in Figure 2.5, DHS data for write-offs listed as Incomplete or No Medical Records shows that write-offs of Medicare accounts represent a substantial proportion, if not the majority, of the Incomplete or No Medical Records write-offs in the past four fiscal years in the Department. Medicare requires itemized billing for outpatient accounts. For Medicare fee-for-service claims, the filing deadline is one calendar year from the discharge final service date, and if the deadline is missed, the claim is subject to denial. The coding failures outlined in the previous section contribute to the lack of completion of itemized billing for Medicare accounts. This factor leads to a backlog of accounts to be coded. Any backlogs in HIM's coding jeopardize DHS's ability to recover millions in billable accounts.

While write-offs related to Medicare accounts represent a substantial proportion of the Incomplete or No Medical Records write-offs, write-offs of Medi-Cal accounts have comprised on average more than 35 percent of the total charges written off for DHS's total Incomplete or No Medical Records write-offs over the past five fiscal years. As noted in Section 1 of this report, Medi-Cal fee-for-service claims are required to be submitted within a year of the associated discharge date, and those claims must include a diagnosis code, among codes required of HIM.

For Medicare, the figure below gives an overview of the currently outstanding Medicare claims, as monitored by DHS's Consolidated Business Office (CBO), that lack the required itemized bills for just LAC+USC accounts. Around 25 percent of the accounts listed are older than a year from the date of discharge. Health Information Management staff can check the Department's Quantim System, which shows accounts missing documents, for any outstanding document requests related to Medicare accounts, but the Department's CBO does not separately alert HIM divisions about missing documents. The CBO

has both weekly and monthly meetings with staff and facility representatives to review outstanding accounts.

Figure 2.5: Outstanding Medicare Claims Lacking Documents at LAC+USC for FY 12-13

Days from Discharge to February 13, 2014	Number of Accounts	Total Gross Charges
0 - 365	85	\$ 3,362,045
366 - 3,273	29	\$ 1,189,350
Total	114	\$ 4,551,395

Source: Los Angeles County Department of Health Services

DHS did not provide the audit team with the two key productivity reports⁵ for HIM coding requested for the past calendar year at LAC+USC, so the audit team is unable to estimate the total outstanding, unbilled accounts that are directly attributable to coding problems. DHS staff reported that such reports are not produced on a regular basis for any facility. It was also reported that this data is not saved, aggregated, or analyzed for trends by management. Additionally, the audit team is unable to estimate the extent of the possible future write-offs based on these backlogs because of the lack of past data. Given DHS staff reportedly have tools at their disposal to track backlogs in coding, it is recommended that staff at all facilities monitor backlogs in coding through these reports, and additionally, aggregate and review the data across time for trends to identify any systemic problem areas and to address those problem areas.

It should be noted that starting in October 2013, DHS began the process of implementing the newest version of the International Statistical Classification of Diseases and Related Health Problems (ICD-10), and the coding system used by HIM staff in coding accounts for services received. The new version, ICD-10, will replace the current ICD-9 set of classifications. The implementation of this new coding system is occurring across the country, and requires extensive training of current HIM coders. As of March 2014, the United States Congress voted to delay the implementation of ICD-10 a year beyond the original October 2014 deadline, until October 2015. Department HIM coders are attending trainings, which started in October 2013, through August 2014, though this may be revised given the extension. Prior to the start of these required trainings, these coders were operating with a work backlog, as noted above. It is anticipated that the backlog will be negatively impacted by the training demands on coders' time. The

⁵ The two productivity reports requested were: LAC + USC Medical Center Affinity Live Encounter Status Report (Query Name: Y CV PS ENC STATUS), which shows the outstanding "encounters" that need to be coded, and the LAC + USC Medical Center Affinity Live HIM Coding Workload Summary Report (Query Name: Y CV LACUSC Him Backlog (chg code)), which shows the completed, coded accounts for emergency room visits, outpatient surgery, and inpatient services. It was requested that reports from March 2013 through March 2014 be provided.

projected increases of patients under ACA will add to the existing backlog. DHS should consider the training demands and backlog when determining staffing in the future. Sources: Interview with HIM staff at LAC+USC on 2.20.14; interview with Enterprise Director for HIM on 2.26.14; focus group discussion at LAC+USC that included HIM staff on 2.25.14; "ICD-10 Delay: What are the Options?," published by Northwest Regional Primary Care Association retrieved on 3.11.14; "ICD-10," published by Department of Health and Human Services Centers for Medicare and Medicaid Services and retrieved on 4.17.14

FINDINGS

8. Overall, Medicare gross charges of the Incomplete or No Medical Documentation write-offs are the highest among all payers, accounting for \$101.6 million in DHS gross charge write-offs between Fiscal Years 2008-09 and 2012-13.
9. The audit sample of Incomplete or No Medical Records write-offs demonstrated key trends that aligned with problems reported by DHS staff involved in managing and executing the patient billing processes.
10. Approximately \$24.5 million in gross charge write-offs between FY 2009-10 and 2012-13 was attributed to physicians without National Provider Identifier numbers and required authorization with DHS for billing of services to Medicare.
11. Barriers or complications in coding accounts by Health Information Management divisions.
12. Coding backlogs in Health Information Divisions.

RECOMMENDATIONS

DHS should:

- 2.7 Utilize available systems and tools, and require DHS physicians to report their National Provider Identifier (NPI) number and complete the 855R form linking the NPI number to DHS, as required for Medicare billing purposes, prior to commencing work at a DHS facility.
- 2.8 Monitor the processing of Medicare claims to ensure that the implementation of ORCHID, the Department's new electronic health record system, is aiding and providing Medicare itemized claims.
- 2.9 Track the backlog for coding at all facilities through regular reports, similar to those produced by Los Angeles County/USC

Medical Center. Aggregate and analyze coding backlog data at all facilities for resulting trends to identify any problem areas.

- 2.10 Perform a staffing analysis in Health Information Management divisions at all DHS facilities to assess whether additional staff might ameliorate the current Health Information Management backlogs and delays in coding.

SECTION THREE

No Authorizations for Services and County Financial Incentive Policies

No Authorization for Services is the most common reason for write-offs that DHS classifies as "accounts where [the] patient was eligible for third-party reimbursement, but billing did not meet third-party requirements." For the five year period between FYs 2008-09 and 2012-13, the Department wrote off approximately \$68,247,162 million in gross charges because it had not obtained authorization from the patient's third party payer prior to providing non-emergency inpatient and outpatient services. As can be seen in Figure 3.1, the majority of the write-offs were for outpatient services.

Figure 3.1: Write-Offs due to No Authorization for Services, by Service, FY 2008-09 through FY 2012-13

	Accounts	Gross Charges
Outpatient ¹	53,842	\$47,341,904
Inpatient	556	\$17,010,850
Ambulatory Care Network (ACN) ²	3,964	\$3,894,408
Total	58,362	\$68,247,162

Source: Los Angeles County Department of Health Services

1. Outpatient services include emergency and urgent care services.

2. The Ambulatory Care Network consists of the Multi-Service Ambulatory Care Centers, Comprehensive Health Centers, and Health Centers

DHS patients whose services are reimbursed by a third party are generally covered by Medi-Cal and Medi-Cal Managed Care. These programs require authorization for services provided outside of the health plan's network. The majority of No Authorization for Services write-offs, is attributed to Medi-Cal Managed Care patients. A total of \$58,567,426 of the \$68,247,160, or 85.8 percent of write-offs due to No Authorization for Services over the past five fiscal years, was for Medi-Cal Managed Care inpatients, outpatients and ambulatory care network patients.

Medi-Cal Managed Care and private insurance companies will reimburse DHS for services provided if authorization is obtained in a

timely manner, typically within 24 hours of admission for inpatient services or prior to an outpatient clinic visit. A key to obtaining timely authorizations is determining the patient's third party payer, which is obtained by DHS staff in Patient Financial Services (PFS).

Most emergency room and urgent care services will be reimbursed. If physicians determine they need to admit a Medi-Cal Managed Care patient that arrived through the emergency room for inpatient services, and DHS is not in the patient's managed care provider network, then DHS is required to transfer the patient to an appropriate provider when they are stable for transfer. Utilization Review (UR) nurses are responsible for obtaining authorization from third party payers when a patient is admitted for inpatient services, monitoring medical necessity, and facilitating the transfer of patients. Any additional inpatient services provided to a patient that is stable for transfer to an authorized provider and follow-up care in outpatient facilities are typically not authorized for payment.

An examination of DHS business processes revealed some deficiencies that, if corrected, could result in more revenue collection for DHS for services to patients with Medi-Cal Managed Care or other third party payers.

DHS Is Scheduling Follow-up Services without Obtaining Authorization from Third Party Payers for a High Volume of Outpatients

Over the past five fiscal years, \$47,341,904 in gross charges for 53,842 outpatient accounts was written off, representing 69.4 percent of the \$68,247,160 in total gross charge write-offs due to No Authorization for Services from third party payers. Although the average charge per outpatient account with a write-off for No Authorization for Services was \$879, with 53,842 accounts in this classification, there is a significant impact on DHS revenues and, without changes in business processes, a significant risk of continued lost revenue for DHS.

Figure 3.2: Write-Offs Due to No Authorization for Outpatient Services, by Payer, FY 2008-09 through FY 2012-13

Fiscal Year	Payer	Accounts	Percent Accounts of Total	Gross Charges	Percent Gross Charges of Total
2008-2009	Commercial Insurance	(1)	0.0%	\$ (830)	0.0%
	Medi-Cal Managed Care	2,231	103.2%	\$ 1,967,175	101.5%
	Medi-Cal	(66)	-3.1%	\$ (28,276)	-1.5%
	Medicare	(1)	0.0%	\$ (187)	0.0%
	Other	(1)	0.0%	\$ (366)	0.0%
	TOTAL FY 2008-09	2,162	100.0%	\$ 1,937,516	100.0%
2009-2010	Commercial Insurance	111	2.7%	\$ 77,885	2.6%
	Medi-Cal Managed Care	3,966	96.2%	\$ 2,918,891	96.1%
	Medi-Cal	28	0.7%	\$ 25,576	0.8%
	Medicare		0.0%		0.0%
	Other	18	0.4%	\$ 15,543	0.5%
	TOTAL FY 2009-10	4,123	100.0%	\$ 3,037,895	100.0%
2010-2011	Commercial Insurance	126	1.1%	\$ 106,091	1.2%
	Medi-Cal Managed Care	11,481	98.1%	\$ 8,972,254	98.1%
	Medi-Cal	(97)	-0.8%	\$ (87,061)	-1.0%
	Medicare	(3)	0.0%	\$ (3,277)	0.0%
	Other	191	1.6%	\$ 153,456	1.7%
	TOTAL FY 2010-11	11,698	100.0%	\$ 9,141,463	100.0%
2011-2012	Commercial Insurance	1,712	9.7%	\$ 796,704	5.8%
	Medi-Cal Managed Care	15,171	85.7%	\$ 12,159,886	88.1%
	Medi-Cal	(77)	-0.4%	\$ (85,195)	-0.6%
	Medicare	(2)	0.0%	\$ (996)	0.0%
	Other	899	5.1%	\$ 924,754	6.7%
	TOTAL FY 2011-12	17,703	100.0%	\$ 13,795,152	100.0%
2012-2013	Commercial Insurance	2,552	14.1%	\$ 2,051,735	10.6%
	Medi-Cal Managed Care	14,474	79.7%	\$ 16,042,771	82.6%
	Medi-Cal	(15)	-0.1%	\$ 40,570	0.2%
	Medicare	(4)	0.0%	\$ (3,133)	0.0%
	Other	1,149	6.3%	\$ 1,297,935	6.7%
	TOTAL FY 2012-13	18,156	100.0%	\$ 19,429,877	100.0%
Total all 5 years		53,842		\$ 47,341,904	
Five Year Average	Commercial Insurance	900	8.4%	\$ 606,317	6.4%
	Medi-Cal Managed Care	9,465	87.9%	\$ 8,412,195	88.8%
	Medi-Cal	(45)	-0.4%	\$ (26,877)	-0.3%
	Medicare	(3)	0.0%	\$ (1,898)	0.0%
	Other	451	4.2%	\$ 478,264	5.1%
	TOTAL FY 2012-13	10,768	100.0%	\$ 9,468,001	100.0%

Source: Los Angeles County Department of Health Services

*Negative numbers reflect payments made, or adjustments, for accounts that were written-off in previous fiscal years.

As previously discussed, emergency and approved inpatient services for Medi-Cal Managed Care are typically reimbursed by third party payers. However, according to staff from LAC+USC and Harbor-UCLA facilities, some physicians schedule follow-up outpatient services, after basic needs are met through the emergency room/urgent care or after a patient has been discharged from the hospital, when the patient does not have prior authorization from their Medi-Cal Managed Care or other third party payer for such services.

These two DHS facilities have implemented a system in which colored stickers are attached to patient paper medical records to alert physicians that the patients have not been authorized to receive services at DHS facilities by their third party payer, and that the physicians should encourage the patients to seek services from a facility authorized by their third party payers, once the patient's basic needs are met. Staff from LAC+USC stated that physicians at the facility were trained on this colored sticker system and that there has been a reduction in the number of unauthorized follow-up services, though this was not quantified. However, staff from Harbor-UCLA stated that physicians continue to schedule unauthorized services, despite implementing the colored sticker system. This suggests a lack of management monitoring and physician accountability for directing Medi-Cal Managed Care patients to their health provider for follow-up services.

As DHS makes the transition to electronic health records, a similar method of alerting physicians of the patients' required authorization from third party payers for follow-up services should be included in its new electronic health records system, ORCHID. Although ORCHID is not a billing system, it should contain information on the patient's third party payer, as with all other pertinent information obtained by Patient Financial Services at registration. All physicians should be trained on the new warning system and accountability measures should be implemented to ensure that physicians schedule follow-up services appropriately.

In addition to trying to prevent physicians from scheduling unauthorized follow-up services, Patient Financial Services (PFS) division staff at LAC+USC is trying to pre-screen scheduled outpatient appointments to ensure that third party payers have authorized such services. When authorization from a third party payer is still required, PFS staff tries to obtain such authorization prior to the patient's scheduled appointment. When the third party payer does not provide authorization, PFS staff at LAC+USC is supposed to attempt to redirect the patient to the appropriate provider. However, focus group discussions and interviews revealed that the practice of diverting Medi-Cal Managed Care patients to their provider is inconsistent among facilities and by type of services provided. For example, some staff reported that the facility will remove casts or stitches on-site, even

though DHS would likely not receive reimbursement for Medi-Cal Managed Care patients. DHS staff reported that diverting patients to their primary provider is even more difficult when Medi-Cal Managed Care patients requests walk-in services.

DHS staff also reports that Medi-Cal Managed Care patients' ability to change health care plans or primary care provider every month could result in a lack of authorization for scheduled outpatient visits, even if their previous plan or provider authorized the services at the time the appointment was scheduled. Because of this, Rancho Los Amigos staff stated that PFS tries to screen scheduled outpatient appointments in the first few days of the month to identify those patients with appointments scheduled that have a new primary care provider as of the beginning of that month. While this would be a useful technique at all facilities, even better would be consistently pre-screening every scheduled outpatient appointment throughout the month to ensure that authorization for such services is obtained or, if not, that the patient is referred to a more appropriate provider.

DHS Is Not Obtaining Timely Authorization for Some High Dollar Value Inpatient Services

Between FY 2008-09 and 2012-13, the Department of Health Services had a total of \$17,010,850 in gross charge write-offs for 556 inpatient accounts, representing 24.9 percent of the \$68,247,160 in gross charge write-offs due to No Authorization for Services from third party payers. Because of the acute services provided for these accounts, the average charge per account written-off was \$30,595.

Figure 3.3: Write-Offs Due to No Authorization for Inpatient Services, by Payer, FY 2008-09 through FY 2012-13

Fiscal Year	Payer	Accounts	Percent Accounts of Total	Gross Charges	Percent Gross Charges of Total
2008-2009	Commercial Insurance	3	5.0%	\$ 85,944	4.2%
	Medi-Cal Managed Care	58	96.7%	\$ 1,987,099	98.1%
	Medi-Cal	(1)	-1.7%	\$ (46,458)	-2.3%
	Medicare		0.0%		0.0%
	Other		0.0%		0.0%
	TOTAL FY 2008-09	60	100.0%	\$ 2,026,585	100.0%
2009-2010	Commercial Insurance	1	1.1%	\$ 39,178	1.9%
	Medi-Cal Managed Care	88	93.6%	\$ 1,967,413	94.1%
	Medi-Cal	(1)	-1.1%	\$ (19,106)	-0.9%
	Medicare		0.0%		0.0%
	Other	6	6.4%	\$ 102,204	4.9%
	TOTAL FY 2009-10	94	100.0%	\$ 2,089,689	100.0%
2010-2011	Commercial Insurance	8	16.7%	\$ 80,760	6.8%
	Medi-Cal Managed Care	33	68.8%	\$ 1,051,326	88.2%
	Medi-Cal	2	4.2%	\$ 33,236	2.8%
	Medicare	1	2.1%	\$ 1,100	0.1%
	Other	4	8.3%	\$ 25,242	2.1%
	TOTAL FY 2010-11	48	100.0%	\$ 1,191,664	100.0%
2011-2012	Commercial Insurance	4	3.3%	\$ 98,372	3.2%
	Medi-Cal Managed Care	108	88.5%	\$ 2,436,682	79.0%
	Medi-Cal	6	4.9%	\$ 474,633	15.4%
	Medicare		0.0%		0.0%
	Other	4	3.3%	\$ 75,181	2.4%
	TOTAL FY 2011-12	122	100.0%	\$ 3,084,868	100.0%
2012-2013	Commercial Insurance	24	10.3%	\$ 760,057	8.8%
	Medi-Cal Managed Care	170	73.3%	\$ 6,164,967	71.5%
	Medi-Cal	11	4.7%	\$ 989,517	11.5%
	Medicare	3	1.3%	\$ 73,920	0.9%
	Other	24	10.3%	\$ 629,583	7.3%
	TOTAL FY 2012-13	232	100.0%	\$ 8,618,044	100.0%
Total all 5 years		556		\$17,010,850	
Five Year Average	Commercial Insurance	8	7.0%	\$ 212,862	6.1%
	Medi-Cal Managed Care	91	80.0%	\$ 2,721,497	78.5%
	Medi-Cal	3	3.0%	\$ 286,364	8.3%
	Medicare	2	1.7%	\$ 37,510	1.1%
	Other	10	8.3%	\$ 208,053	6.0%
	TOTAL FY 2012-13	114	100.0%	\$ 3,466,287	100.0%

Source: Los Angeles County Department of Health Services

*Negative numbers reflect payments made, or adjustments, for accounts that were written-off in previous fiscal years.

DHS is not obtaining authorization for some services in a timely manner for patients admitted into their facilities (inpatients) that have health care plans (e.g., Medi-Cal Managed Care or private insurance) for which the DHS facility is not a medical home or plan provider. Similar to outpatient services, PFS is responsible for obtaining information on the patient's third party payer. However, Utilization Review (UR) nurses are responsible for obtaining authorization from the third party payer or primary provider by fax or phone. This is always required for Medi-Cal Managed Care patients in instances when DHS is not a patient's primary provider. For example, an account with total charges of \$42,574 became a write-off when the private insurance company denied the claim due to late notification and a lack of authorization. The patient was admitted in July 2010, but the private insurance company was notified of their stay six days after the patient was admitted. DHS staff reported that the timeline for obtaining authorization varies by provider, but generally, the third party payer should be notified and authorization should be requested within 24 hours of admitting the patient.

If a third party payer or primary provider grants authorization for the patient's admission to a DHS facility, DHS must notify the third party payer or primary provider when the patient's condition is stable enough to transfer the patient to their provider and either (1) facilitate the patient's transfer or (2) receive authorization to continue to provide services. If DHS is unable to obtain authorization or facilitate the patient's transfer once the patient is stable, the third party payer may deny claims for the unauthorized days of inpatient service.

Insufficient information, staffing, and tools have contributed to the lack of timely authorizations for some inpatient services. Inaccurate information on the patient's third party payer, which should be identified by PFS at the time of admission, impedes UR nurses' ability to contact the patient's third party payer to obtain authorization. For instance, DHS staff reported that some patients identify themselves as having full scope Medi-Cal, which does not require authorization, as opposed to Medi-Cal Managed Care, which does.

As discussed in Section 1, there are reportedly insufficient UR nurses on staff to handle the existing workload of conducting inpatient medical necessity reviews and contacting third party payers for authorization. Further, DHS reported that UR nurses could be on hold for as long as 45 minutes while trying to obtain verbal authorization from a third party payer over the phone.

Though online authorizations are available for some third party payers, DHS staff reported that they have not been provided access to this capability. For example, Aetna has an online electronic precertification tool that is available 24 hours a day, Monday through Saturday, and begins at 9 a.m. on Sundays. Initial responses to requests for

authorization are supposed to be provided in one minute or less. However, it is unclear if the initial responses are sufficient for obtaining reimbursements for services provided, or how to conduct and how long a resolution process would take if there is an initial denial. Speaking to a person over the phone could facilitate faster resolutions if there are questions regarding the services and medical necessity. However, for more routine authorizations, an online process should be less time-consuming.

DHS should evaluate various staffing plans and assess available online tools to ensure that timely authorization is obtained for inpatient services. The extent to which the contract vendor Cerner could incorporate enhancements in ORCHID for online processing of authorizations should also be evaluated. In addition to determining the need for additional staff, DHS should consider delegating responsibility to specific staff such as having a dedicated unit of nurses responsible for obtaining authorizations while the remaining nurses focus on the more clinical aspects of medical necessity reviews.

Alternatively, DHS should consider delegating the task of obtaining authorizations to clerical staff so that all UR nurses can focus on medical necessity reviews. Additional training for clerical staff on specific medical terms, procedures, and diagnosis codes may be required under such an arrangement. DHS staff reports that such changes in work duties may require negotiation and changes in the labor contracts for clerical staff.

Finally, DHS should consider the costs and benefits of purchasing online precertification and preauthorization tools for specific third party payers to facilitate timely authorizations. The Department should determine whether the tool could interface with current DHS systems, if initial online authorizations and follow-up for denials is more efficient than calling the third party payer, and if it is more cost effective than hiring additional staff to obtain authorizations.

Write-Offs for Medi-Cal Managed Care Accounts Have Increased Over Time and Enrollment Is Expected to Increase

The problem of providing services to Medi-Cal Managed Care patients with No Authorization for Services is that the number of patients with this third party resource is likely to continue to grow with the implementation of the Affordable Care Act (ACA). If business processes are not improved, DHS risks greater write-offs of potential revenue from inpatient services and incurring additional costs for outpatient services that may never be reimbursed.

As shown in Figure 3.4, enrollment into Medi-Cal Managed Care in January 2014, was 13.3 percent and 21.4 percent more than the previous month's enrollment for the County Medi-Cal Managed Care

programs, the largest increase over a six-month period. Since Medi-Cal Managed Care enrollment is expected to increase, DHS should improve its business processes to obtain timely authorization, obtain complete medical information, and timely bill Medi-Cal Managed Care third party payers.

Figure 3.4: County Medi-Cal Managed Care Enrollment, September 2013 through February 2014

	LA Care	Health Net
September 2013	1,164,652	578,332
October 2013	1,161,504	577,292
Percent Increase/ Decrease	-0.3%	-0.2%
November 2013	1,168,192	581,344
Percent Increase/ Decrease	0.6%	0.7%
December 2013	1,162,375	578,536
Percent Increase/ Decrease	-0.5%	-0.5%
January 2014	1,317,212	702,299
Percent Increase/ Decrease	13.3%	21.4%
February 2014	1,340,710	705,080
Percent Increase/ Decrease	1.8%	0.4%

Source: California Department of Health Care Services Medi-Cal Managed Care Enrollment reports.

As discussed above and as shown in Figure 3.5 below, \$58,567,426, or 85.8 percent of the \$68,247,160 in gross charge write-offs due to No Authorization for Services over the past five fiscal years, was for Medi-Cal Managed Care inpatients, outpatients and ambulatory care network (ACN) patients. The number of accounts and value of the write-offs have increased over the years.

Figure 3.5: Write-Offs for Medi-Cal Managed Care Patients Due to No Authorization for Services, FY 2008-09 thru FY 2012-13

Fiscal Year	Accounts	Gross Charges
FY 2008-09	2,295	\$ 3,958,144
FY 2009-10	4,064	\$ 4,892,105
FY 2010-11	11,538	\$ 10,036,260
FY 2011-12	15,381	\$ 14,646,252
FY 2012-13	17,106	\$ 25,034,665
Total	50,384	\$ 58,567,426

Source: Los Angeles County Department of Health Services

Further, Figure 3.6 shows that \$21,669,116 in gross charges were written-off for Medi-Cal Managed Care patients that may have had authorization for services, but claims for these patients were denied due to untimely billing or no or incomplete medical information. According to DHS staff, such write-offs are supposed to be tracked in their umbrella write-off classification called Managed Care Adjustments. However, write-offs for Medi-Cal Managed Care accounts were found in the classification of write-offs discussed in Section 1 (Untimely Billing) and Section 2 (No or Incomplete Medical Information), as well.

Figure 3.6: Write-Offs for Medi-Cal Managed Care Patients due to Failing to Meet Time Constraints, FY 2008-09 through FY 2012-13

Fiscal Year	Untimely Billing		Managed Care Adjustments		No or Incomplete Medical Information		Total	
	Accounts	Gross Charges	Accounts	Gross Charges	Accounts	Gross Charges	Accounts	Gross Charges
FY 2008-09	6	\$ 50,084	439	\$ 1,905,905	2,359	\$ 2,113,866	2,804	\$ 4,069,854
FY 2009-10	1	\$ 11,857	667	\$ 1,069,093	520	\$ 823,980	1,188	\$ 1,904,930
FY 2010-11	165	\$ 123,249	2,226	\$ 5,657,873	432	\$ 747,275	2,823	\$ 6,528,398
FY 2011-12	162	\$ 685,562	696	\$ 2,169,333	310	\$ 1,179,422	1,168	\$ 4,034,316
FY 2012-13	484	\$ 1,084,188	1,940	\$ 3,397,360	374	\$ 650,119	2,798	\$ 5,131,667
Total	818	\$ 1,954,940	5,968	\$ 14,199,564	3,995	\$ 5,514,662	10,781	\$ 21,669,166

Source: Los Angeles County Department of Health Services

County Policies for Financial Incentives

Implementing several of the recommendations in this section and throughout the report to improve the Department's collection of revenue from billing third party payers may require additional funding for resources such as staffing and tools. Policies and practices should be established to ensure that revenue collections exceed annual costs and surplus revenues remain with the Department to promote and facilitate increased revenue collections.

As discussed in the Background Section, the Department's ability to retain any additional revenue collected from improved collection processes is dependent on several factors related to its realignment agreement with the State. Specifically, DHS should evaluate the ratio of expected revenue collection to the cost to implement recommendations such that the cost to implement them does not result in total DHS costs exceeding the annual cost cap under the State agreement and expected revenue collection.

Additionally, the Board of Supervisors' annual approval of General Fund contributions to the DHS budget could facilitate or hinder the Department's ability to implement recommendations and improve collections. According to Department management, when DHS received surplus revenue under previous realignment formulas: (a) DHS was able to retain the surplus funds for DHS operating expenditures in subsequent years and (b) the county General Fund contribution to the DHS budget was not reduced in subsequent years to offset retained surplus funds. However, DHS management reported that the Board of Supervisors could vote to reduce the county General Fund contribution to the DHS budget, subsequent to fiscal years with surplus revenue, as long as the total county contribution still meets the required minimum contribution amount under its agreement with the State.

To provide an incentive for DHS staff to improve business processes and reduce write-offs, the Board of Supervisors should consider the advantages and disadvantages of adopting a formal policy to allow for a minimum level of annual General Fund contributions to the DHS budget that is beyond the required contributions by the State and irrespective of any additional revenue DHS is able to obtain through improved collection efforts.

FINDINGS

13. Physicians reportedly scheduling follow-up outpatient services, after basic needs are met through emergency room/urgent care or after a patient has been discharged from the hospital, when the patient does not have prior authorization.
14. The Department of Health Services is not obtaining timely authorization for high dollar value inpatient services due to the inability of Patient Financial Services staff to obtain prior authorization or redirect patient's to facilities in the patient's health plan's network prior to all schedule outpatient appointments.
15. Insufficient or inadequate allocation of resources and tools for Utilization Review nurses to obtain timely authorization from other health care plans for inpatient.
16. Write-offs for Medi-Cal Managed Care patient accounts due to no authorization for services have increased over time. As Medi-Cal Managed Care enrollment is expected to increase over time, it is imperative that DHS improve its business processes to ensure timely authorization and billing for Medi-Cal Managed Care patients.
17. Because the Board of Supervisors is able to decrease subsequent fiscal year General Fund contributions to offset increased DHS revenues from prior fiscal years, such Board actions could potentially serve as a disincentive for DHS staff to increase revenue collections.

RECOMMENDATIONS

DHS must:

- 2.11 Implement an electronic notification method for alerting physicians of patients' required authorization from third party payers when follow-up services are required.
- 2.12 All physicians must be trained on the new electronic notification system and accountability measures should be implemented to ensure that physicians schedule follow-up services appropriately.
- 2.13 Require all DHS facilities to regularly pre-screen scheduled outpatient appointment to ensure that authorization is obtained or the patient is referred to a more appropriate provider.

- 2.14 Evaluate effective and efficient staffing models to support the need for obtaining authorization from third party payers for inpatient services; such as a designated unit, a centralized staff, or an independent utilization review service.
- 2.15 Determine the cost-effectiveness of implementing third party payers' online authorization tools to ensure timely authorization for inpatient services.
- 2.16 Collaborate with Cerner, the Department's vendor for its new electronic medical record system, ORCHID, to determine if enhancements in the new system could facilitate online processing of health care plan authorizations for DHS services.

The County Board of Supervisors should:

- 2.17 Consider the advantages and disadvantages of adopting a formal policy to allow for a minimum level of annual General Fund contributions to the DHS budget.
- 2.18 Allocate a portion of the funds to DHS if additional revenue is obtained through improved collection efforts that are beyond the required contributions by the State and irrespective of any additional revenue DHS is able to obtain through improved collection efforts.

REQUEST FOR RESPONSE

Recommendation Number	Responding Agency
2.1 through 2.16	Department of Health Services
2.17 and 2.18	Los Angeles County Board of Supervisors

ACRONYMS

DHS	Department of Health Services
TTC	Treasurer Tax Collector
TAR	Treatment Authorization Request
IQR	InterQual Review
ORCHID	Online Real-time Centralized Health Information Database
NPI	National Provider Identifier
HIM	Health Information Management
CBO	Consolidated Business Office
PFS	Patient Financial Services
WFB	Accounts where patient was eligible for third-party reimbursement, but the County failed to bill for related charges within the payer are applicable time constraints.
WOM	Accounts where patient was eligible for third-party reimbursement, but billing did not meet third-party requirements and payment is denied. Patient is not responsible for charges.
PFSW	Patient Financial Service Workers
HPE	Hospital Presumptive Eligibility program
UR	Utilization Review
PTAN	Provider Transaction Access Number
ICD-09/10	International Statistical Classification of Diseases and Related Health Problems, Version 09/10

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CAREER AND JOB PREPAREDNESS IN PUBLIC HIGH SCHOOLS



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CAREER AND JOB PREPAREDNESS IN PUBLIC HIGH SCHOOLS

TOPIC OF INVESTIGATION

The 2013-2014 Los Angeles County Civil Grand Jury (CGJ) examined current certification programs and other job preparedness programs available in grades 9 through 12 in Los Angeles Unified School District and Long Beach Unified School District. These are the two largest school districts in Los Angeles County.

What is America going to do without skilled workers who can build and repair things in today's society?

BACKGROUND

Much attention is being paid in today's society to develop people with skills necessary for the future workplace. The business community is concerned that there will be a lack of trained workers to do the available jobs. Schools are viewed as major components in the complex equation to improve our skill base.

After the Civil War, individuals such as Samuel Chapman Armstrong, the founder of Hampton Institute and the father of African-American vocational education, addressed the social and economic challenges faced by former slaves with respect to their job opportunities. The first vocational education system in America can be traced back to the apprenticeship agreements of the Colonial period. In the past few years the words "vocational training" have been virtually eliminated in the world of education. Vocational education in the United States is a by-product of national evolutionary, economic and educational issues which have influenced the definition of vocational education (www.ini.wa.gov).

The CGJ was concerned by the minimal implementation of vocational training programs in the Los Angeles Unified School District (LAUSD), and formed a committee to address this issue. Shop and other hands-on classes began to disappear in the 1990's (High School Vocational

Education: Past and Present-ERIC Contract ED-99-Co-0013). One factor in the demise of vocational training was due to the School District's placement of primarily African-American students and other minorities in these non-academic classes.

As a result of "tracking," as this placement came to be known, minority students were at a disadvantage in learning academic skills needed to meet the University of California/California State College (UC/CA State) entrance requirements. This information is shown at: www.admissions.universityofcalifornia.calstate.edu. At the same time, they were not being fully prepared for post-high school jobs or careers. Graduating from high school did not put the students on the path to college, nor did it provide them with the skills needed to earn what college graduates can expect to earn in the workplace.

According to a Forbes article, "The Death of Shop Class and America's Skilled Workforce" (May 30, 2012), 75% of the students in California are not going to attend university. They are taking classes that meet 'a-g' requirements established by the University of California and California State Colleges. These requirements are a) History/Social Science, b) English, c) Mathematics, d) Laboratory Science, e) Language other than English, f) Visual and Performing Arts, and g) College Preparatory Elective Courses. Forbes states these classes are designed to ensure that students can participate fully in the first-year program at any University of California/California State campus in a wide variety of fields of study. The requirements focus on theory and not on applied skills that can be used in the workplace. Shop classes are not included in the UC/CA State 'a-g' subject requirements and, therefore, are not valued in our high schools. As a result, shop classes have been eliminated, for the most part, from California high schools. According to the Forbes article, ninety percent of shop classes previously offered in LAUSD have already been eliminated as shop teachers retire and are not replaced. However, the marketplace has seen a greater demand for skilled craftsmen such as carpenters, electricians, plumbers, machinists, mechanics, etc.

Not all students are college-bound due to a variety of factors, including a lack of interest, lack of funds, lack of grades, or family and cultural issues. These students tend to be the ones who will not pursue higher education or who will enroll in college and drop out before graduation. They may benefit from opportunities to acquire both academic and career skills.

The CGJ's original investigation focused only on the schools in LAUSD that, according to information given by the Superintendent of Schools when he met with the CGJ in October, 2013, provided certificates leading to jobs for those who may or may not go to college, but may go on to other career and job preparedness opportunities available to high school students. As the investigation progressed, the CGJ decided to explore and compare the availability of those opportunities in the two largest school districts in Los Angeles County: Los Angeles Unified School District (LAUSD) and Long Beach Unified School District (LBUSD). The CGJ was especially interested in dropout rates before and after the implementation of courses that showed the relationship between academics and work experiences.

The CGJ also found that vocational training is alive and well in the Los Angeles County Juvenile Camps. In an interview with the Superintendent of the Los Angeles County Office of Education (LACOE) on January 23, 2014, he explained that LACOE provides education services to incarcerated youth. Leadership of LACOE report that the youth are assessed at intake. Most are found to lack basic skills in reading, writing and mathematics. According to the Superintendent, enrollment in vocational training classes has improved basic skills. The youth are applying what they are learning in a real-time, hands-on situation and are achieving success.

The CGJ requested information on career and technical training from LBUSD, which, according to data from its staff, has a proven track record of achievement in this area, in order to compare the efficacy of its programs to those of Los Angeles Unified School District.

Working with the Long Beach Superintendent of Schools, the mayor of Long Beach was instrumental in developing a new career/technical program in the 2007-2008 school year. According to a statement by the Superintendent, the mayor was "appalled that about 80 to 90% of local high school students were not enrolling in college right after graduation." He recognized that the traditional route from high school to college was not working for everyone. The first attempt at change was the development of the ACE (Architecture, Construction, and Engineering) Academy. This was not a traditional vocational school program, as it included strong college-prep academic courses, as well as hands-on practical experience in the work force. This was accomplished through special projects, classes at local colleges and internships. The students in these programs receive internships at the Boeing Corporation and other major companies in Long Beach.

(Source: "Student 'ACE' Vocational Skills And Graduate Better Prepared for Careers" – Educational Innovation, 2011).

The ACE Academy graduates have gone, and continue to go, to college or progress directly into the work force with the strong skill sets necessary for success.

FINDINGS

Long Beach Unified School District

The Long Beach Unified School District is now providing career and job preparedness programs in all its high schools. It has implemented the tenets of the Linked Learning program funded by grants from the James Irvine Foundation of San Francisco, California. Due to the success of the ACE Academy, LBUSD broadened its approach to career and job preparedness.

The Long Beach School District has developed and implemented its version of Linked Learning, a new program in High School education. It is designed to prepare students for college and career success. The four components of Linked Learning are: rigorous academic experience; real-world technical skills; work-based learning; and strong support services that include, among other things, mentoring, tutoring, parent engagement, and career exploration through internships (<http://linkedlearning.org>). LBUSD calls its version of Linked Learning "Career/Technical Education," or CTE. The CGJ found that LBUSD had refined its career and job preparedness offerings in the last decade and has fully implemented a new district-wide program. According to data received from LBUSD, the success of the program is demonstrated by the decrease in the dropout rate from 12.7% in the 2011-2012 school year, to 11% as of April of the 2013-2014 school year.

Los Angeles Unified School District

The LAUSD leadership is not a proponent of recreating the vocational education (shop) classes of the past because of the stigma of tracking. It currently has initiated a number of programs focusing on career preparedness throughout the district. STEM (Science, Technology, Engineering, Mathematics), CTE (Career/Technical Education), and

Global Studies are programs that have had varying degrees of success according to LAUSD personnel.

LAUSD is also piloting the Linked Learning program in selected schools, according to the LAUSD Linked Learning Coordinator. The Linked Learning Office is independent of LAUSD's Curriculum Office which is responsible for all other programs. The Linked Learning Office plans to expand the number of participating Linked Learning schools and provide the career preparedness opportunities to all LAUSD high school students. As an example, per the Linked Learning Office, Bravo Medical in East Los Angeles which provided certificates for work in the field of health care has become a Linked Learning school because of the more rigorous academic approach.

While LBUSD is using its CTE program as its central thrust, LAUSD is using a "scatter-shot" approach. In comparison, there is no major thrust in the LAUSD for implementing programs consistent with Linked Learning tenets. Becoming a Linked Learning school is not mandated by the LAUSD as it is in LBUSD, according to the Linked Learning Office. The program has to be adopted by an individual school's principal and school staff because the program works on a collegial basis. All staff members must participate in the program in order to ensure success for all students.

LAUSD is permitting the implementation of the Linked Learning program based on the success being demonstrated at the first eight high schools participating in the program. It is now being initiated in thirty-two high schools in the LAUSD. This may be the first wave of a super reform to upgrade education. The change in schools adopting the Linked Learning program meets both academic and work experience needs. It is beneficial for both the college-bound and the workplace-bound students. The skill sets developed will serve both groups of students in the future.

According to the Superintendent of LAUSD, the current dropout rate is between 30 and 40 percent. This may indicate that not all students are being reached and engaged in school. More job related classes in which the academic coursework can be applied to real projects may guarantee higher graduation rates. The success of the program at LBUSD, as previously stated, is demonstrated by the decrease in the dropout rate from 12.7% in the 2011-2012 school year to 11% as of April, 2014. (Source: Director-Curriculum, Instructional & Professional Development at LBUSD: April 9, 2014.)

RECOMMENDATIONS

- 3.1 LAUSD should implement instructional strategies in a manner that students can apply the skills learned in academic classes.
- 3.2 LAUSD should explore the possibility of making more internships available with local businesses.
- 3.3 LAUSD needs to explore the possibility of increasing the number of school-wide and/or district-wide "Career Days" to expose students to career opportunities available to post-high school graduates, such as LBUSD has done.
- 3.4 LAUSD and LBUSD need to communicate and recommend best practices for career and job preparedness.

COMMENDATIONS

The CGJ commends the LACOE for its implementation of vocational programs designed to prepare its incarcerated youth for release into the workforce, thereby possibly lowering the chance of recidivism.

The CGJ commends LBUSD and its staff for implementing CTE and for providing the CGJ with materials and answers to all its questions.

What is America going to do without skilled workers who can build and repair things in today's society?

REQUEST FOR RESPONSE

Recommendations	Responding Agency
3.1 through 3.4	Los Angeles Unified School District

ACRONYMS

CGJ	2013-2014 Los Angeles County Civil Grand Jury
LAUSD	Los Angeles Unified School District
LBUSD	Long Beach Unified School District
UC/CA STATE	University of California/California State
LACOE	Los Angeles County Office of Education
ACE	Architecture, Construction, and Engineering
CTE	Career/Technical Education
STEM	Science, Technology, Engineering, Mathematics

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CHALLENGES OF REALIGNMENT



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CHALLENGES OF REALIGNMENT

TOPIC OF INVESTIGATION

In October 2011, dramatic changes with the implementation of Realignment occurred in the Los Angeles County Probation Department (LACPD). Realignment requires that the LACPD assume responsibility for supervision of a large population of felons who have been released from state prison, after completion of their sentences with goals for rehabilitation and community safety. This released population falls into a higher risk category than had previously been served by the LACPD.

This investigation by the 2013-2014 Los Angeles County Civil Grand Jury (CGJ) focused on how the LACPD is meeting these new challenges. The information contained in this report (unless otherwise cited) was provided by LACPD, and includes historical data, current budget information, statistical data, glossary of definitions, program procedures and updated monthly reports on absconders and recidivism. The CGJ utilized the reports submitted to the Board of Supervisors which included information relative to staffing, caseload, and enhanced monitoring of the released population.

BACKGROUND

In 2011, Assembly Bill 109 (AB 109) was implemented. The California penal system was reorganized by AB 109, creating a new category of felons. They now serve their prison sentences in county jail, instead of in state penitentiaries. The administration of the penal system is realigned between the state and county governments.

The two categories under Penal Code 1170(h) are straight jail time without probation, and split sentence time, which is part jail time and Post-Release Community Supervision as supervised by the LACPD. The LACPD states that since the passage of AB 109, many defendants are ordered to do their state prison sentence in county jail. They are then released on percentage time, without Probation Department supervision in the community. Percentage time means the inmates

will serve their entire sentence, minus any good time credits, and/or additional credits applied as a result of overcrowding. According to LACPD, approximately 95% of those released fall into this category. They are sentenced to straight jail time without probation. Prior to Realignment, they would have served their term in state prison.

The following are subsections under Penal Code 1170(h):

1170(h) (1) (2) refers to a straight term served in a local jail with no mandatory supervision following release.

1170(h) (3) refers to a defendant with a current, prior serious or violent conviction. The defendant cannot receive local custody and does not qualify for a split sentence. The defendant may go to state prison with no mandatory supervision following release.

1170(h) (4) refers to traditional probation, deferred entry of judgment, and drug court.

1170(h) (5) the defendant serves a portion of a term in county jail and is released to mandatory supervision (probation). Upon release the defendant will be supervised by probation under the same terms, conditions and procedures of formal probation for the un-served portion of the sentences. The supervision can only be terminated by a court order. The defendant is accountable to pay restitution if there is a victim, and will pay fines and fees.

All current and prior convictions for serious, violent, or sex offenders, and seventy plus additional offenses not defined as serious or violent, serve their time in state prison. Those released from prison whose convictions are non-serious, non-violent, and who are not designated as mentally disordered violent predators, are released to the supervision of the LACPD. The majority of the caseload from 2011 to the present is comprised of inmates who fit Realignment guidelines.

This population is a tougher group of people to monitor than traditional probation clients. They often have more acute social, medical, and mental problems. Traditionally, the LACPD provided supervision for offenders convicted of felonies which did not result in prison

sentences. Typically, following a jail sentence (if imposed), the offenders would be monitored on probation for an average of up to three years.

County jails were not intended to house long term offenders. The harsh environment of jail life may potentially create other behavioral issues.

All of the above obstacles to rehabilitation are to be met and overcome by the LACPD within a single year of supervision!

This realigned population requires more intense supervision, greater coordination with other county agencies, and community support services. The level and authority of supervision includes: unannounced home calls, compliance checks, drug testing with immediate results, flash incarceration, search, and seizure and imposition of sanctions. The challenges of monitoring higher risk offenders, with the goal of rehabilitation, are a daunting mandate for the LACPD.

The CGJ Investigative Committee focused on certain areas of operation of the Probation Department: Budget, Staffing, Procedures, Case Load, Absconders and Recidivism.

FINDINGS

Budget

The adopted budget for Fiscal Year 2012-2013 for the Public Safety Realignment Program allocated to Los Angeles County, totaled \$272,296,000 for general operations. This represented 31.77% of California's AB 109 allocated funds.

The 2013-2014 adopted budget totaled \$338,130,000, and is detailed in the attached document titled "Public Safety Realignment (AB 109), County of Los Angeles, 2013-2014 Budget".

The 2014-2015 estimated budget allocation totals \$329,709,000.

**Public Safety Realignment (AB 109)
COUNTY OF LOS ANGELES BUDGET**

DEPARTMENT	2011-12 Budget	2012-13 Budget	2013-14 Budget
Alternate Public Defender	\$735,000	\$566,000	\$1,013,000
District Attorney	\$1,455,000	\$1,660,000	\$3,030,000
Public Defender	\$1,429,000	\$1,480,000	\$2,290,000
Conflict Panel	\$10,000	\$50,000	\$54,000
PFU Interpreters	\$500,000	\$500,000	-
PFU (Reserve)		\$2,982,000	
REVOCATION PROGRAM TOTAL	\$4,129,000	\$7,238,000	\$6,387,000
Auditor – Controller			\$253,000
CCJCC			\$190,000
Fire		\$1,154,000	\$8,727,000
Health Services	\$2,178,000	\$9,170,000	\$15,255,000
ISAB			\$635,000
Mental Health	\$11,691,000	\$24,338,000	\$28,006,000
Probation	\$28,823,000	\$73,879,000	\$80,777,000
Public Health	\$2,419,000	\$8,411,000	\$12,399,000
Sheriff	\$75,294,000	\$149,549,000	\$185,502,000
PFU (Reserve)		\$5,795,000	
OPERATIONS PROGRAM TOTAL	\$120,405,000	\$272,296,000	\$331,743,000
CCP Grant (CCJCC)	\$200,000	\$466,000	
GRAND TOTAL	\$124,734,000	\$280,000,000	\$338,130,000

Staffing

AB 109 required that the county take over the monitoring of the realigned population, which includes those coming from the California Department of Corrections and Rehabilitation (CDCR). These inmates are released to county probation rather than state parole. The Post Release Supervised Persons (PSPs), released from state prison to the county, will not include: third strikers, individuals with a current serious or violent commitment offense, high risk sex offenders as defined by CDCR, individuals serving a current life term, and individuals determined to be a Mentally Disordered Offender.

The mandate caused the LACDP to increase staffing and create a division designed specifically for AB 109 offenders. The LACPD implemented a staffing plan by holding open examinations for various positions. The majority of the AB 109 related positions were expected to be filled through promotions and lateral movement, as well as open exams for a variety of peace officer classifications. The department obtained approval from the Los Angeles County Chief Executive Officer to fill 144 (Fiscal Year 2011-2012) positions. By June, 2012, 121 positions had been filled. Of those, 92 were transfers and 29 were promotions. To replace those promoted, the LACPD held open examinations for Deputy Probation Officer I (DPO). By October 2012, the Chief Executive Officer approved an additional 326 staff positions for Fiscal Year 2012-2013. This brought the total approved positions to 470. By October 2013, 306 of the 470 allocated positions had been filled, (235 Field DPO II positions and 71 administrative support staff positions).

In March 2013, the LACPD implemented additional background and screening tools that included a polygraph examination. For the calendar year 2013, eighteen percent of the acceptable candidates withdrew their candidacy prior to the background process. Of those that entered the background examination process, seventy-seven percent failed the background, medical, or psychological examinations. Of the twenty-three percent that were offered employment, sixteen percent failed to successfully complete the department's training academy.

Training for all newly promoted AB 109 officers includes six weeks of state mandated Core Field Officer Training, thirty-two hours of clinical

mental health training, and forty additional hours per year of field training.

RECOMMENDATION

- 4.1 The Probation Department must continue to obtain funds and fill staff positions based on the mandated program needs.

Post-Release Community Supervision Procedures

The LACPD in coordination with the County's Public Safety Realignment Team developed case intake to case termination procedures. As previously stated, AB 109 legislation modified parole statutes and created a Post-release Community Supervision Program under the auspices of the County. LACPD responsibilities and procedures include the following:

1. The pre-release packet for each inmate scheduled to be released to the County is sent from the CDCR to the Probation Pre Release Center. The Post Released Supervised Person (PSP) packet provides pertinent information, such as release date, criminal history, social history, medical and mental health issues, and legal status. The staff then evaluates the data and develops an individualized case plan. The information is used to determine risk levels, supervision conditions, monitoring requirements, and the verification of address to determine local office designation. Conditions of release, supervision, instruction, and reporting responsibilities are returned to the respective PSP for signature.
2. An individualized treatment case plan is finalized during the Screening, Intake and Assessment process. The PSP's past criminal record is reviewed. The entire record is reviewed to determine the assignment of a risk level. (Tier O – very high; Tier I – high; Tier II – medium; Tier III – Low). The following Risk Level Chart shows the monthly standards for supervision.

MINIMUM MONTHLY STANDARDS					
TIER	SUPERVISION LEVEL	OFFICE VISITS	FIELD VISITS	DRUG TESTS	ASSESSMENT PRE & POST
0	Very High	1	1	1-2	Orientation and Cognitive Behavioral Therapy (CBT) completion
I	High	1	1	1-2	Orientation and CBT completion
II	Medium	1	Quarterly	1-2	Orientation and CBT as needed
III	Low	1	None	2 per quarter	Orientation

Records of the PSP are scanned into the Adult Probation System (APS). All records regarding PSPs are maintained in the APS. This system enables the DPO to access a number of screens to input accurate and comprehensive data from each contact, in order to maintain current information.

3. The PSP is mandated to report to one of the four Probation HUBs within two business days of release. The HUB is a collaborative group of agencies, consisting of the Department of Mental Health (DMH), Department of Public Health Services (DPH), and Department of Public Social Services (DPSS). An orientation is conducted with the PSP. During this orientation, referrals are made to Community Based Organizations for mental and physical health services, substance abuse, and the assignment of a Deputy Probation Officer (DPO) is completed. In addition, any other emergent needs (housing and transportation) are identified and addressed.

If the PSP requires mental health treatment as a condition of their release, a referral to DMH is completed. The PSP must be registered within five working days to participate in mental health treatment.

Refusal of the PSP to enroll or participate in a mental health program could result in intermediate sanctions, Flash Incarceration, and Revocation. Intermediate sanctions are imposed as a result of the PSP violating conditions of their post release plan. Flash Incarceration is a period of detention in county jail, for up to ten days, for violating conditions of post-release supervision. Flash Incarceration applies to PSPs only, and requires approval by the Supervising Deputy Probation Officer. Revocation returns the PSP to jail. This process requires court approval. If a PSP fails to comply with the conditions of their case plan, the DPO can impose intermediate sanctions up to and including, Flash Incarceration and Revocation.

If the PSP requires substance abuse treatment, the DPO ensures that this condition is added to the APS, and provides a referral to the local Community Assessment Service Center. The PSP has five working days to report for assessment.

During this process, thorough instructions are given to the PSP. All referrals, instructions, and documents are signed by the PSP, and the PSP is given a copy. The PSP has the opportunity to request additional services. A referral is submitted for housing and employment through the various departments who offer contracted services. The PSP may be eligible for, but not limited to, the following:

1. Bus tokens or transportation provided by the Mobile Unit
2. Housing assistance
3. Employment and job placement
4. Clothing, uniforms, and tools for employment
5. Medication and medical supplies
6. Enrollment fees (e.g. Community College/GED Classes/Vocational Schools)
7. Identification fees (e.g. CA driver's license/ID card, birth records/certificates, social security cards)

If the PSP fails to report, the DPO conducts due diligence and submits a petition for a warrant. The petition is submitted to the courts within five working days.

The LACPD assists the PSP in becoming accountable, working towards rehabilitation by case management, supervision, and monitoring.

The DPO is responsible for making routine home calls and compliance checks at the reported residence of the PSP. The number of home calls depends on the risk, need level cooperation and adjustment of the PSP in the community. The routine home calls are generally made by two DPOs. The Compliance Checks include additional DPOs and law enforcement that have search, seizure, and arrest authority. The purpose of the home calls are to ensure that the PSP is residing at the reported address. The PSP must be in compliance with conditions of their case plan, participating and receiving their collaborative services.

The LACPD has developed a list of violations which is a guideline to ensure that consistent application of sanctions is followed. There must be a balance between rehabilitative casework and the appropriate level of sanction and rewards for compliance and noncompliance. DPOs must address all violations appropriately and comply with supervision conditions. If warranted, the DPOs make referrals to the Court for Revocation proceedings.

Sanctions and Revocation can be imposed for failure to comply with any of the following:

1. Employment/education conditions
2. Gang affiliation/membership/activity conditions
3. Victim related conditions
4. Sex offenders conditions
5. Substance abuse conditions
6. Mental Health conditions
7. Weapons violation: PSP in possession of weapon

8. Weapons violation: PSP in presence of weapon

9. General Conditions of supervision

- a. reporting
- b. residence
- c. identification
- d. misdemeanor arrests
- e. felony arrests
- f. registration conditions

The application of sanctions including verbal, intermediate sanctions and revocation are progressive. All verbal and/or written admonishments are documented.

The PSP must be discharged from Probation at 12 months if no custodial violations, sanctions or infractions have occurred. If the PSPs violate the condition of their release, the LACPD may initiate the revocation processes through the court.

COMMENDATION

We commend the line staff who demonstrated professionalism and dedication to the program mandates.

Case Load

As of August, 2011, according to LACPD, the number of Active Adult Probationers prior to implementation of AB 109 was 51,023. The number of Active Adult Probationers post passage of AB 109, as of February 28, 2014, numbered 43,464. This excluded AB 109 probationers. The total adult population with AB 109 is 52,850.

The LACPD states that since the passage of AB 109, many defendants are ordered to do their state prison sentence in county jail. They are released on percentage time, without LACPD supervision, in the community.

During the first two years of AB 109, 18,392 state prisoners have been released to the supervision of the LACPD instead of state parole. This is according to a two year status report on realignment given to the

Los Angeles County Board of Supervisors. The LACPD currently has a caseload of about 10,000 former state prisoners.

AB 109 probation officers are expected to work in the office and also conduct field duties. During a home call the DPO is required to walk through and draw a diagram of the home. The DPOs may be accompanied by another DPO or law enforcement officers. It should be noted that although these officers are armed, they do not receive safety officer pay or benefits. Even though the potential for hostile confrontation is present, most of the DPOs who complete compliance checks do not carry a weapon. In addition, the department has embedded numerous DPOs with local police and sheriff deputies to assist in conducting these compliance checks and home visits.

According to sources at the LACPD, when AB 109 was initially passed, the caseload per DPO was approximately 200 to 1. At this time it is approximately 60 to 1. The LACPD classifies offenders into four Risk Categories, namely: Tier 0 - Very High, Tier I - high risk, Tier II - medium risk, and Tier III - low risk. According to the LACPD, five percent are Tier 0; sixty percent are Tier I, thirty four percent are Tier II, and one percent is Tier III.

The goal is to reach a 20:1 caseload ratio for those requiring the highest level of service. The Tier level does not take into account providing extensive services. Dealing with AB 109 PSPs entails extra work coordinating a number of benefits. These include employment and housing, as well as a wide variety of services in conjunction with the DMH, DPSS, and DPH.

RECOMMENDATION

- 4.2 LACPD must continue to analyze and adjust the ratio of post-release cases to DPOs, and adjust caseloads based on the level and intensity of case supervision.
- 4.3 LACPD must increase the number of armed DPO officers.
- 4.4 Given that LACPD is now responsible for supervising the majority of the realigned population, the LACPD must explore providing safety pay and retirement benefits to the armed probation officers.

Absconders

An absconder is a PSP whose whereabouts is unknown, and is currently in a state of non-compliance with his or her term of probation. A warrant has been issued for the PSP's arrest.

Of the 10,000 released from state prison, nearly twenty percent have absconded from supervision. Currently there are over 1,900 absconders. This represents nineteen percent of the county's population of PSP probationers. An assessment shows PSPs to be at a higher risk for committing new crimes. The Sheriff's Department was given funding and responsibility for pursuing absconders. The LACDP has embedded five DPOs with the Sheriff's Department Parole Compliance Team (PCT).

The LACPD petitions the court to issue a warrant for the arrest of an absconder. The warrants are distributed to law enforcement agencies on a weekly basis. The PCT conducts the effort to locate the PSPs named in the warrants.

The PCT and local agencies use all available systems to gather background information on individuals named in the warrants to identify potential domiciles, frequented locations, family members, associates, or other leads. Law enforcement entities conduct the operation to apprehend absconders. In 2011, the first year, 28 absconders were located and arrested: 149 in 2012; 138 in 2013 and 21 as of the date of this report.

The LACPD has developed key strategies and priorities.

- a. The PCT plans to add both sworn and non-sworn personnel to address the increased warrant workload.
- b. LACDP plans to implement a more functional electronic monitoring program.
- c. Participate in the development of a statewide Post-Release Community Supervision Program database. This would significantly assist in locating and identifying absconders.

RECOMMENDATION

- 4.5 LACDP must assist in developing, implementing, participating, and utilizing a statewide database.

Recidivism

The entire penal system faces the challenge of recidivism. According to a Los Angeles Times article of January 13, 2014, titled, "Population of Prisons to Increase", California's prison population is expected to grow. The reason for the increase is debatable. However, under AB 109, felons are sentenced to jail instead of prison. The article also raises the issue of violent crimes being committed by felons, parolees, and probationers who are re-cycled in and out of the overcrowded jails. In addition, although the voters eased the penalties for third strike offenders, the numbers of offenders committing nonviolent felonies with two strikes are still going to prison instead of jail. Because of this, according to LACPD, the number of PSPs is less, in part, because there has been a reduction of cases sentenced to direct probation supervision.

The County adopted that recidivism would be defined as "*a qualifying return to custody during a specified time period*". The proposed "specified time period" is the three-year period immediately following a subject's release from custody.

Custody is jail, prison, and all other alternative sentencing options. These would also include fire camp or electronic monitoring imposed in lieu of jail or prison following a qualifying event. This time period prevails regardless of a subject's supervision period. Although the LACPD has maintained accurate numbers for current reports, it will take two to five years to report "real" rates of recidivism.

Qualifying returns would include:

1. Misdemeanor arrests where there has been a new criminal filing or a violation in lieu of a new criminal filing.
2. Felony arrests where there has been a finding of probable cause through a preliminary hearing or grand jury indictment.
3. Convictions.
4. Revocations of community supervision.
5. Flash incarceration.

CHALLENGES OF REALIGNMENT

Based upon the CGJ's investigation, the implementation of AB 109 has been relatively successful. This is due to the concerted efforts of the LACDP, Sheriff's Department, the supportive services of the Department of Mental Health, Department of Health Services, Department of Public Social Services, and the Community Based Organizations. The released population receives services designed to assist in their rehabilitation as "clients" not as "ex-cons". All of the entities and parties continue to evaluate, document and implement changes to ensure the services needed to assist, direct and rehabilitate the released population.

The cooperation and collaborative efforts of the "clients", inclusion of their families, and various agencies, has created a program whose goal is to change the lives of offenders and ensure the safety of our communities.

COMMENDATION

The CGJ recognizes and appreciates that operating the LACPD has become a daunting task, and we applaud their efforts.

REQUEST FOR RESPONSE

Recommendation Number	Responding Agency
4.1 through 4.5	Los Angeles County Probation Department

ACRONYMS

LACPD	Los Angeles County Probation Department
CGJ	Civil Grand Jury
AB 109	Assembly Bill 109
PFU	Provisional Financing Uses
CCJCC	Countywide Criminal Justice Coordination Committee
ISAB	Information Systems Advisory Body
CDCR	California Department of Corrections and Rehabilitation
PSPs	Post Released Supervised Persons
DPO	Deputy Probation Officer
CBT	Cognitive Behavioral Therapy
APS	Adult Probation System
DMH	Department of Mental Health
DHS	Department of Health Services
PCT	Parole Compliance Team

COMMITTEE MEMBERS

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James P. Thomas	Co-Chairperson
Leroy R. Titus	Secretary
John M. Anthony, Jr.	

EXECUTIVE DIRECTIVE

No.9 CITY OF LOS

ANGELES LAWSUITS



James P. Thomas
Stephanie A. Alexander
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Chairperson
Co-Chairperson
Secretary

EXECUTIVE DIRECTIVE No. 9 CITY OF LOS ANGELES LAWSUITS

TOPIC OF INVESTIGATION

After a preliminary investigation, members of the 2013-2014 Los Angeles County Civil Grand Jury (CGJ) expressed concern about compliance by the City of Los Angeles Departments with the Mayor's Office Executive Directive No. 9 (Exec9). A copy of Exec9 is attached to this report as Attachment A. Exec9 outlines the requirements city departments must follow for effective litigation risk management (LRM). Given the substantial amount of lawsuit payouts, combined with budget constraints, the CGJ decided to investigate city department compliance with Exec9.

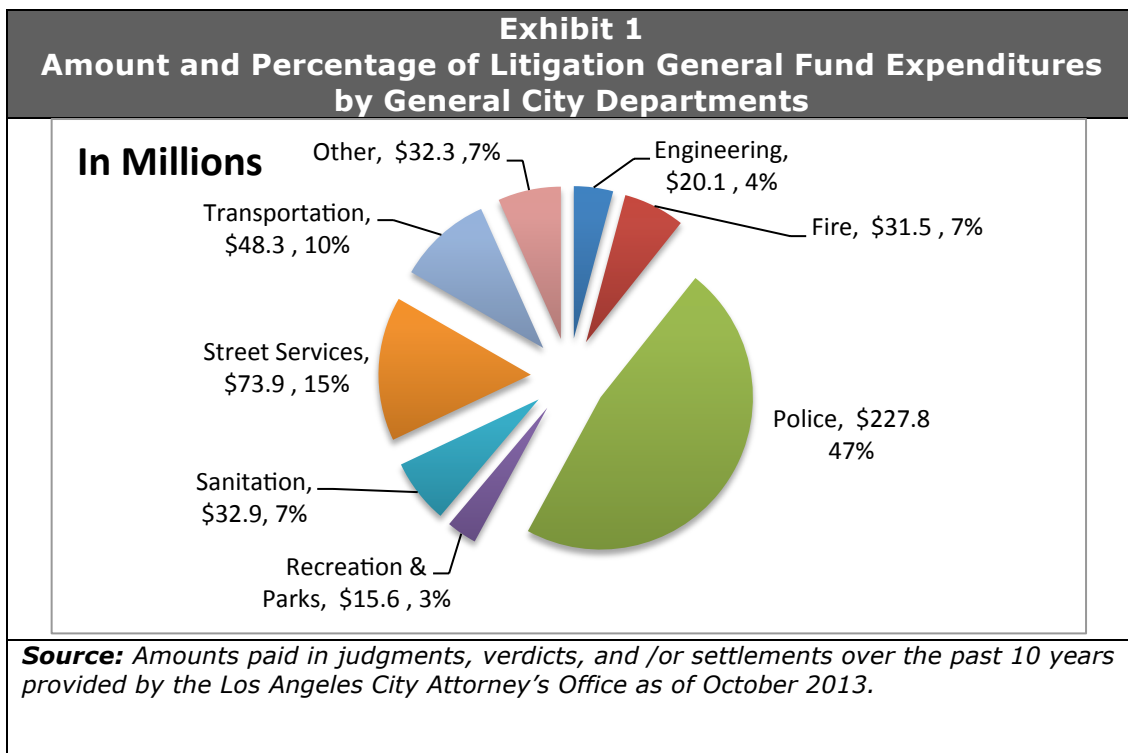
BACKGROUND

The City of Los Angeles expends substantial amounts each year to settle or pay awarded amounts for claims and lawsuits filed against the city. Below is a list with a brief description of the seven general city departments or bureaus that the CGJ focused on during this investigation.

1. **Engineering Bureau:** responsible for designing and managing the construction of city infrastructure and facilities.
2. **Fire Department:** provides fire protection, rescue and emergency medical services.
3. **Police Department:** enforces the penal divisions of the city charter, city ordinances, the laws of the state and nation for the purpose of protecting persons and property and for the preservation of the peace of the community.
4. **Recreation and Parks Department:** operates and maintains over 420 parks on more than 15,000 acres of parkland, as well as 184 recreation centers, 2 state licensed child-care centers, and 31 senior centers.

5. **Sanitation Bureau:** collects, cleans and recycles solid and liquid waste generated by residential, commercial and industrial users in the City of Los Angeles and surrounding communities.
6. **Streets Services Bureau:** maintains numerous elements of the city's public works infrastructure including streets, median islands and parkways, trees and landscaping in the street right of way.
7. **Transportation Department:** develops plans to meet the ground transportation needs of the traveling public and commerce. It also has centralized authority over the conceptual planning and operation of the city's street and highway systems.

Over the past 10 years, a total of \$482.4 million has been paid from the City of Los Angeles General Fund for lawsuits. Exhibit 1 illustrates that the majority of these litigation related expenditures (\$450 million) have been associated with four of the city's departments and three bureaus under the Department of Public Works.

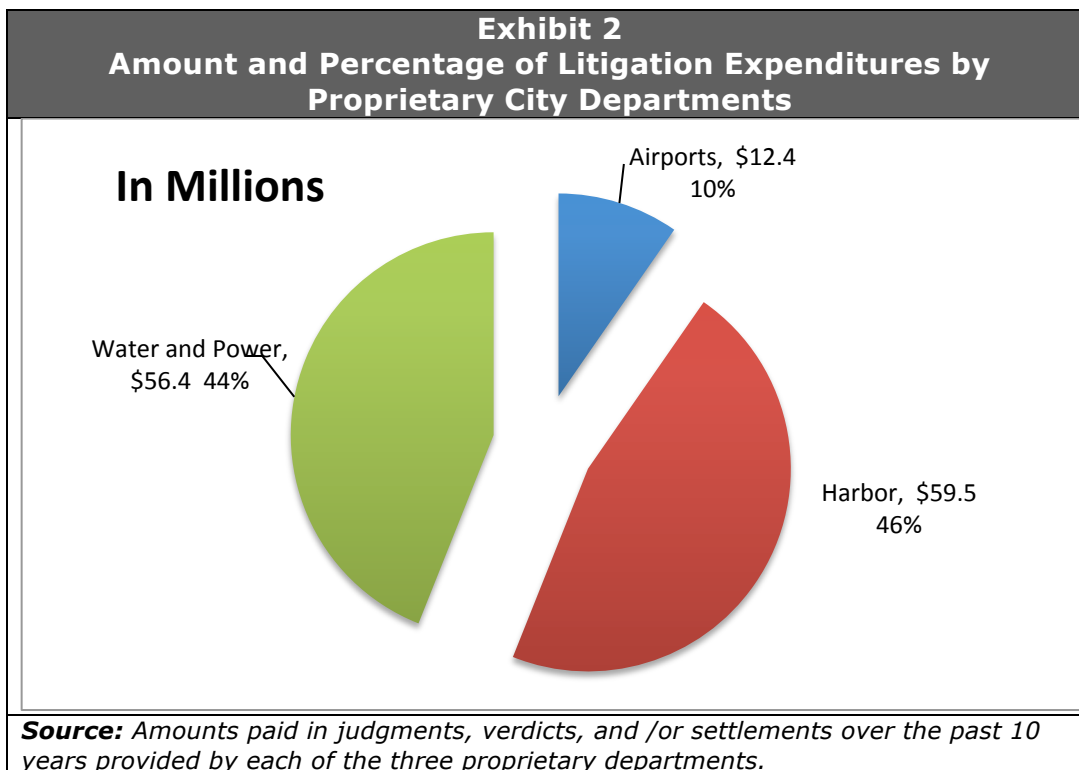


The four departments include Fire, Police, Transportation, and Recreation and Parks. The three bureaus under the Department of Public Works include Engineering, Sanitation, and Street Services. A department is the major organizational unit of city government. A bureau is the first level of organizational structure within each department.

Additional amounts were expended to settle or pay awarded amounts for claims and lawsuits by the city's three proprietary departments. City proprietary departments are those that are self-supporting through self-generated revenues and do not receive taxpayer dollars. These departments include Airports Department (Los Angeles World Airports), Harbor Department (Port of Los Angeles) and Department of Water and Power. These three Departments paid a total of \$128.3 million in litigation expenditures during the past ten years. Exhibit 2 shows the total amount paid by each of these proprietary departments.

Following is a list and brief description of the three proprietary city departments that the CGJ focused on during this investigation.

1. **Airports Department (Los Angeles World Airports)** owns and operates a system of three airports, which includes Los Angeles International (LAX), LA/Ontario International (ONT) and Van Nuys (VNY).
2. **Harbor Department (Port of Los Angeles)** manages the resources and conducts development and operations for the 7,500 acres of land and water along 43 miles of waterfront of the Port.
3. **Department of Water and Power** delivers reliable, safe water and electricity to 3.8 million residents and businesses in Los Angeles.



In January 2007, the Los Angeles City Mayor's Office issued Exec9 on litigation risk management. The stated intent of this particular Executive Directive was to ensure "further progress in preserving City resources by reducing and preventing claims against City operations and employees."

As a matter of information, in June, 2013, the Office of the Inspector General for the Los Angeles Police Commission completed an audit of the Police Department's Litigation Risk Management. The objective was to determine compliance with Exec9. The audit was unable to determine the department's compliance with the requirements of Exec9 because of the lack of available documentation. Additionally, the Police Department was not able to provide complete information to the CGJ to demonstrate compliance. The Inspector General's report is provided as Attachment B.

Exec9 clearly distinguishes the responsibilities of the City Attorney's Office and the responsibilities of city department management. The City Attorney is responsible for providing legal advice, representing the

city in defending litigation, approving settlements, and making certain other litigation decisions. City department management is under the leadership of the Mayor, and is responsible for ensuring that city personnel cooperate with the City Attorney's Office. They also ensure that active steps are taken based on experience with prior claims and lawsuits, to reduce and prevent filing of future claims. Every department head has a responsibility to provide leadership in litigation risk management, and to continue to reduce city payouts and the number of claims filed.

Further, Exec9 (see attached) states that a successful litigation risk management (LRM) system should include mechanisms to ensure regular completion of the following five key practices:

1. Early review of filed claims and litigation to determine suitability for settlement.
2. Ongoing, thorough review of the facts underlying filed claims and litigation to determine if systemic change in policy or practice is warranted to prevent similar future claims.
3. Planning and implementation of identified changes in policy and/or practice.
4. Thorough and timely review of the facts discovered in litigation to determine and implement any appropriate discipline and/or retraining for specific employees.
5. Careful and informed consideration of all decisions to appeal.

The Mayor, through Exec9 (see attached), directed that each city department undertake four specific actions. These included:

1. Designate a Senior Level LRM (By January 31, 2007).
2. Develop a Protocol with the City Attorney's Office for notice and evaluation of litigation and claims (By June 15, 2007).
3. Develop an internal protocol for ongoing assessment and implementation of appropriate follow-up to claims and litigation (By June 15, 2007).
4. Submit a confidential quarterly report regarding claims/litigation and appropriate follow-up (Beginning July 15, 2007).

To evaluate compliance with Exec9, and its specific requirements, the CGJ requested that each city department and bureau provide information required by Exec9. This includes designation of a LRM,

copies of each protocol, and copies of quarterly reports submitted to the Mayor's Office.

The CGJ also asked each department or bureau if they maintained LRM files that demonstrate compliance with Exec9. The CGJ selected and reviewed a sample of the files for the departments or bureaus that informed the CGJ they kept such files.

The CGJ also met with staff of the Mayor's Office to obtain their perspective of LRM in the city. This included Exec9, compliance with Exec9, and any future LRM direction to be set by the current Mayor and his administration.

The results of this investigation are provided in the following section.

FINDINGS

Designation of Litigation Risk Manager

No later than January 31, 2007, Exec9 required that each department designate a senior level staff member to serve as the LRM. Exec9 also specified this person's duties. Exec9 required each department to submit the name and contact information to the Mayor's Office. A new LRM was also to be designated by the department head within 30 days of the current manager leaving the department.

The CGJ requested that each city department or bureau provide a list of all senior staff members designated as the LRM since Exec9 was issued. The CGJ also requested documentation of these designations.

Finding 1: Only two (2) City Departments or Bureaus fully complied with the requirements to designate a LRM by January 31, 2007, and designate a new LRM within 30 days of the current manager leaving.

As shown in Exhibit 3, as of February, 2014, only Airports and Recreation and Parks, are in full compliance with this requirement of Exec9. The Department of Transportation has not designated a LRM at all. Five departments or bureaus designated litigation risk managers, but submitted the name of the designated LRM to the Mayor's Office after the deadline of January 31, 2007. The Bureau of Engineering

had some lapses over 30 days in reporting the senior staff member designated as LRM.

Exhibit 3 Designation of Litigation Risk Manager										
Requirement Under Mayor's Executive Directive No. 9	Airport	Engineering	Fire	Harbor	Police	Recreation & Parks	Sanitation	Streets	Transportation	Water and Power
1. Designated senior-level staff to serve as LRM.	Yes	Yes	Yes	Yes	NR	Yes	Yes	Yes	No	NA
2. Submit designated LRM to the Mayor's Office by January 31, 2007.	Yes	No	No	No	NR	Yes	No	No	No	NA
3. Designate a new LRM within 30 days of the current manager leaving the department.	Yes	No	Yes	Yes	NR	Yes	Yes	Yes	No	NA
Notes: NR = No Response to our request for information was received from the department in this area. NA = Not Applicable for the Department of Water and Power, which chose not to implement Exec9. Source: Review of responses and documentation provided by each city department or bureau, as of February, 2014.										

Protocol with the City Attorney's Office

It was required by Exec9 that each department, through its LRM, develop a protocol with the City Attorney's Office. This included timely notice and ongoing evaluation of all claims or litigation served on the city that relate to department employees and/or programs. Exec9 defines specific requirements that must be included in this protocol.

Finding 2: Only one of the city departments or bureaus fully complied with the requirements to develop a protocol with the City Attorney's Office for timely notice and ongoing evaluation of all claims or litigation.

As shown in Exhibit 4, as of February, 2014, only the Police Department is in full compliance with this requirement of Exec9. Three departments, Airports, Recreation and Parks, and Transportation, did not develop the protocol with the City Attorney.

Other departments or bureaus developed protocols, but not to the specific requirements outlined in Exec9. In discussions with department and bureau LRMs, the CGJ was informed that some requirements of Exec9 are not realistic, and are therefore not incorporated into protocols. These requirements are mainly focused on time periods that are not realistic compared with actual claim and case management experience.

Exhibit 4 Development of Protocol with the City Attorney										
Department Protocol Requirement Under Mayor's Executive Directive No. 9	Airport	Engineering	Fire	Harbor	Police	Recreation & Parks	Sanitation	Streets	Transportation	Water and Power
1. Receives timely notice and a copy of any claim, generally within 10 days	No	Yes	Partial	Partial	Yes	No	Yes	Yes	No	NA
2. Cooperates with defense counsel in reviewing allegations and investigation	No	Yes	Yes	Yes	Yes	No	Yes	Yes	No	NA
3. Discusses and determines with counsel whether early mediation or other settlement discussions would be appropriate, generally within 90 days	No	Yes	Yes	Yes	Yes	No	Yes	Yes	No	NA
4. Discusses and determines with counsel whether a statutory offer of settlement should be recommended	No	Partial	Yes	Yes	Yes	No	Partial	Partial	No	NA
5. Engages in ongoing discussions with assigned defense counsel about mediation or other settlement negotiations	No	Yes	Yes	Yes	Yes	No	Yes	Yes	No	NA
6. Reviews all deposition transcripts and all significant opposition produced discovery documents	No	No	Yes	Yes	Yes	No	No	No	No	NA
7. Discusses with counsel whether an appeal should be filed	No	Partial	Yes	Yes	Yes	No	Partial	Partial	No	NA
8. Presents and discusses with assigned defense counsel any proposed change in policy or practice and any proposed employee discipline or retraining	No	Partial	Yes	Yes	Yes	No	Partial	Partial	No	NA
Notes: NA = Not Applicable for the Department of Water and Power, which chose not to implement Exec9. Source: Review of responses and documentation provided by each city department or bureau, as of February, 2014.										

Internal Protocol for Litigation Risk Management

Each city department was also required by Exec9 to develop an internal protocol for claims or litigation served on the city that relate to department employees and/or programs. The intent of this internal protocol was to ensure that departments and bureaus implemented a successful LRM system, and to ensure completion of the five key practices identified earlier in this report.

Finding 3: Only one department developed an internal protocol for LRM that met all the requirements of Executive Directive No. 9.

As shown in Exhibit 5, as of February, 2014, only the Fire Department is in full compliance with this requirement of Exec9. Airports, Recreation and Parks, and Transportation did not develop any internal protocol at all.

Each of the other departments or bureaus developed protocols, but the specific requirements outlined in Exec9 are not completely included. The CGJ was informed by department and bureau LRMs that some requirements of Exec9 are not realistic, and are not incorporated into protocols. These requirements are mainly focused on time periods that are not realistic compared with actual claim and case management experience.

Exhibit 5 Development of Internal Protocol										
Department Protocol Requirements Under Mayor's Executive Directive No. 9	Airport	Engineering	Fire	Harbor	Police	Recreation & Parks	Sanitation	Streets	Transportation	Water and Power
1. That an early and thorough investigation is completed	No	Partial	Yes	Yes	NR	No	Partial	Partial	No	NA
2. Evaluates carefully and thoroughly whether the allegations suggest the advisability of a change in policy or practice, or the need for new or renewed training	No	No	Yes	No	NR	No	No	No	No	NA
3. Timely develops and implements any warranted changes in policy, practice, and/or training	No	No	Yes	No	NR	No	No	No	No	NA
4. Warranted changes in policy, practice, and/or training are evaluated for budgetary impact and included in the department's budgetary planning	No	No	Yes	No	NR	No	No	No	No	NA
5. Evaluates carefully and thoroughly the advisability of discipline, reassignment, or retraining of individual employees whose actions contributed to potential liability	No	No	Yes	No	NR	No	No	No	No	NA
6. Timely pursues any warranted discipline, reassignment, or retraining of individual employees whose actions contributed to potential liability	No	No	Yes	No	NR	No	No	No	No	NA
7. Evaluates carefully and thoroughly the advisability of the city seeking a change in federal, state, or municipal law or regulation	No	No	Yes	Yes	NR	No	No	No	No	NA

Exhibit 5 Development of Internal Protocol										
Department Protocol Requirements Under Mayor's Executive Directive No. 9	Airport	Engineering	Fire	Harbor	Police	Recreation & Parks	Sanitation	Streets	Transportation	Water and Power
Notes: NR = No Response to our request for information in this area was received from the department. NA = Not Applicable for the Department of Water and Power, which chose not to implement Exec9. Source: Review of responses and documentation provided by each city department or bureau, as of February, 2014.										

Quarterly Reporting on Litigation Risk Management

Each city department was also required to submit a confidential quarterly report to the Mayor's Office. This report indicated each filed claim or litigation that related to department employees and/or programs. These quarterly reports were required to include very specific information about each claim or litigation case.

Finding 4: City Departments or Bureaus have not fully complied with the requirements to submit quarterly Litigation Risk Management reports to the Mayor's Office.

As exhibit 6 shows, as of February 2014, none of the city departments or bureaus are in full compliance with the quarterly reporting requirements of Exec9. Fire, Harbor, Recreation and Parks, and Transportation did not submit any quarterly reports. Reports were submitted by other departments, but none of them included all of the elements required by Exec9. In the CGJ discussions with LRMs, some of these elements are identified as being unrealistic (example, timelines that are not possible to meet), or beyond the purview of the LRMs, due to personnel or other rules and regulations (example, employee discipline issues).

Exhibit 6 Quarterly Reporting										
Quarterly Reporting Requirements Under Mayor's Executive Directive No. 9	Airport	Engineering	Fire	Harbor	Police	Recreation & Parks	Sanitation	Streets	Transportation	Water and Power
1. The date the claim or litigation was filed, the date it was served, the date the department was notified of the claim or litigation, and any scheduled trial date.	No	Yes	No	No	Partial	No	Yes	No	No	NA
2. The specific claims alleged in the claim or litigation.	Yes	Yes	No	No	Partial	No	Yes	Yes	No	NA
3. Whether the early investigation and consideration of early settlement process was completed, including whether any early settlement process was pursued.	No	No	No	No	Partial	No	No	No	No	NA
4. Whether evaluations of the claim or litigation for warranted changes in policy, practice or training, or individual employee discipline or training have been completed, including when completed, whether any such steps were pursued and the status of any such steps.	No	No	No	No	Partial	No	No	No	No	NA
5. Whether evaluations of the claim or litigation for the advisability of seeking a change in federal, state, or municipal law or regulation, including any recommendation from those evaluations.	No	No	No	No	Partial	No	No	No	No	NA
6. Whether the department has evaluated deposition	No	No	No	No	Partial	No	No	No	No	NA

Exhibit 6 Quarterly Reporting										
Quarterly Reporting Requirements Under Mayor's Executive Directive No. 9	Airport	Engineering	Fire	Harbor	Police	Recreation & Parks	Sanitation	Streets	Transportation	Water and Power
transcripts or significant opposition-produced discovery										
7. Whether evaluations of possible statutory offer of settlement have occurred, when they occurred and whether an offer was made.	No	No	No	No	Partial	No	No	No	No	NA
8. Any judgment or decision adversely affecting the City's position, and what recommendation was reached after evaluating possible appeal.	No	No	No	No	Partial	No	Yes	No	No	NA
Notes: The Police Department prepared and submitted quarterly reports from 2007 to 2009 and then discontinued quarterly reporting. NA = Not Applicable for the Department of Water and Power, which chose not to implement Exec9. Source: Review of responses and documentation provided by each City department or bureau, as of February, 2014.										

Department Litigation Risk Management File Review

Exec9 does not require that the city departments or bureaus maintain files to document their activities related to LRM. However, the CGJ inquired with the city departments and bureaus reviewed to determine if such files were maintained. Five departments and bureaus did maintain LRM files. The CGJ selected a sample of those files to assess compliance with Exec9.

The purpose of this file review was to determine if, in practice, any of the departments or bureaus complied with the various requirements of Exec9, even if not in compliance with the specific requirements of Exec9. An additional purpose was to determine if any LRM files had been destroyed. The CGJ did not find evidence that any such files had been destroyed.

Finding 5: In review of the claim and litigation files, as of February, 2014, none of the city departments or bureaus have fully complied with the specific requirements of Executive Directive No. 9.

The CGJ asked each of the departments or bureaus if any files that demonstrated compliance with the requirements of Exec9 were maintained. Harbor, Recreation and Parks, and Streets responded that they did not maintain any LRM files.

For the departments or bureaus that stated they did maintain LRM files, the CGJ randomly selected a total of 20 claims or cases to review. Exhibit 7 shows that none of the city departments or Bureaus are in full compliance with the requirements of Exec9.

Engineering and Transportation are not in compliance with most of the requirements of Exec9. Airports, Fire, and Sanitation are partially in compliance with the requirements of Exec9.

Exhibit 7			
Review of Litigation Risk Management Files			
Department / Bureau	Maintain Files	Sample of Files Reviewed	Summary of Review Results
Airports	Yes	Yes	Airports maintained files for all cases selected. The files were well documented and organized. In practice, Airports is partially in compliance with the protocols.
Engineering	Partial	Partial	Engineering maintained files for some cases but not all. Files were not maintained for 10 out of 20 cases selected because the information was not forwarded from the City Attorney's office. In practice, Engineering is not in compliance with most of the protocols.
Fire	Partial	Partial	Fire maintained files for some cases but not all. Files were not available for review for 15 out of 20 cases selected because the information was either not forwarded from the City Attorney's office or in archive. In practice, Fire is partially in compliance with the protocols.
Harbor	No	No	All files are maintained by the City Attorney.
Police	No Response	No	N/A
Recreation and Parks	No	No	N/A
Sanitation	Yes	Yes	Sanitation maintained in the database files for all cases selected. In practice, Sanitation is partially in compliance with the protocols.
Streets	No	No	N/A
Transportation	Partial	Partial	Transportation maintained files for some cases but not all. Files were not maintained for 10 out of 20 cases selected because the information was either not forwarded from the City Attorney's office, not LADOT cases, or not determined if they were LADOT cases. In practice, Transportation is not in compliance with most of the protocols.
Water and Power	N/A	N/A	Not Applicable, Chose not to implement Exec9.

Mayor's Office Follow-Up, Review and Revision of Executive Directive No. 9

As discussed above, Exec9 establishes specific requirements and specific due dates for their completion and submission to the Mayor's Office. Exec9 created the expectation that there would be follow-up with departments if the required elements were not completed and submitted to the Mayor's Office.

Finding 6: The Mayor's Office, since issuing Exec9, has not adequately followed-up nor has it enforced implementation and compliance with Executive Directive No. 9 by City Departments.

The CGJ found the overall level of compliance with Exec9 by city departments and bureaus reviewed to be abysmal. Transportation and Water and Power did not implement any of the required elements of Exec9. The Department of Water and Power chose not to implement Exec9 because the Mayor merely requested City proprietary departments, which DWP is, to implement the Directive. The general city departments were directed to implement it.

Airports, Recreation and Parks, and Transportation have not developed or sent either of the required protocols to the Mayor's Office. Fire, Harbor, Recreation and Parks, and Transportation have not submitted any quarterly reports to the Mayor's Office as required by Exec9. The Police Department submitted quarterly reports from 2007 to 2009. They then discontinued quarterly reporting.

For the city departments and bureaus that did develop and submit the required protocols and quarterly reports, only a few met all of the requirements outlined in Exec9.

City departments and bureaus tend to be very responsive to directives and requests from the Mayor's Office. However, they are also adept at determining what is truly important to the Mayor's Office, based on the follow-up and attention given to an issue or directives. Implementation and compliance with Exec9 did not appear to be a priority for the Mayor's Office. The city departments and bureaus responded accordingly.

Finding 7: The Mayor's Office has not yet revised Exec9 to be more effective.

As part of this investigation, the CGJ met with staff of the Mayor's Office to discuss Exec9 and compliance with it. The CGJ was informed that the new mayoral administration was in the process of reviewing and potentially revising all Executive Directives inherited from previous administrations, including Exec9. It was suggested that the Mayor's Office draw on the LRM talent within the city and substantially revise Exec9 to provide a more meaningful set of requirements. This would also likely improve the level of department and bureau compliance with Exec9.

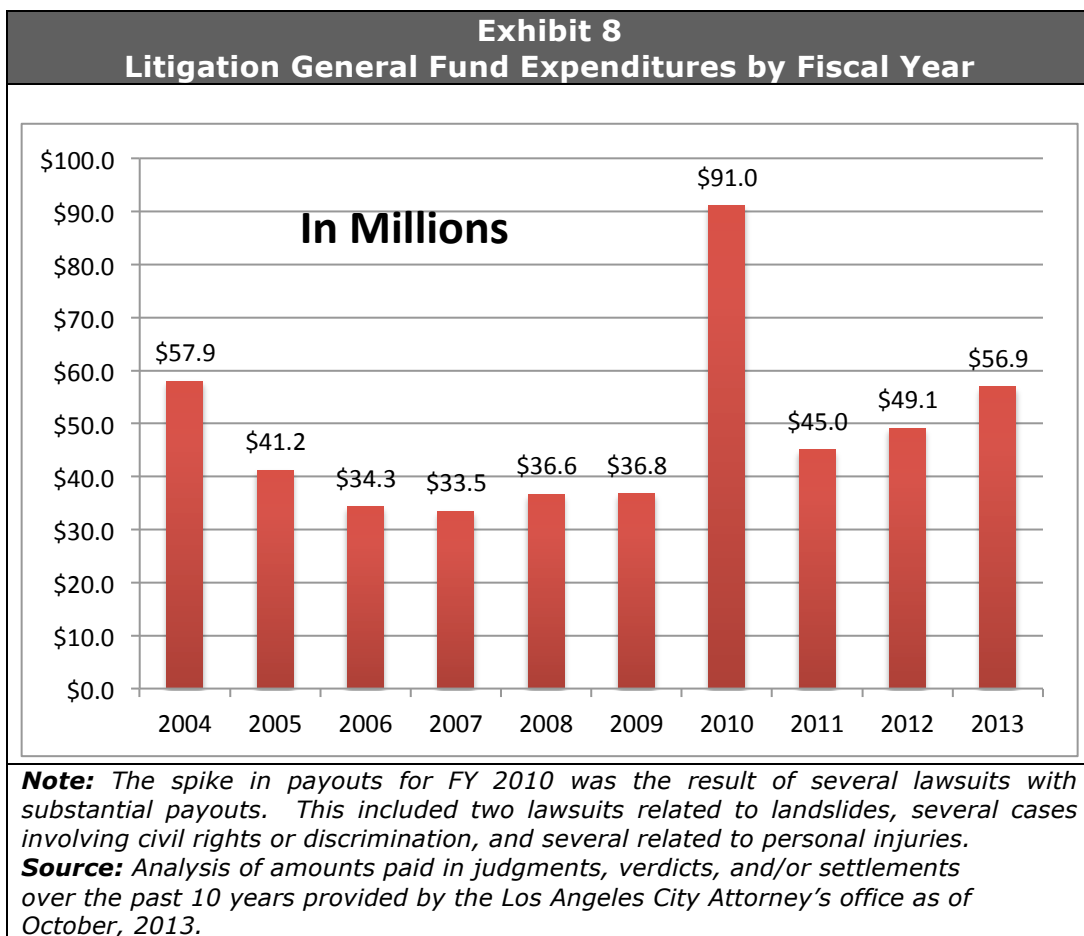
As discussed earlier in this report, the intent of Exec9 (see attached), was to ensure "further progress in preserving City resources by reducing and preventing claims against City operations and employees." Exec9 also outlined key mechanisms or practices that a successful LRM system should include. Exec9 then outlines a very specific list of requirements to purportedly establish these mechanisms or practices within city management. However, it is uncertain that these very specific requirements are the most effective way to develop a successful LRM system.

The list of requirements in Exec9 is very specific. These requirements are also very focused at the individual claim or case level.

Finally, Exec9 provides no focus on the outcome or end result of LRM. There is no tracking or reporting on whether claim and litigation payouts are actually being reduced, or the degree to which changes in department or bureau operations are being implemented to avoid future claims or litigation. Performance indicators, focused on these outcomes or results, would be more effective measures.

Finding 8: Litigation related payouts or expenditures from the City's General Fund have increased rather than decreased since 2007, when Executive Directive No. 9 was issued.

Exhibit 8 shows the trend in general fund expenditures for litigation, by fiscal year. Clearly, Exec9 has not been effective in achieving its stated intent of ensuring "further progress in preserving City resources by reducing and preventing claims against City operations and employees".



RECOMMENDATIONS

- 5.1 The Mayor's Office must review and substantially revise Exec9 as it relates to LRM. This should be done with the assistance of Department and Bureau LRMs. Specific consideration must be given to:
 - 5.1.1 Revise Exec9 to be flexible enough to be meaningful for all city departments, yet cover the wide variety of Department operations and LRM conditions.
 - 5.1.2 Exec9 must focus on the macro approach of LRM rather than individual claims and cases.
 - 5.1.3 Exec9 must focus on the outcomes or end results of LRM. This would include tracking and reporting on whether claim and litigation payouts are actually being reduced, or the degree to which changes in department and bureau operations are being implemented to avoid future claims or litigation.
 - 5.1.4 A meaningful set of performance indicators, focused on these outcomes or results, must be developed.
 - 5.1.5 The Mayors' Office must convene a high level meeting with department directors to discuss the purpose, implementation process, and compliance expectations for the revised Executive Directive.
- 5.2 The Mayor's Office must direct all city departments to comply with the revised Executive Directive related to LRM, including city proprietary departments.
- 5.3 The Mayor's Office must follow up on implementation progress to ensure that the requirements of the revised Executive Directive related to LRM are being implemented by city departments.
- 5.4 The Mayor's Office must include compliance with the revised Executive Directive, and effectively managing litigation risk, in annual performance evaluations and salary review of each department director.

REQUEST FOR RESPONSE

Recommendation Number

Responding Agency

5.1 through 5.4	Office of the Mayor City of Los Angeles
-----------------	--------------------------------------------

ACRONYMS

CGJ	2013-14 Los Angeles County Civil Grand Jury
Exec9	Executive Directive No. 9
LRM	Litigation Risk Management

COMMITTEE MEMBERS

James P. Thomas	Chairperson
Stephanie A. Alexander	Co-Chairperson
Jeffery N. Wallace	Secretary

ATTACHMENT A: EXECUTIVE DIRECTIVE NO. 9



ANTONIO R. VILLARAIGOSA
MAYOR

EXECUTIVE DIRECTIVE NO. 9

Issue Date: January 10, 2007

Subject: Litigation Risk Management

The City of Los Angeles has shown great progress in recent years both in reducing the number of claims filed against the City and in reducing total payouts of taxpayer funds to compensate claimants. Still, while lawsuits are an inevitable part of running a large City, there is room for further progress in preserving City resources by reducing and preventing claims against City operations and employees.

It is the City Attorney's charter-mandated responsibility to provide legal advice and to represent the City in defending litigation. In addition to a direct role in approving settlements and in making certain other litigation decisions, as Chief Executive Officer of the City, the Mayor has the responsibility to ensure that City personnel cooperate with the City Attorney's office (or conflict counsel in conflict cases) to secure an efficient and effective resolution of all claims filed against the City, and to ensure that active steps are taken based on experience with prior claims and lawsuits to reduce and prevent the filing of future claims. These two critical responsibilities require involvement at the highest levels of City management. Every Department Head has a responsibility to provide leadership in litigation risk management to continue to reduce City payouts and to reduce the number of claims filed. This responsibility includes assigning, training, and supervising high-level managers to engage directly on these tasks. Department Heads will be held accountable for the performance of these tasks and for progress in reducing the City's litigation risk and expense.

A successful litigation risk management system includes mechanisms to ensure regular completion of five key practices: 1) early review of filed claims and litigation to determine suitability for settlement; 2) ongoing, thorough review of the facts underlying filed claims and litigation to determine if systemic change in policy or practice is warranted to prevent similar future claims; 3) planning and implementation of identified changes in policy and/or practice; 4) thorough and timely review of the facts discovered in litigation to determine and implement any appropriate discipline and/or retraining for specific employees; and 5) careful and informed consideration of all decisions to appeal



or not to appeal adverse court determinations, with consideration of future City activity and the possibility of binding legal precedent.

The City of Los Angeles already has in place several mechanisms to accomplish the objectives underlying these practices. Indeed, many of the practices delineated below are already followed in several departments working closely with the City Attorney's Office. This Executive Directive seeks to ensure that the City regularly completes these five key practices, with the input of all appropriate knowledgeable managers. More specifically, this Executive Directive implements steps to ensure high-level involvement of all City departments in the practices necessary to minimize costs expended on litigation now and in the future.

In accordance with these objectives, I direct that each City department undertake the following actions, and ask that each proprietary department adopt similar practices:

Designate Senior Level Litigation Risk Manager

Each Department Head shall designate a senior-level staff member to serve as Litigation Risk Manager, whose duties shall include:

1. Implementing the practices described in this Executive Directive;
2. Tracking all claims and litigation related to department employees and/or programs, including regularly seeking and receiving updates from counsel and reviewing critical discovery, such as depositions of department employees;
3. Serving as liaison to defense counsel, whether City Attorney or conflict counsel, in claims or litigation involving department employees and/or programs;
4. Serving as liaison to the Mayor's Office and the CAO with respect to all matters related to litigation risk management;
5. Representing the department before the Claims Board whenever department-related litigation is before the board;
6. Ensuring that appropriate department personnel are available and attend court hearings, mediations, depositions, and other legal proceedings when requested by the City Attorney's Office or Mayor's Office;
7. Ensuring the conduct and quality of all litigation-related reviews of policies, practices, and /or employee conduct to yield appropriate action, as described in this Executive Directive;

8. Reporting timely on all matters required in this Executive Directive; and
9. Developing and implementing, in consultation with Mayor's Office, CAO, and Personnel, other department-specific loss control and risk management practices.

Each Department Head shall submit the name and contact information of the designated Litigation Risk Manager to the Mayor's Office (Office of Counsel to the Mayor), with a copy to the City Attorney and to the CAO by no later than January 31, 2007. Each Department Head shall designate a new Litigation Risk Manager within 30 days of the current manager leaving the department.

Develop Department Protocols for Review of Litigation and Claims

Each department, through its Litigation Risk Manager, shall develop a protocol with the City Attorney's Office for timely notice and ongoing evaluation of all claims or litigation served on the City that relate to department employees and/or programs. The protocol shall include mechanisms to ensure the following:

1. That the department receives timely notice and a copy of any claim or litigation-commencing complaint or petition, generally within ten days of the City's receipt or acceptance of service;
2. That the department cooperates with assigned defense counsel in the conduct of an early review of the allegations in the claim or litigation and investigation of the facts underlying the allegations;
3. That the department discusses and determines with assigned defense counsel whether early mediation or other settlement discussions would be appropriate in the case following initial review of the allegations and investigation of the facts, generally within 90 days of the City's receipt or acceptance of service of a pleading commencing litigation;
4. That the department discusses and determines with assigned defense counsel whether a statutory offer of settlement should be recommended to the Charter-designated decision-making body, at least six months before any scheduled trial date;
5. That the department engages in ongoing discussions with assigned defense counsel about the advisability of mediation or other settlement negotiations;
6. That the department has an opportunity to review all deposition transcripts of department employees or former employees, and all significant opposition-produced discovery documents, to determine if any follow-up action is warranted;

7. That the department discusses with assigned defense counsel whether an appeal should be filed, within two weeks of an adverse decision or judgment, and at least two weeks before any deadline to file or notice an appeal of any adverse decision or judgment;
8. That the department presents and discusses with assigned defense counsel any proposed change in policy or practice and any proposed employee discipline or retraining related to the facts underlying the claims in litigation before implementation to ensure no adverse effect on defense of the litigation.

This Executive Directive also requests that the City Attorney's Office work with each department to facilitate the development of protocols that meet the above criteria. In addition, each department shall work with the CAO and Mayor's Office (Office of Counsel to the Mayor) to secure compliance with the established protocol by conflict counsel in conflict cases.

Each department shall also develop an internal protocol with respect to claims or litigation served on the City that relate to department employees and/or programs. The protocol shall include timelines and mechanisms to ensure the following:

1. That an early and thorough investigation of the facts underlying any claim or litigation is completed, in cooperation with assigned defense counsel, within 90 days of the department's notice of the claim or litigation;
2. That the department evaluates carefully and thoroughly whether the allegations in the claim or litigation and the facts revealed through investigation suggest the advisability of a change in policy or practice, or the need for new or renewed training, and that such evaluation occurs following the early investigation (within 105 days of the department's notice of the claim or litigation), periodically as appropriate throughout the litigation as additional facts are discovered, and within 30 days following the conclusion of the litigation through settlement or judgment;
3. That the department timely develops and implements any warranted changes in policy, practice, and/or training after due consideration of litigation defense and budgetary impacts;
4. That plans for warranted changes in policy, practice, and/or training are evaluated for budgetary impact and included in the department's budgetary planning;
5. That the department evaluates carefully and thoroughly whether the allegations in the claim or litigation and the facts revealed through investigation suggest the advisability of discipline, reassignment, or retraining

of individual employees whose actions contributed to potential liability, and that such evaluation occurs following the early investigation (within 105 days of the department's notice of the claim or litigation), periodically as appropriate throughout the litigation as additional facts are discovered, and within 30 days following the conclusion of the litigation through settlement or judgment;

6. That the department timely pursues any warranted discipline, reassignment, or retraining of individual employees whose actions contributed to potential liability after due consideration of litigation defense considerations and applicable Civil Service and Personnel rules; and
7. That the department evaluates carefully and thoroughly whether the allegations in the claim or litigation and the facts revealed through investigation suggest the advisability of the City seeking a change in federal, state, or municipal law or regulation, and that such evaluation occurs following the early investigation (within 105 days of the department's notice of the claim or litigation), periodically as appropriate throughout the litigation as additional facts are discovered, and within 30 days following the conclusion of the litigation through settlement or judgment.

Each department shall submit its written protocol with the City Attorney's Office and its written internal protocol to the Mayor's Office (Office of the Counsel to the Mayor), with copies to the City Attorney and CAO by no later than June 15, 2007. Any future modifications to either protocol should be submitted to the same offices.

Report Quarterly on Litigation Risk Management

Each department shall submit a confidential quarterly written report to the Mayor's Office (Office of Counsel to the Mayor), with copies to the City Attorney and CAO, indicating each filed claim or litigation that relates to department employees and/or programs, and including the following:

1. The date the claim or litigation was filed, the date it was served, the date the department was notified of the claim or litigation, and any scheduled trial date;
2. The specific claims alleged in the claim or litigation;
3. Whether the early investigation and consideration of early settlement process was completed, including whether any early settlement process was pursued;
4. Whether evaluations of the claim or litigation for warranted changes in policy, practice or training, or individual employee discipline or training have been completed, including when completed, whether any such steps were pursued and the status of any such steps;

5. Whether evaluations of the claim or litigation for the advisability of seeking a change in federal, state, or municipal law or regulation, including any recommendation from those evaluations;
6. Whether the department has evaluated deposition transcripts or significant opposition-produced discovery;
7. Whether evaluations of possible statutory offer of settlement have occurred, when they occurred and whether an offer was made; and
8. Any judgment or decision adversely affecting the City's position, and what recommendation was reached after evaluating possible appeal.

These quarterly reports should be prepared with due regard to ensuring no harm to the defense position of the City in any open claim or litigation. Each department should expect to meet with its appropriate liaison in the Mayor's Office to discuss each quarterly report.

The first such quarterly report shall be due no later than July 15, 2007. Reports shall be due on July 15, October 15, January 15, and April 15 of 2007-2008 and every succeeding year.

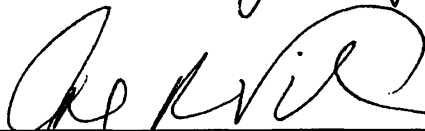
Departments with significant numbers of routine Workers Compensation, traffic-related negligence, or other ministerial types of claims, may request the Mayor's Office to exempt such cases from these protocols and to substitute a less-frequent and less detailed review of trends and patterns in such cases.

Summary of Required Actions

1. Each Department Head shall designate a senior-level staff member as Litigation Risk Manager to perform the duties noted above. Designation is to be made in writing to the Mayor's Office (Office of Counsel to the Mayor), with copies to City Attorney and CAO, by no later than January 31, 2007. A new Litigation Risk Manager is to be designated, with appropriate notices, within 30 days of vacancy.
2. Each department shall develop a protocol with City Attorney's Office for notice and evaluation of litigation and claims, including elements noted above. Written protocol is to be submitted to Mayor's Office (Office of Counsel to the Mayor), with copies to City Attorney and CAO, by no later than June 15, 2007.
3. Each department shall develop an internal protocol for ongoing assessment and implementation of appropriate follow-up to claims and litigation, including elements noted above. Written protocol is to be submitted to Mayor's Office (Office of Counsel to the Mayor), with copies to City Attorney and CAO, by no later than June 15, 2007.

4. Each department shall submit a confidential quarterly report regarding claims / litigation and appropriate follow-up, including information noted above, to the Mayor's Office (Office of Counsel to the Mayor), with copies to City Attorney and CAO. First report is to be submitted by July 15, with subsequent reports due each year on October 15, January 15, April 15, and July 15.

Executed this 10th day of January, 2007



ANTONIO R. VILLARAIGOSA
Mayor

Supersedes Executive Directive 2001-36 (Riordan)

ATTACHMENT B: LOS ANGELES POLICE COMMISSION INSPECTOR GENERAL REPORT

LOS ANGELES POLICE COMMISSION

EMPLOYMENT LITIGATION AUDIT



Conducted by the

OFFICE OF THE INSPECTOR GENERAL

ALEXANDER A. BUSTAMANTE
Inspector General

June 27, 2013

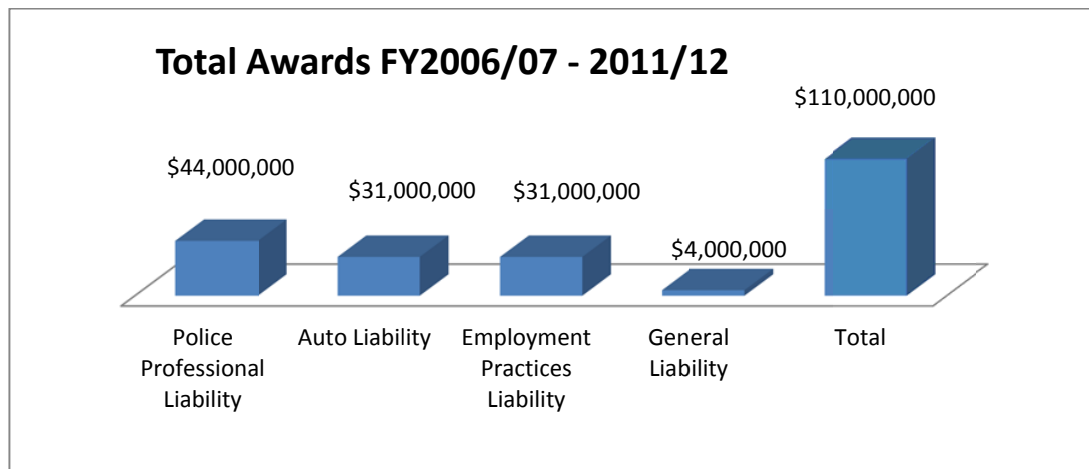
EMPLOYMENT LITIGATION AUDIT

PURPOSE

The Employment Litigation Audit (Audit) was conducted to review LAPD's responsibilities with regard to employment-related litigation and evaluate the Department's compliance with applicable policies, electronic database tracking systems, costs associated with defending lawsuits, post-lawsuit analysis, training, and prevention practices.

BACKGROUND

Between July 1, 2006, and June 30, 2012, the City of Los Angeles paid approximately \$110,000,000 for lawsuits involving Department employees. As the chart below demonstrates, the Department's actions that resulted in that liability fall into one of four categories: 1) police professional liability (e.g., claims of excessive use of force, such as in an officer involved shooting), 2) automobile liability (e.g., traffic collisions), 3) employment practices liability (e.g., discrimination, harassment, and retaliation), and 4) general liability.¹



A successful risk management system should address each of these four categories in an effort to reduce the Department's overall liability. For the purposes of auditing, however, the OIG focused on a single category, employment-related litigation, and explored the Department's practices in evaluating existing employment lawsuits as well as developing protocols in preventing future ones.

On January 10, 2007, the Mayor published Executive Directive No. 9, titled "Litigation Risk Management," which set forth his requirements for managing all City-related litigation. In the executive directive, the Mayor expects each City department to implement specific steps to minimize litigation costs. "Every Department Head has a responsibility to provide leadership in litigation risk management to continue to reduce City payouts and to reduce the number of claims filed. This responsibility includes assigning, training, and supervising high-level

¹ For the purposes of the Audit, the OIG did not consider workers' compensation as a liability. Workers' compensation law is regulated under the California Labor Code and is a form of insurance.

managers to engage directly on these tasks. Department Heads will be held accountable for the performance of these tasks and for progress in reducing the City's litigation risk and expense.”

The OIG consulted Executive Directive No. 9 for guidance in structuring this audit. The OIG first examined the Department’s compliance with the tasks identified in the Mayor’s directive. To perform this analysis, the OIG reviewed, among other things, the costs associated with employment-related litigation, the manner of tracking specific lawsuits, and the training or other actions that the Department implemented as a result of employee-related litigation.

METHODOLOGY

The Audit selected lawsuits that were completed and closed from January 1, 2007, to June 30, 2012, as its population. The five and one-half year period was chosen to provide a broad spectrum of lawsuits. During that period, 99 employment-related lawsuits were closed.² The Audit judgmentally selected 27 of these lawsuits to review.³ Each case was selected based on either a high initial demand amount by the plaintiff or a large payout by the City. Due to the selection methodology, the audit results are not meant to be representative of the entire population of closed employment-related lawsuits and focus instead on those cases that pose the highest risk of exposure for the City.

The OIG conducted the Audit in accordance with generally accepted government auditing standards. These standards require that the Audit is adequately planned, performed, and supervised, and that sufficient, competent, relevant evidence is examined to provide a reasonable basis for the results and conclusion.

OBJECTIVES

Objective 1: Determine if the Department has complied with Mayor’s Executive Directive No. 9.

The OIG evaluated the Department’s practices in reviewing employment litigation and other claims for compliance with the Mayor’s Executive Directive No. 9 (“Executive Directive”). The Executive Directive sets forth a series of protocols that the Department must develop to evaluate and review litigation and claims. The OIG designed the following tests to measure the Department’s compliance with this Directive:

² The Audit relied on the City Attorney-maintained database to identify those lawsuits closed in the scope period.

³ The Audit did not reinvestigate cases, but rather, reviewed those documents supplied by the Department and/or City Attorney’s Office.

- 1) Determine if the Department received notice, and a copy, of any claim or lawsuit, within 10 days of the City's receipt or acceptance of the claim/lawsuit service;
- 2) Determine if the Department discussed and determined with the City Attorney whether early mediation or other settlement would be appropriate within 90 days of the City's receipt of claim or lawsuit;
- 3) Determine if the Department discussed and determined with the City Attorney whether a statutory offer of settlement should be recommended to the charter-designated decision-making body at least six months before any scheduled trial date;
- 4) Determine if the Department discussed with the City Attorney whether an appeal should be filed within two weeks before any deadline to file an appeal;
- 5) Determine if the Department thoroughly investigated the facts underlying any claim or lawsuit within 90 days of the notice of the claim or lawsuit; and,
- 6) Determine if the Department evaluated whether the allegations in the claim/lawsuit and the facts suggest a policy or practice change, the need for new or renewed training, discipline, or reassignment within 105 days of the Department's notice of the claim or lawsuit and within 30 days following the conclusion of the lawsuit through settlement or judgment.

The City Attorney's Office is responsible for all employment-related litigation and currently has approximately 20 attorneys and staff assigned to litigating these issues. The Department has approximately 19 employees from its Legal Affairs Division assigned to the City Attorney's Office to assist with this litigation. These two sets of employees regularly interact on employment litigation issues. The OIG therefore attempted to audit the Department's case files to determine, among other things, whether notations of these communications and any resulting work were captured in the case file.

The OIG selected 27 of the 99 closed lawsuits for its Audit sample. The Department informed the OIG that these files were not available for review.⁴ According to the Legal Affairs Division, the investigating officer is responsible for maintaining and updating these files until the case is closed, when these files are dismantled and/or destroyed.⁵ Because these historical files were unavailable, the OIG requested two active lawsuit files to perform the testing. These two active files, however, did not contain any of the information necessary for the OIG to perform the required tests. Legal Affairs Division confirmed that the review of additional open cases would yield similar results. Based on the lack of available evidence, the Audit was unable to determine the Department's compliance with the requirements tested.

Objective 2: Determine if Department's Claim/Lawsuit Information System is accurate.

The Department's Legal Affairs Division has an electronic database, the Claim/Lawsuit Information System (CLIS), that is used for tracking claims and lawsuits. This database was specifically designed to collect necessary information related to claims and lawsuit so that the

⁴ Legal Affairs Division files are referred to as Case Book Files. The Division provides written guidelines on the structure and content of the files.

⁵ Conclusion of a lawsuit occurs at dismissal, settlement, or verdict without regard to appeal.

Department's management would have the necessary information to make informed litigation and risk management decisions.

The Audit's second objective was to determine whether CLIS included complete and accurate information. CLIS contains 49 separate data fields that capture a variety of information, including general descriptions of a specific case, the involved parties in a claim/lawsuit, trial status, status of related complaint investigations, and the financial outcome of a claim/lawsuit. The OIG attempted to audit 30 of these data fields for accuracy and completeness against source documents found in Legal Affairs Division's case files. Because these historical files do not exist, the OIG was unable to evaluate the accuracy and completeness of these data fields.

Although the Audit could not test the Department's database for accuracy, the Audit did test the 30 data fields for completeness. The OIG attempted to gauge the completeness of the Department's data fields by comparing them to the City Attorney's Office's litigation database. The City Attorney's Office maintains a litigation database similar to that of Legal Affairs Division and both systems share similar data fields. The OIG reviewed the database entries for specific cases and learned that the two databases often contained inconsistent information. For example, in several cases, the databases for Department and the City Attorney's Office had different entries for the claim/litigation status, key dates, and payout amounts for the same cases. In other cases, the Department's data fields were empty, while the City Attorney's database had an entry.

The results revealed that the 30 CLIS data fields tested had a completion rate ranging from 0% to 100%. Approximately half of the fields yielded completion rates of 90-100%, while about a third had completion rates of less than 50%. Included in the latter group were fields designed to collect substantive data such as area of occurrence, verdict status, and which party the verdict was for.⁶

Objective 3: Determine costs for employment-related lawsuits, regardless of their outcome.

The Audit set out to determine the cost for each lawsuit in its sample. These costs are generally broken into two distinct categories. The first category of costs involves cases where the City settles a particular lawsuit or a jury awards the plaintiff damages. This is generally a concrete figure. The second category involves the costs to the City that are inherent in defending a case, regardless of outcome. The most recognizable costs to the City are the salaries of those individuals involved in defending the lawsuits. The City Controller's Office has determined that the internal costs to the City can be calculated by determining the salaries for the individuals involved in defending the lawsuits and then adding the employee benefits (e.g., medical insurance and life insurance) and overhead costs (e.g., building and utility expense, shared City Administration & Support, and Central expenses).

⁶ See Exhibit A.

With the City Controller's information related to internal costs, the OIG was able to calculate the annual internal costs for the City Attorney and Department's litigation staff for all employment-related litigation from 2006 to 2012.⁷ Based on the available information, the City's internal costs to defend employment-related lawsuits for Fiscal Year 2011/12 were \$7.8 million. The cost breakdown revealed expenses of \$4.2 million for the Department and \$3.6 million for the City Attorney's Office. The total internal costs for the following six-year period were about \$42 million.

Employment Litigation Liability

Fiscal Year	Lawsuits Closed⁸	Awards or Settlement Paid by City	Litigation Costs
FY2006/07	12	\$ 2,611,127	\$ 6,803,374
FY2007/08	17	\$ 1,318,463	\$ 7,179,249
FY2008/09	18	\$ 3,652,622	\$ 7,331,331
FY2009/10	15	\$ 4,992,655	\$ 7,164,643
FY2010/11	19	\$ 8,358,144	\$ 6,442,758
FY2011/12	18	\$10,445,146	\$7,764,903
Total	99	<u>\$ 31,378,157</u>	<u>\$ 42,686,258</u>

When the OIG attempted to determine the litigation costs for each lawsuit, it learned that neither the Department nor the City Attorney's Office track the number of hours an individual worked on a particular case. Although the OIG can calculate the amount the City paid in a particular case to satisfy a jury award or settlement, without knowing the number of individuals working on a particular case or the hours devoted to that case, the OIG is unable to calculate the litigation costs for any of the cases within its sample and therefore is unable to determine the total costs to the City related to a specific case.⁹

Overall, the 27 cases included in the OIG's Audit sample resulted in a total of nearly \$25.5 million in payouts, 81 percent of the total employment-related litigation payouts during that period. The OIG first analyzed lawsuits that the City Attorney's Office settled. Of the 27 cases in the Audit sample, 11 (41%) were settled in lieu of trial. The length of time it took to reach a settlement for these cases varied widely but averaged 2.2 years. Settlement agreement awards averaged \$500,000, but ranged from \$75,000 to \$2,250,000. The following table details the nature of the lawsuits and costs associated with the settlement of the cases.

⁷ Salaries and staffing were adjusted annually to reflect accurate expenses for each fiscal year in the Audit sample.

⁸ The closed case data was furnished by Legal Affairs Division.

⁹ The amount of annual expense to defend employment lawsuits is not an estimate. Regardless of how costs are allocated for individual cases, the City's defense costs for fiscal year 2011/12 were close to 8 million dollars. For the 6 years encompassed by the Audit, those costs totaled over 42 million dollars.

Lawsuits Settled in Lieu of Trial

Case No.	Days	Litigation Category	Settlement Costs
BC34646	1,246	Sexual Harassment	\$2,250,000
CV11-0039	262	Retaliation	\$750,000
BC433073	646	Employment	\$650,000
BC340767	487	Gender Discrimination	\$600,000
BC326467	1,374	Medical Discrimination	\$290,000
BC457299	1,680	Retaliation	\$285,000
BC426816	810	Race Discrimination	\$275,000
BC435392	347	Sexual Harassment	\$175,000
BC392939	1,293	Retaliation	\$90,000
BC346672	313	Medical Discrimination	\$75,000
BC383678	294	Medical Discrimination	\$75,000
Totals	<u>8,752</u>		<u>\$5,515,000</u>
Averages	796		\$501,364

The OIG then analyzed lawsuits where there were verdicts. In the Audit sample, 13 lawsuits received a trial verdict. In this group, the plaintiffs received verdicts in their favor in 10 of these 13 lawsuits. The length of time it took to conclude these cases averaged three years. Plaintiff awards ranged from \$85,000 to \$4.3 million and averaged about \$2 million dollars. The chart below details the nature of the lawsuits and costs associated with trial of each case.

Lawsuits with Favorable Outcome for Plaintiff

Case No.	Days	Litigation Category	Jury Awards
11-44137	918	Retaliation	\$4,314,765
BC3650	1,246	Retaliation	\$4,014,846
BC361139	896	Retaliation	\$3,602,000
BC383784	1,302	Medical Discrimination	\$3,159,596
BC406133	370	Sexual Harassment	\$2,701,327
BC365114	1,625	Retaliation	\$825,000
BC341480	1,341	Race Discrimination	\$635,798
S167682	1,370	Sexual Harassment	\$344,489
BC398970	610	Gender Discrimination	\$281,850
BC394475	1,346	Gender Discrimination	\$85,000
Totals	<u>11,024</u>		<u>\$19,964,670</u>
Averages	1,102		\$1,996,467

The OIG lastly analyzed lawsuits where the City Attorney's Office was successful. Six lawsuits in the Audit sample had favorable outcomes for the City. As previously discussed, the Audit sample was not selected at random and is not intended to reflect an accurate proportion of the 99 lawsuits with favorable outcomes for plaintiffs verses favorable outcomes for the City.¹⁰ As noted above, three cases resulted in a verdict for the City. Although one of these was lost at first appeal, the City prevailed in an appeal of its own that accounted for the final favorable outcome. The remaining three favorable outcomes for the City were as a result of dismissal by the trial judge.

The length of time it took to conclude these cases averaged 2.3 years. Although the City did not pay any awards for these lawsuits, it did incur external and internal defense costs. As previously indicated, the OIG was unable to calculate these costs without additional information from the Department and the City Attorney's Office. The chart below details the nature of the lawsuits and costs associated with each case.

Lawsuit with Favorable Outcome for City

Case No.	Days	Litigation Category	Award
B226685	1,806	Sexual Orientation	\$0
CV09-5536	1,127	Sexual Harassment	\$0
B218932	889	Race Discrimination	\$0
BC460149	377	Sexual Harassment	\$0
BC413590	356	Race Discrimination	\$0
BC385444	456	Retaliation	\$0
Totals	<u>5,011</u>		<u>\$0</u>
Averages	835		\$0

Objective 4: Determine if the Department initiated a complaint, as required, for each employee-related lawsuit.

The Department requires that a personnel complaint is filed any time misconduct is alleged against an employee. This policy extends to the workplace when one employee alleges misconduct against another. Therefore, every employment lawsuit requires that a personnel complaint be filed and, as a matter of course, thoroughly investigated. To help ensure that this requirement is met, a copy of each employment lawsuit is forwarded to Internal Affairs Group (IAG). In turn, IAG is responsible for initiating a complaint, if a complaint is not already on file. The Audit tested to determine if this requirement was met. The results of the test revealed that all but one lawsuit had a corresponding complaint, for a compliance rate of 96 percent.

¹⁰ The Audit sample was selected judgmentally based on the highest amount of award and the highest initial demand.

In the OIG's sample of employment-related lawsuits, the most common allegation of misconduct was retaliation. Retaliation is defined by the Department as an adverse employment action¹¹ taken against an employee for engaging in protected activity.¹²

Objective 5: Compare the results of each lawsuit to the results of the related complaint investigation(s).

The OIG examined both employment-related complaints and lawsuits to determine whether the Department examines the specific facts and circumstances surrounding each case to determine what specific training it can provide its management on employment-related matters to improve its operations and minimize the likelihood that similar complaints or lawsuits would occur in the future.

The OIG reviewed 26 personnel complaint investigations and their related employment lawsuits. During this review, the OIG determined that 20 of the 26 the lawsuits resulted in settlements for the plaintiff or verdicts against the City. The OIG evaluated each of these complaints and lawsuits to determine what actions the Department undertook to minimize the reoccurrence of similar lawsuits in the future.

Although the Department regularly provides managers with training on broad employment-related issues, the OIG did not find evidence that the Department provides training to its managers on lessons learned from these cases or specific guidance on how to handle particular employment-related issues. Furthermore, the Department does not have a system to identify and analyze the at-risk behavior responsible for the adverse outcomes of these cases and then compare these findings with current Department policies and practices.

¹¹ An adverse employment action includes an action that would cause a reasonable employee to be deterred from engaging in a protected activity or an action in direct response to an employee engaging in a protected activity.

¹² Protected activities include opposing, reporting, or participating in any claim, lawsuit, or investigation concerning unlawful discrimination or sexual harassment, filing a grievance or participation in any unfair labor complaint, taking advantage of any labor right or benefit, reporting misconduct of another Department employee and supporting, assisting, or cooperating in a misconduct investigation.

RECOMMENDATIONS

Below is a summary of the OIG's recommendations. The Department generally agrees with each recommendation.

1. The OIG recommends that the Department review Executive Directive No. 9 for all sections applicable to LAPD and implement policies and procedures designed to bring the Department into compliance with the Mayor's directive.
2. The OIG recommends that the Department implement the Employee Mediation Program to reduce the number of employee-related lawsuits proceeding to settlement or trial. The program, developed by the OIG in consultation with the Department, the City Attorney's Office and the Los Angeles Police Protective League, will provide a mechanism for the development of internal remedies for employee grievances, where appropriate.
3. The OIG recommends that the Department and the City Attorney's Office conduct formal case reviews whenever a case has a scheduled settlement conference or trial approaching. In order to quickly identify those cases suitable for settlement, the formal review should require the parties to discuss the facts of the case, all claims and defenses, the City's potential financial exposure and the attorney's valuation of the case for settlement.
4. The OIG recommends that the Department create a document retention plan specifically for the litigation files and related notes for each employment-related case.
5. The OIG recommends that the Department implement a system to ensure that the significant information for each lawsuit is timely and accurately entered into the appropriate fields within the Claim/Lawsuit Information System or a comparable database.
6. The OIG recommends that the Department evaluate all employment-related complaints, regardless of outcome, to identify possible areas for improvement and then provide managers the targeted training necessary to implement those improvements.
7. The OIG recommends that the Department review with the City Attorney's Office the facts and circumstances for each lawsuit where there is a settlement or verdict adverse to the City to determine the specific issues that created the liability or litigation risk. Furthermore, the OIG recommends that training is developed to address the "lessons learned" in each case and that such training is disseminated to Department staff members in a relevant manner with a goal of preventing similar future behavior.

EXHIBIT A

Data Completion Rates of 30 CLIS Data Fields Tested
(sorted from lowest to highest completion rate)

	Data Field	% Complete
1	Incident Time	0
2	Date Claim Concluded	7
3	Final Cause of Action	15
4	Incident Date	19
5	Claim No.	26
6	Date Claim Filed	30
7	Location of Occurrence	33
8	Area of Occurrence	37
9	Verdict Status	37
10	Verdict for:	41
11	Trial Date	44
12	Appeal	60
13	Supervisor Review	63
14	Complaint No.	70
15	Date Lawsuit Concluded	74
16	Payouts Completed	85
17	LAD Investigator	93
18	City Attorney	93
19	Case Status	96
20	Date IAG Response	96
21	Date of Report	100
22	Claim/Case Name	100
23	Type of Case	100
24	Jurisdiction Court	100
25	Case No.	100
26	Date Lawsuit Filed	100
27	Plaintiff Attorney	100
28	Initial Cause of Action	100
29	Involved Persons Listed	100
30	Complaint to IAG	100

FIRST 5 LA SERVING THE COMMUNITY?



Alicia F. Thompson
Robert J. Taub
Jeffery N. Wallace
Henry Buffett
Nancy M. Coleman

Chairperson
Co-Chairperson
Secretary

FIRST 5 LA SERVING THE COMMUNITY?

EXECUTIVE SUMMARY

The 2013-2014 Los Angeles County Civil Grand Jury (CGJ) conducted an audit to discern the effectiveness of the 2009-2015 Strategic Plan adopted by First 5 Los Angeles (First 5 LA). The new direction outlined a complete shift away from First 5 LA's traditional role as a grant-awarding agency that provided funding to organizations that served the needs of children from ages 0-5 years, throughout Los Angeles County.

Of primary concern to the CGJ is First 5 LA's (Agency) excessive existing fund balance as a result of a suspension of providing services during the "re-tooling" of its Strategic Plan, and the untimeliness of full implementation. As an example, for fiscal years 2010-11 and 2012-13, the Agency budgeted \$61.5 million for Place-Based activities during the three year period, but only spent \$14.6 million during that time, or 23.7 percent of the budgeted amount.

BACKGROUND

Under this approach, the Agency's (First 5 LA) funding would be directed to 14 selected communities within the County where the need for services for children ages 0-5 years was determined to be more pronounced. According to First 5 Los Angeles's Strategic Plan for 2009-2015, traditional grant-making was to be wound down and replaced with the new funding approach, so that the Agency would have greater positive impact on children 0-5 years of age.

The 14 designated communities are:

1. Los Angeles Metro
2. Central Long Beach
3. Compton/East Compton
4. East Los Angeles
5. Lancaster
6. Metro LA
7. Pacoima/Northeast Valley

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8. Palmdale
9. South El Monte/El Monte
10. South Los Angeles/Broadway-Manchester
11. South Los Angeles/West Athens
12. Southeast LA County Cities
13. Watts/Willowbrook
14. Wilmington

As implemented, the Place-Based approach is comprised of three main components:

1. **Community Capacity Building**, in which First 5 Los Angeles would facilitate planning and organizing of parents and organizations (Community Partnerships) in 14 communities to assist them in identifying the needs of children. The Partnerships would then develop action plans to address those needs.
2. **Family Strengthening**, which would provide direct services to the 14 communities, primarily hospital and home visitations for new parents and their babies.
3. **Countywide Strategies** intended to make improvements for children 0-5 years of age through policy and systems level changes.

First 5 Los Angeles is overseen by a Board of Commissioners (Commission) comprised of nine voting and four non-voting members for a total of thirteen members. The Commission is chaired by the current Chairman of the Los Angeles County Board of Supervisors on an annual rotational basis.

The Agency had \$101,867,111 in actual revenues and \$199,570,725 in actual expenditures in FY 2012-13. Expenditures in excess of revenues were covered with money from the Agency's fund balance. As of January 2014, the First 5 LA had approximately 110 staff members.

SECTION ONE

Implementation of the FY 2009-2015 Strategic Plan

First 5 LA's Implementation Plan for its newly adopted Place-Based approach called for spending \$405 to \$540 million for the five years between FYs 2010-11 and 2014-15. This represents an average of \$81 to \$108 million per year, on Place-Based activities in the 14 designated communities. \$270 to \$405 million per year was allocated to Countywide Strategies.

Actual expenditures and activities in the 14 selected Place-Based communities were significantly less than planned for the three years between FYs 2010-11 and 2012-13. In spite of the lack of progress in rolling out the Place-Based Strategy in its first year, First 5 LA continued to budget unrealistically high amounts for two successive years. Sources: First 5 LA Strategic Plan FY 2009-2015 Implementation Plan; Unaudited Financial Statements from 2010-11, 2011-12, and 2012-13; Summary Budget Table provided by First 5 LA

Most of First 5 LA's expenditures in implementing the Place-Based Strategy between FYs 2010-11 and 2012-13 were for Countywide Strategies. Community Partnerships were created in the 14 communities. There is no documentation of plans that were to be created for the improvement of conditions for children 0-5 years of age in these communities. Sources: FY 2010-11, 2011-12, 2012-13 First 5 LA Unaudited Financials; Best Start Implementation Evaluation produced by Juarez and Associates, November, 2012

The new Strategic Plan also included a roadmap for ending support to the Agency's Prior Strategic Initiatives, so that First 5 LA resources could be redirected to the new Place-Based approach. However, as of March 2014 the Agency still has not phased out these grants and continues to fund several of its Prior Strategic Plan grantees. Sources: First 5 LA Strategic Plan FY 2009-2015 Implementation Plan, Commission Agenda Item 8, April 8, 2010; Commission Item 9: Approval of operations and Programmatic Budget for FY 2013-14

First 5 LA placed a "pause" on Place-Based Strategy funding in FY 2012-13. The Commission raised a number of appropriate questions about the approach such as which core results were to be achieved for families and communities. It was several years after implementation of the Place-Based Strategy that the Agency posed these questions and developed quantitative metrics to monitor impact. This suggests insufficient planning for the new strategy. Sources: First 5 LA Commission Agenda Item 10, July 12, 2012; Building Stronger Families Framework and Implementation Plan; Commission Item 3, June 5, 2013, "Best Start Inquiry Process, Setting the Context"

The Agency's own internal inquiry into implementation of the Place-Based Strategy is known as the Listening, Learning, and Leading (L3) effort. The conclusion was that the Strategic Plan was not being used as a guide to Agency funding, and that new performance measures needed to be adopted. Source: First 5 LA Accountability and Learning L3 Report on FY 2009-2015 Strategic Plan Program Services, Activities and Expenditures October 22, 2013

The Agency adopted new performance measures after three years of minimal assessment of outcomes for its Place-Based Initiatives but, as of March 2014, the new measures have yet to be reported on. These measures do not cover the Countywide Initiatives that still comprise the bulk of what First 5 LA is funding. Source: First 5 LA Commission Agenda Item 12, October 10, 2013: Building Stronger Families Framework (BSFF)

While this audit was underway, the First 5 LA Commission adopted Governance Guidelines that call for new programs and initiatives to be

aligned with the Agency's strategic plans. These guidelines call for implementation timelines, specific outcomes and performance measures. If followed, this process should help the Agency avoid some of the problems encountered in rolling out its Place-Based Strategy.

Source: First 5 LA Governance Guidelines, adopted March 13, 2014

RECOMMENDATIONS

- 6.1 The First 5 LA Commission should direct staff to prepare a draft policy, possibly an amendment to the new Governance Guidelines adopted in March 2014, for approval. It should state that proposed budgets will be tied to the adopted Strategic Plan. Staff should also demonstrate prior to approval, the nexus between the strategic plan and any potential investments.
- 6.2 The First 5 LA Commission should require that staff provide sufficient detail and narratives in the proposed annual Agency programmatic budget. This would include a management plan and sufficient detail to substantiate to the Commission and public that the proposed budget is realistic and can be accomplished.
- 6.3 The First 5 LA Commission should amend its current Strategic Plan to include a clear cutoff date and plan for discontinuing initiatives from the prior strategic plan.
- 6.4 The First 5 LA Commission should require that Agency Staff report annually on progress made against the quantitative indicators for the six intermediate term outcomes, adopted as part of the Best Start Families Framework.
- 6.5 The First 5 LA Commission should require that staff prepare a multi-year plan outlining the specific activities that will lead to service enhancements for children 0-5 years old in the 14 communities designated for concentrated funding under the 2009-2015 Strategic Plan.

SECTION TWO

Inadequate Information Presented about Budgeted and Actual Expenditures for the Place-Based Strategy

Information about First 5 LA's budgeted and actual expenditures on Place-Based activities has not been consistently or clearly presented in Agency budget documents presented to the Commission and public. The categories used to describe the Place-Based components in budget and expenditure documents changed between FYs 2010-11 and 2013-14, making it difficult to track expenditures by activity over time.

In Fiscal Years 2012-13 and 2013-14, all budget line items for the Place-Based Strategy were collapsed into a single line item, "Best Start," in Agency budget documents, providing the Commission and the public with little information about how funds were being used and minimizing the need for First 5 LA management to spend funds in accordance with specific Commission direction.

A transmission letter to the First 5 LA Commission did present more detail on Place-Based budgeted expenditures for FYs 2012-13 and 2013-14 but this information was not included in the budget document itself and did not include actual expenditures in comparison to the budget. Sources: First LA Commission Item 7: May 2013 Budget Preview: Discussion of Operations and Programmatic Budget for FY 2013-14; Attachment 3a Best Start 3-Year Summary of Operating Expenditures from FY 2010-11 through FY 2012-13; Unaudited financial statements, FY 2010-11 through FY 2012-13

Place-Based Strategy budget and actual expenditure information for the years reviewed do not include the Place-Based activities budgeted for in the Agency's operating budget. These expenditures averaged \$2.8 million per year for the first three years of the Place-Based Strategy rollout.

Budget and actual expenditure documents presented to the Commission do not track Place-Based Strategy spending by each of the 14 communities being served, making it impossible for the Commission or First 5 LA management to compare the level of funding with the outcomes achieved in each community. Sources: First 5 LA unaudited financial statements, Agency budget documents, FYs 2010-11 through 2013-14, Operating budget cost breakout provided to auditors prepared by First 5 LA finance staff

Not until FY 2012-13 did Commission transmission letters provide a greater level of detail as to how funding for the Place-Based Strategy was being spent, though this information still was not included in the budget. For FY 2012-13, budget detail showed that approximately half of the funds were being spent on marketing, communications, and research and evaluation for the Place-Based Strategy. Sources: First 5 LA Commission Item 7: May 2013 Budget Preview: Discussion of Operations and Programmatic Budget for FY 2013-14; FY 2012-13 Place-Based Investment/Best Start Community Capacity Building budget provided the auditors by First 5 LA

RECOMMENDATIONS

- 6.6 The First 5 LA Commission should establish a policy requiring additional line item detail to include Place-Based funding approval as part of the Agency's Operating Budget. This should be provided in the annual program budget and expenditure reports for Place-Based Strategy activities presented to the Commission and public.
- 6.7 The First 5 LA Commission budget policy should require that Place-Based Strategy budget detail include separate line items for the Community Capacity Building and Family Strengthening components. As well as, a breakdown of how much is being spent directly in the communities as compared to marketing, education and research/evaluation.
- 6.8 The First 5 LA Commission should require that Agency staff track and report on spending by each of the 14 Best Start communities, including the pilot community, Metro LA.

SECTION THREE

The Decision to Implement the Place-Based Strategy was based on Insufficient Evidence, and Implementation to-date has been Problematic

The Commission was provided with evidence from First 5 LA Staff about the potential effectiveness and challenges inherent in the Place-Based Strategy. The evidence included a bibliography with high-level articles about race, class and power in institutions. The information in Appendix G of the 2010 Implementation Plan did not address whether community organizing is an effective tool for improving services for children. It also cited the work of private foundations, which may not be an appropriate comparison for an agency that receives public funds.

Additional information provided to the Commission prior to the adoption of the Place-Based Strategy did not adequately illustrate the potential impact of the Community Capacity Building component. Factors associated with Community Capacity Building included that it might take an extended period of time for results to materialize and that there were few examples of the approach's success elsewhere.

Source: Appendix G of the 2010 First 5 LA Implementation Plan

Community Capacity Building is historically time-consuming and challenging. Adopting the Place-Based approach is difficult to measure the effectiveness of the Community Partnerships and their ability to improve services in the 14 selected communities. Some Community Partnership representatives have expressed frustration at the slow pace of development and their concern that any implementation plans

developed will not be funded. Sources: First 5 LA FY 2009-2015 Strategic Plan, First 5 LA Strategic Plan FY 2009-2015 Implementation Plan, and First 5 LA Commission Item 3, June 5, 2013, Best Start Inquiry Process, Setting the Context

RECOMMENDATIONS

- 6.9 The First 5 LA Commission should direct staff to present comprehensive research and all pertinent information prior to adopting a new strategy or major change to an existing strategy. The data should illustrate the successes and/or challenges, as well as impacts to the strategy, when implemented elsewhere.
- 6.10 The First 5 LA Commission should review its Place-Based Strategy to determine whether supporting this strategy is the most appropriate use of funds and time resources. Would the Los Angeles community be better served by having a mix of direct service investments, similar to those funded through its Countywide Initiatives and Prior Strategic Plan programs?
- 6.11 First 5 LA Commission should ensure that sufficient information about the viability of the Community Partnerships and their ability to improve outcomes for children ages 0-5 is delivered to the Commission on a regular basis.

FIRST 5 LA SERVING THE COMMUNITY?

TOPIC OF INVESTIGATION

The 2013-2014 Los Angeles County Civil Grand Jury (CGJ) sought to analyze the performance of First 5 Los Angeles. This Agency has transitioned from its traditional role as a grant-funding organization to one of Community Capacity Building and Place-Based support to organizations that serve children from ages 0-5, throughout Los Angeles County. The change in direction is outlined in the First 5 Los Angeles 2009-2015 Strategic Plan. Of specific concern is whether or not this option will enable First 5 Los Angeles (First 5 LA) to satisfy its mission to Los Angeles County.

BACKGROUND

Through passage of Proposition 10 by California voters in 1998, a 50-cent per pack tax was imposed on all tobacco products. This new source of funding was allocated to creating and sustaining First 5 agencies in every county in California; each of which was to provide information, programs and services to advance early childhood development and school readiness in their jurisdiction. First 5 LA (Agency) was created to fulfill this mission for children ages 0-5 in Los Angeles County.

The Agency is overseen by the First 5 LA Board of Commissioners (Commission). This Commission is comprised of nine voting and four non-voting members for a total of thirteen members. Members are comprised of representatives from the Los Angeles County Departments of Public Health, Public Social Services, Mental Health, and Los Angeles County Office of Education. An appointee from each Los Angeles County Board of Supervisor district, and representatives of other organizations dedicated to serving children and families are on

the Board. The Commission is chaired by the current Chairman of the Los Angeles County Board of Supervisors on an annual, rotational basis.

First 5 LA adopted a significant change in funding strategy in its Fiscal Year (FY) 2009-2015 Strategic Plan. It replaced traditional countywide, initiative-based grant-making with a more concentrated "Place-Based" approach. Funding would be directed to 14 selected communities in the County, where the need for services to children ages 0-5 was determined to be more pronounced. Source: First 5 LA FY 2009-2015 Strategic Plan

In 2010, the Agency adopted an Implementation Plan to guide programming and investments related to the new Strategic Plan. The Implementation Plan outlined the main components for the Place-Based Strategy, as well as strategies aimed at improving outcomes for children through policy, advocacy, and public education. Source: First 5 LA FY 2009-2015 Implementation Plan

In the spring of 2012, three years after the adoption of the new Strategic Plan, the First 5 LA Commission and staff made the decision to "pause" implementation of the plan. During the yearlong "pause" that ensued, the Agency undertook a review of the goals, performance measures, and reporting procedures for the Place-Based Strategy components. This review is referred to by the Agency as the Best Start Inquiry. As part of the review, First 5 LA invited input from the 14 Community Partnerships, which are referred to as the Best Start Community Partnerships. Source: First 5 LA Commission June 5, 2013, Item 3, Best Start Inquiry Process

In early 2013, the Agency conducted an effort known as Listening, Learning, and Leading (L3) to understand the strategic issues facing the Agency.

In response to the Best Start Inquiry and L3 effort, the Agency adopted the Best Start Families Framework (BSFF) and the BSFF Implementation Plan, in the second half of 2013. These documents address some of the questions raised during the "pause", such as, how the Agency will measure success moving forward. The BSFF Implementation Plan also includes funding guidelines and is now underway. Sources: First 5 LA Accountability and Learning L3 Report on FY 2009-2015 Strategic Plan Program Services, Activities and Expenditures October 22, 2013; Commission Item 3, June 5, 2013, Best Start Inquiry Process, Setting the Context; Building Stronger Families Framework and Implementation Plan

First 5 LA projects that its annual revenues will decline between FY 2013-14 and FY 2017-18, from roughly \$97 million to \$83 million. It had a beginning fund balance on July 1, 2013 of \$723,744,969. The FY 2017-18 projected funds balance is \$276,868,103. Sources: First 5 LA Long-Term Financial Projection, Multi-Year Forecast Detail, January 13, 2014; Comprehensive Annual Financial Projection, Multi-Year Forecast Detail: Report to Commission January 13, 2014

SECTION ONE

Implementation of FY 2009-2015 Strategic Plan

As First 5 LA shifted away from funding of Countywide direct services towards a Place-Based Strategy that would support discreet initiatives within 14 geographic communities. Challenges to successful implementation of the strategy were discerned. The Agency had projected, by 2011, to increase spending on the Place-Based components, while phasing out traditional initiative-based grant-making from the prior strategic plan.

First 5 LA spent significantly below annualized expenditure projections and programmatic budgets for Place-Based activities. During the same period, spending on the prior Strategic Plan and Countywide Initiatives had greatly exceeded spending on the Place-Based Strategy components for every year since adoption of the Strategic Plan that called for a Place-Based approach to funding.

The Agency had not phased out initiatives from its prior strategic plan according to its own schedule for doing so. Further, in 2010, the Board of Commissioners adopted a number of new Countywide Initiatives that are primarily comprised of direct services and that are unrelated to the Place-Based Strategy in the 2009–2015 Strategic Plan.

Lastly, the Agency had not fully developed its plans for evaluating the 2009-2015 Strategic Plan, specifically, the Community Capacity Building component of the Place-Based Strategy, prior to its adoption. It was not until 2012 that the Commission and staff made the decision to “pause,” the Place-Based work so that goals, concrete outcomes and indicators for measuring its success could be established. While the review conducted during this year-long break seems appropriate, the question remains as to why these decisions were not made when the new strategy was initially adopted. Sources: First 5 LA 2009-2015 Strategic Plan: FY 2010-11, 2011-12, 2012-13 Unaudited Financials; Commission Agenda Item 8, April 8, 2010; Commission Item 9: Approval of Operations and Programmatic Budget for FY 2013-14; First 5 LA Accountability and Learning Framework; Commission Item 3, June 5, 2013, Best Start Inquiry Process, Setting the Context; First 5 LA Commission Agenda Item 10, 2012 – This document marked the beginning of the Pause.

First 5 LA Intended to Significantly Change Course with Its 2009 - 2015 Five Year Strategic Plan

In 2008, the staff and Commission of First 5 Los Angeles decided to transition the strategic direction of the Agency. Under the previous Strategic Plan that was carried out from 2004-2009, First 5 LA provided funding for direct services, primarily, to assist children and families in three categories:

1. Early Learning
2. Health
3. Safe Children and Families

The aim of these activities was to produce outcomes in five goal areas:

1. Good health
2. Safety and survival
3. Economic well-being
4. Social and emotional well-being
5. School readiness.

Source: April 2004, Strategic Plan Adoption Report 2004-2009

The Agency undertook a review of its work to-date, in addition to conducting a review of the policy and funding landscape in California and nationwide. It convened focus groups and interviews internally and externally, with grantees, partners and staff.

Three themes guided the review:

1. Need for increased integration of the Commission's investments
2. Desire for focused impact on families in Los Angeles County
3. Need to be able to tell the Agency's story in a concise and compelling way

Source: January 8, 2009: Goal Statements and Priority Measures, Environmental Scan.

Two major decisions resulted. The first was the adoption of four goal statements, and accompanying priority measures, to guide the Agency's work and measure its results. The four goal statements and priority measures were:

Goal #1: Babies are born healthy.

Priority Measure: Percent of babies born at a low birth weight.

Goal #2: Children maintain a healthy weight.

Priority Measure: Percent of children overweight.

Goal #3: Children are safe from abuse and neglect.

Priority Measure: Number of substantiated cases of abuse and neglect.

Goal #4: Children are ready for kindergarten.

Priority Measure: Percent of children reading at grade level at third grade.

Source: FY 2009-2015 Strategic Plan

The second decision was to shift to a Place-Based Strategy, rather than continue to fund discreet Countywide Initiatives. To execute the Place-Based Strategy, First 5 LA planned to select a group of geographically contained communities and to implement three types of activities in each:

1. Family Strengthening direct services
2. Community Capacity Building, including the development of Community Partnerships
3. Systems Improvement Initiatives, such as efforts to improve targeting and delivery of services in particular geographic areas

Source: First 5 LA 2009-2015 Strategic Plan

Accompanying the Place-Based Strategy activities, the Agency planned to invest in Countywide Strategies that would improve the availability, quality and integration of early childhood education services. The Agency planned to fund activities in the following areas to accomplish these goals: public policy, public education, resource mobilization, workforce development, data systems integration, health access, and information resource and referral.

Over the course of 2010, the Agency developed an Implementation Plan to guide its Strategic Plan activities.

The Systems Improvement Initiatives are folded into the Countywide Strategies section in the Agency's 2010 plan to implement the 2009-2015 Strategic Plan (the Implementation Plan). Systems Improvement Initiatives and Countywide Strategies are referred to synonymously starting in 2010 and in later documents. Source: First 5 LA Strategic 2009-2015 Implementation Plan

The 2010 Implementation Plan Proposed Significant Funding for Place-Based Activities and Phasing Out of Prior Countywide Strategic Plan Initiatives

The Place-Based Strategy adopted by the First 5 LA Commission in 2009 was comprised of the following three components:

1. Family Strengthening
2. Community-Capacity Building
3. Countywide Strategies

Family Strengthening was to consist of providing direct services to families in geographically-based communities. The 2010 Implementation Plan describes two pathways for this strategy. The first pathway focused on meeting the needs of all new births in the communities, and was to be accomplished primarily through making investments in home visitation programs. The second pathway was to focus on providing a range of services to children and their families. It was to be implemented by funding case management, parenting education, home-based interventions and mentoring programs.

In later reports on the Strategic Plan, it appears Family Strengthening has consisted primarily of a home visitation program referred to as "Welcome, Baby!". The second pathway of services case management, parenting education, and other interventions were abandoned. However, additional Countywide Initiatives were approved in 2010 that offer some of the services originally outlined in the second pathway to families, although they were made available countywide, and not targeted to the communities designated by First 5 LA for Place-Based funding and support. Source: First 5 LA Strategic Plan FY 2009-2015 Implementation Plan that was developed to support the FY 2009-2015 Strategic Plan

Community Capacity Building was to consist of four parts, each to be supported by First 5 LA, namely:

Category	Definition
Community Engagement	Supporting relationship and partnership building among and across families, other community members and systems.
Community Leadership	Identifying, supporting and developing leaders from within the local community.
Community Infrastructure	Strengthening, connecting and mobilizing local community-based resources.
Community Investment	Mobilization and connection of external resources of non-profit, for-profit, government and other partners to local community-based resources.

Source: First 5 LA Strategic Plan FY 2009-2015 Implementation Plan that was developed to support the FY 2009-2015 Strategic Plan

The Implementation Plan focused in particular on describing the community engagement component, during which partnerships of non-profits, parents and other groups were to be formed and aided in the development of plans to improve services in their area.

Countywide Strategies were to be comprised of grants in seven areas:

1. Public policy
2. Public education
3. Resource mobilization
4. Workforce development
5. Data systems integration
6. Health access
7. Information resource and referral

The Plan lists a ten-point public policy agenda that was to be the focus of advocacy efforts between 2010 and 2015 and that addresses access to childcare, healthy food, healthcare and information about breastfeeding. Though funding in these areas would not necessarily be directed to the selected communities, the Agency's intent was that improvements resulting from their advocacy and efforts in these areas

would benefit the targeted communities (along with other communities in the County). Source: First 5 LA Commission Agenda Item 13, February 10, 2011

The Implementation Plan also included projected five-year expenditures for the Place-Based Activities, the new Countywide Strategies, related Research and Evaluation and Agency Administration and Reorganization. As shown in Figure 1.1, the Plan anticipated funding levels at \$405 to \$540 million for Place-Based Activities over the five year period covered by the Strategic Plan and from \$270 to \$405 million for the Countywide Strategies. Expenditures on research and evaluation and Agency administration and reorganization were projected to be \$45 million over the course of the plan period, or an average of \$9 million per each category, annually. Source: First 5 LA Commission Agenda Item 13, February 10, 2011

Figure 1.1: Proposed Five-Year Funding for the Implementation of the 2009-2015 Strategic Plan

Strategic Plan Components	Proposed Funding (millions)	Percentage of Total Funding
Countywide Strategies	\$270 - \$405	30 - 45%
Place-Based Activities	\$405 - \$540	45 - 60%
Research and Evaluation	\$45	5%
Administration and Reorganization	\$45	5%
TOTAL	\$765 - \$1,035	100%

Source: First 5 LA Implementation Plan for 2009-2015 Strategic Plan

Lastly, the 2010 Implementation Plan included a transition roadmap for grantees that fell under four initiatives from the prior strategic plan, as well as an appendix that outlined whether grantees fit into the new strategic plan and/or when they would receive their final First 5 LA grant support. Grantees from the following four initiatives, *Family Literacy*, *Healthy Births*, *Partnerships for Families*, and *Family, Friends and Neighbors* which were located in the newly selected place-based communities, were to receive a one-year extension of their grant contract.

Many of these grantees represented the old, silo approach to funding and continued to receive support well beyond the one-year contract extension. Some have received funds every year that the new Strategic Plan has been in place.

For grantees from these four initiatives that were not located in the newly selected communities, it was proposed that they be given a short contract extension and/or be informed that their funds were ending. They were also to be given technical assistance and capacity building support prior to the end of their contracts to help prepare them for the loss of First 5 LA funding.

Despite having outlined and approved a transition and phase-out plan for grantees from the prior Strategic Plan period (2004–2009), the Agency has continued to fund many of these initiatives. First 5 LA's FY 2013-2014 budget states that there are 14 grant renewals from the prior Strategic Plan budgeted to receive \$76.3 million.

During the course of this audit, First 5 LA took an important step to address the continued funding of the prior Strategic Plan initiatives. On March 13, 2014, the First 5 LA Commission approved new Governance Guidelines that state that all First 5 LA contracts and grants will have an expiration date. Multi-year, services-related investments will end pursuant to the time stated in the original allocation or grant award. Prior Strategic Plan initiatives must expire pursuant to their terms or be clearly aligned with the 2015-2020 Strategic Plan criteria, (the period that will be covered by the Agency's next strategic plan).

Actual Spending on the Place-Based Strategy Fell Short of Planned and Budgeted Spending

As is evident from the five-year budget projection shown in Figure 1.1, First 5 LA planned to spend in the hundreds of millions of dollars for both Place-Based Activities and the Countywide Strategies. Figure 1.2 demonstrates that the Agency has consistently reported expenditures well below the initial, annualized projection, in addition to spending below subsequent programmatic budgets.

Using average planned expenditures between 2010 and 2015 based on First 5 LA's Strategic Plan; the Agency should have spent \$81 to \$108 million on Place-Based Initiatives in FY 2010-11. According to the Implementation Plan, the proposed expenditures for Place-Based Activities for that year were \$17.3 million. In actuality, First 5 LA reported spending just \$1.8 million on Place-Based Initiatives from its programmatic budget, or 10% of its goal, in FY 2010-11.

Figure 1.2: Budgeted and Actual Expenditures for the Place-Based and Countywide Activities

	FY 2010-2011		FY 2011-2012		FY 2012-2013		
First 5 LA Source Document	Place-Based Initiatives	Countywide Strategies	Place-Based Initiatives	Countywide Strategies	Place-Based Initiatives	Countywide Strategies	TOTAL
<i>2009 Implementation Plan/Average Annual Allocation</i>	\$81-108	\$54-81	\$81-108	\$54-81	\$81-108	\$54-81	\$405-567
<i>2009 Implementation Plan</i>	\$17.3	\$32.6	N/A	N/A	N/A	N/A	\$49.9
<i>Annual Budget</i>	\$17.3	\$32.5	\$16.8	\$30.3	\$31	\$30.1	\$158.0
<i>Actual Expenditures</i>	\$1.8	\$0.36	\$5.82	\$17.57	\$7	\$28.91	\$61.5
Variance (Budget to Actuals)	(\$15.5)	(\$32.1)	(\$11.0)	(\$12.7)	(\$24.0)	(\$1.2)	(\$96.6)
<i>All figures are in millions of dollars</i>							

Source: First 5 LA budget documents and expenditure reports.

It should be noted that the amounts shown in Figure 1.2 and presented in the Agency's programmatic budgets do not include Best Start programmatic expenditures which are included in the Agency's operating budget. These costs were roughly \$3 million each year between FYs 2010-11 and 2012-13 and covered the cost of Agency staff working on Place-Based activities. Operating costs are discussed further in Section Two.

While variances between budgeted and actual expenditures occur in most organizations due to factors that cannot be predicted at the beginning of the budget year; they are usually not of a magnitude as significant as those shown in Figure 1.2. It is unusual for such variances to continue to occur year after year. The variances between budgeted and actual expenditures indicate that the budgets presented to and approved by the Commission did not reflect the Agency's actual activity and were not being used as a management accountability tool.

After Adopting the Place-Based Strategy; the Commission Added Numerous Countywide Initiatives

In response to various proposals circulated at the state-level in 2010 to re-appropriate the fund balance from First 5 LA and other First 5 organizations throughout the State, the First 5 LA Commission decided

to commit more of their substantial fund balance and augment FY 2010-11 spending by approving new Countywide Initiatives.

Over the course of 2010, the Commission held several meetings to determine which additional initiatives to fund. Five objectives for the new programming via these meetings were identified:

1. Leverage additional resources by investing in timely opportunities.
2. Promote awareness of, and improve the public's perception about, First 5 LA's impact across the county.
3. Expand the reach of First 5 LA's investments in order to "touch" the lives of all 0-5 year-olds and their families.
4. Expand the scale and scope of the current Countywide Strategies already included in the Strategic Plan.
5. Improve First 5 LA's ability to "scale-up" its investments in the target communities by improving the data collection and analysis relative to the county's population of children 0-5 years of age.

Source: First 5 LA Strategic Plan 2009-2015 Implementation Plan

Of the five objectives listed above, only objectives 4 and 5 are related to the 2009-2015 Strategic Plan's shift to a Place-Based approach.

In October 2010, the Commission submitted 16 funding proposals for consideration. The proposals differed in terms of strategies or programs proposed, budget, and length of implementation. In November 2010, eleven of these sixteen proposals were approved, resulting in a total multi-year allocation of roughly \$57 million.

The sixteen Countywide Augmentation Projects that were approved or pending as of February 10, 2011, representing \$208.1 million in multi-year allocations, are presented in Figure 1.3.

Figure 1.3: Multi-Year Allocations for Countywide Augmentation Projects as of February 10, 2011

Countywide Augmentation Project	Status*	FY 2010-2011 Totals
East Los Angeles College Child Care Providers	Approved	\$1,057,952
Tot Parks and Trails	Approved	\$10,000,000
Infant Safe Sleeping	Approved	\$1,500,000
Connecting Risk and Perinatal Services	Approved	\$200,000
LA Partnership - EC Investment	Approved	\$1,500,000
Data Partnership with Funders	Approved	\$5,000,000
Countywide Universal Assessment	Approved	\$54,100,000
Parent-Child Interaction Training	Under Review	\$20,000,000
Workforce Development: Nutrition and Physical Activity	Under Review	\$6,197,400
Early Childhood Education Workforce Consortium	Approved	\$37,079,667
Improving Access to Substance Abuse Services	Approved	\$15,000,000
One Step Ahead	Approved	\$30,000,000
Family Literacy	Under Review	\$14,000,000
Peer Support Groups for Parents	Approved	\$2,200,000
Healthy Food Access Initiative	Approved	\$7,500,000
Uninterrupted Prenatal and Post-partum care	Under Review	\$2,800,000
TOTAL		\$208,135,019

Source: Agenda Item: 13, February 10, 2011

*The status of the grants is current as of 2/10/11.

Since Adoption of the Place-Based Strategy In 2009; the Agency has spent the Majority of Its Funds on the Prior Strategic Plan and New Countywide Initiatives

Despite formally adopting the Place-Based Strategy in the 2009-2015 Strategic Plan, First 5 LA continued to fund initiatives from its prior strategic plan, in addition to funding Countywide Initiatives that were added in 2010 to augment spending.

In general, both of these types of grants are inconsistent with the Place-Based Strategy, although grants for initiatives like Infant Safe Sleeping and Parent-Child Interaction Training, might be said to fit into the Family Strengthening component of the place-based work. However, these other initiatives were not directed to the 14 designated Place-Based communities.

While spending on Place-Based Initiatives and other 2009-2015 Strategic Plan activities (the combination of Place-Based Initiatives, Countywide Strategies and related Research and Evaluation) increased in the three years shown in Figure 1.4, programmatic spending on prior Strategic Plan Activities, Countywide Initiatives, and Los Angeles Universal Preschool (LA UP) greatly exceeded spending on the Place-Based Initiatives as a percentage of the overall budget in all of the years presented. Most of the increases in 2009-2015 Strategic Plan spending were for the Countywide Strategies components, which are intended to support improvements in the 14 designated communities, but do not in and of themselves provide direct funding or support to the 14 communities.

While Figure 1.4 shows that 2009-2015 Strategic Plan spending has increased over the past three years, the Agency has continued to spend the majority of its programmatic dollars on initiatives unrelated to the Strategic Plan. For example, in FY 2010-11, First 5 LA spent 3% of funds on 2009-2015 Strategic Plan investments, and 97% of funds on non-strategic investments. As is stated in First 5 LA's own 2013 Listening, Learning and Leading (L3) Report, the 2009-2015 Strategic Plan has not acted as an effective guide for its investments.

The Listening, Learning and Leading (L3) Report reviewed the Agency's grant-making between 2009 and 2012. It was produced as part of a Commission and staff led effort to understand how it could improve at implementing the Strategic Plan. It did not, however, question whether continuing the Place-Based Strategy was feasible, given the results to-date. It also did not examine budget to actual spending on the Place-Based Strategy components, nor ask or explain why spending was significantly below projected and budgeted amounts year after year.

In its conclusions, the L3 report found that the Strategic Plan does not tie its goals and objectives to specific inputs and investments, and therefore does not adequately serve to guide First 5 LA's work. The report also argued that the Strategic Plan has served more to outline a grand vision for the organization than to guide the day-to-day programming and activities.

In a Summary of Commission Actions produced by First 5 LA about the meeting on June 13, 2013, it is noted that the Agency is aware that many of the Commission's resources continue to support Prior

Strategic Plan initiatives, some of which are not aligned with the current Strategic Plan's direction. The report does not address why this may be the case.

First 5 LA was making funding decisions on an ad hoc basis. The purpose of a Strategic Plan is to provide overall guidance and coherence to investment decisions. The Agency repeatedly emphasized its shift to a Place-Based Strategy in documents to the Commission. In actuality, the bulk of the expenditures and activities are not directed towards implementing this plan.

Additionally, one of the primary reasons given for adopting the 2009-2015 Strategic Plan, was to narrow and improve the outcomes and strategies of the its work. As part of the plan, First 5 LA adopted research and evaluation guidelines to measure the collective impact of the Place-Based Initiatives, in addition to examining the extent to which any one grant was having an impact.

The 2010 Accountability and Learning Framework, and the subsequently updated accountability documents, do not include plans for measuring the collective impact of the countywide initiatives and the prior Strategic Plan Initiatives. This indicates that the bulk of the organization's funding is for initiatives that are not included in the overall accountability structure, and whose results were not being measured against the goals of the Strategic Plan.

While It Never Amended Its 2009-2015 Strategic Plan and Place-Based Approach, First 5 LA did incorporate Prior Strategic Plan and Countywide Initiatives in Its Updated Strategic Documents

Following a year-long internal review of its Place-Based work, First 5 LA adopted a revised strategic framework (not a new strategic plan) and implementation plan in 2013, which is referred to as the Building Stronger Families Framework (BSFF) and Implementation Plan. The Implementation Plan for the BSFF sets out a path for the Agency between January 2014 and June 2015. The BSFF Implementation Plan again describes the three components of the Place-Based Strategy: 1) Family Strengthening, 2) Systems Improvement and 3) Community Capacity Building, and how they will advance six newly adopted core results.

Figure 1.4: Strategic Spending v. Non-Strategic Spending as Percentage of Total Programmatic Expenditures

	Place- Based Initiatives	Countywide Strategies	Research / Evaluation	Strategic Spending TOTAL	Countywide Initiatives	Prior Strategic Plan	LA UP	Administration	Non-Strategic Spending TOTAL	TOTAL
<i>FY 2010-11 Expenditures</i>	\$ 1.80	\$ 3.40	\$ 0.39	\$ 5.59	\$ 0.05	\$126.40	\$ 44.00		\$ 170.45	\$ 176.04
<i>Percentage of Total</i>	1%	1.9%	0.2%	3%	0.03%	72%	25%		97%	100%
<i>FY 2011-12 Expenditures</i>	\$ 5.82	\$ 17.57	\$ 1.28	\$ 24.67	\$ 6.50	\$ 48.04	\$ 44.90	\$ 0.04	\$ 99.48	\$ 124.15
<i>Percentage of Total</i>	5%	14%	1%	20%	5%	39%	36%	0.03%	80%	100%
<i>FY 2012-13 Expenditures</i>	\$ 8.10	\$ 28.91	\$ 2.17	\$ 39.18	\$ 37.66	\$ 37.66	\$ 67.30		\$ 142.62	\$ 220.98
<i>Percentage of Total</i>	4%	13%	1%	18%	17%	17%	30%		65%	100%
<i>3-Year Total</i>	\$ 15.72	\$ 49.88	\$ 3.84	\$ 69.44	\$ 44.21	\$212.10	\$156.20	\$ 0.04	\$ 412.55	\$ 481.99
<i>Percentage Total</i>	3%	10%	1%	14%	9%	44%	32%	0%	86%	100%
<i>All figures are in millions of dollars. The prior strategic plan category includes Best Start Metro LA.</i>										

Source: Figures for the Table come from the FY 2010-11, 2011-12 and 2012-13 Unaudited Financial Statements

The BSFF Implementation Plan also explains how Prior Strategic Investments and the Countywide Augmentation Initiatives can support the newer Strategic Plan work. In the section entitled Community Capacity Building, their report describes the Prior Strategic Plan Initiative known as Neighborhood Action Councils (NACs). Funded since 2002, the NACs support building and strengthening resident relationships with one another and with other community partners and resident leadership. This consists of planning and pursuing neighborhood-level change to improve child and family well-being. There are 102 NACs across Los Angeles County, 63 were located within the 14 Best Start communities. The plan states that First 5 LA will work more strategically with the NACs to identify and capitalize on opportunities for greater alignment. The report does not address how funding for the 39 NACs not located in the 14 communities will be handled.

The BSFF Implementation Plan also describes the Peer Support Groups for Parents initiative that was funded as part of the 2010 Countywide Augmentation grants. The goal of these groups is to foster social connections, reduce isolation, allow for the transfer of knowledge and skills relating to parenting, breastfeeding, oral health and hygiene, childhood obesity prevention and nutrition. There are five community-based organizations (CBOs) responsible for implementing the parent support groups. Each of the five CBOs serves at least one Best Start community. Some of the strategies for integrating the peer support groups into the Place-Based work include establishing referral agreements with "Welcome Baby!" hospitals and community health centers, along with sharing information and resources across the five CBO's, the 14 Community Partnerships, and the 63 Neighborhood Councils.

The inclusion of these grants within the BSFF attempts to classify previously non-strategic grants as strategic. Perhaps the Agency was responding to the internal observation raised in the Listening, Learning and Leading (L3) report; where previous strategic planning documents were not an effective roadmap for investments that were made. The Neighborhood Action Councils (NACs) have a purpose similar to the 14 Best Start communities, although operating on a smaller scale. The intention of the Peer Support Groups is to distribute to parents information that is also available through the "Welcome Baby!" home visitation program.

While Many Critical Questions were addressed during First 5 LA's Year-Long Place-Based Strategy "pause", the need to take time off suggest gaps in Planning which led to Frustration among Some of the 14 Community Partnerships

In April, 2012, the First 5 LA Board of Commissioners approved an allocation of \$1.7 million per community, or a total of \$23.8 million (\$1.7 million x 14 communities) for implementation of Year One activities in FY 2012-13. The funds were to be spent by the categories shown in Figure 1.5, with some flexibility built in the event the Community Partnerships proposed a different budget level for each component based on their readiness to complete certain activities.

Figure 1.5: Funding Allocation per Community Partnership for Fiscal Year 2012-13 as of April, 2012

Community Plan Component	Total Per Component
Family Strengthening	\$700,000
Capacity Building	\$450,000
Evaluation	\$200,000
Communications	\$150,000
Logistical Support	\$210,000
TOTAL	1,710,000
<i>Source: Agenda Item 10, July 12, 2012</i>	

In July 2012, however, Agency staff recommended that each Community Partnership be granted \$560,000, or 33 percent of the originally budgeted amount, over a six-month period. These funds were to be used solely for Evaluation, Communications and Partnership Logistical Support. This decision is referred to by staff members as the beginning of an internal "pause," or reduction in First 5 LA funding for Place-Based work that lasted approximately twelve months.

The reason given for the change in funding allocation was to *"provide additional time for communities to continue to build their capacities and strengthen parent/resident engagement at multiple levels."*

First 5 LA documents such as Commission minutes and staff reports also suggest that the Commission wanted to clarify the role of the Community Partnerships and the outcome measures that would be used to assess them. Instead of allowing the Community Partnerships to begin implementation of their plans in June 2012; First 5 LA Staff and the Commission undertook a process to refine the goals of the Community Capacity Building work. This review process was not

formally initiated until the spring of 2013. Sources: Commission Agenda Item 10, July 12, 2012; Building Stronger Families Framework and Implementation Plan; Commission Item 3, June 5, 2013, Best Start Inquiry Process, Setting the Context

Prior to that, the Commission voted on November 29, 2012, to extend financial support, previously scheduled to end (on December 31, 2012) to March 31, 2013. The amount of the support of \$280,000 was for Communications, Partnership Logistical Support, and Evaluation activities.

In the spring of 2013, an interdepartmental team from First 5 LA conducted an inquiry of the Place-Based Initiatives (which are referred to as Best Start in the more recent documents) with the goal of addressing four issues:

1. The results for children and families that First 5 LA and its Community Partners seek through this Place-Based effort
2. How progress toward desired intermediate and long-term results will be measured
3. The program strategies related to Best Start's goals
4. How the strategies and activities work together to support young children

Source: First 5 LA Commission Item 3, June 5, 2013, Best Start Inquiry Process, Setting the Context

As a result of this inquiry process, staff created and proposed, and the Commission adopted, the Best Start Building Stronger Families Framework (BSFF) to guide the Place-Based Initiatives moving forward. The BSFF Implementation Plan identifies two overarching results, and six intermediate term outcomes, three family core results, and three community core results. It also identifies 49 population-based indicators that could be used to measure progress made against the six intermediate term outcomes. Staff noted that they will shortly select two to three of the population-based indicators per each of the six intermediate term outcomes. Source: Building Stronger Families Framework and Implementation Plan

It is problematic that the Agency only recently selected indicators to measure the impact of its work in the communities. Many of the 49 indicators being considered are difficult to measure and may not be directly related to the work of First 5 LA, although it does appear that

many are. Examples of the indicators being considered include the percentage of parents who read to their children every day and the percentage of parents who praise their child every day.

Figure 1.6: Original and 2013 Updated Measures to Guide Research and Evaluation of the 2009-2015 Strategic Plan

Priority Goals and Measures (adopted 2009)	Children are born healthy. - Percent of babies born at a low birth weight.	Children maintain a healthy weight. - Percent of overweight children.	Children are safe from abuse and neglect. - Number of substantiated cases of child abuse and neglect.	Children are ready for school. - Percent of children reading at grade level at 3 rd grade
Two Overarching Results (Adopted 2013)	Strong Families Families support and promote the healthy development, school readiness and well-being of their young children		Healthy Communities Communities support and promote the healthy development and well-being of families with young children	
Six Core Results (Adopted 2013)	Core Results 1) Family capacities: knowledgeable, resilient, nurturing parents 2) Social connections: families participate in positive social networks 3) Concrete supports: families have access to services that meet their needs		Core Results 1) A common vision and collective will to strengthen families 2) Coordinated services and supports responsive to families 3) Social networks and safe spaces for recreation and interaction	
Outcome Indicators (TBD)	2-3 outcome indicators to be adopted per core result		2-3 outcome indicators to be adopted per core result	

Source: Best Start Building Stronger Families Framework (BSFF) Implementation Plan

The document also describes a process undertaken to assess the capacity of the Community Partnerships and determine their ability to implement their own strategic plans. It describes next steps for developing the Community Partnerships, for better integrating the three components of the Place-Based Initiatives.

First 5 LA's undertaking of this strategic review process is commendable. The questions posed as part of the inquiry process also appear to have been the right ones: What are the core results that will be achieved for families and communities? What are the strategies to be used and how will they advance the core results? How will progress be measured?

Establishing concrete outcome measures for the program that could be regularly reviewed should have been done along with the adoption of the Strategic Plan. Attachment B from the June 2009 Strategic Plan recommends reviewing some quantitative indicators, such as the percentage of women who receive a 6-week post-partum check-up and the percentage of mothers screened for post-partum depression. The quantitative indicators listed were not regularly reported to the Commission during subsequent reviews. The indicators are also mostly population-based, and do not include outcomes to measure the health and capacity of the Community Partnerships themselves.

FINDINGS

1. In 2009, First 5 LA adopted a five-year Strategic Plan that called for making significant investments in a Place-Based Strategy. The new plan called for discontinuing funding of initiative-based direct services on a countywide basis and to concentrate funding to targeted communities with the goal of making a greater impact with the Agency's investments.
2. The Implementation Plan called for spending \$405 to \$540 million over five years, or an average of \$81 to \$108 million per year on Place-Based activities in 14 high needs communities. \$270 to \$405 million per year were also allocated to Countywide Strategies, aimed at improving policies and services for children ages 0–5 in the 14 communities and beyond.
3. The budgeted amount for both Place-Based activities and Countywide Strategies for the three years ending in FY 2012-13 was \$158 million, but actual expenditures were significantly below that amount, at \$61.4 million, or only 39 percent of the amount budgeted.
4. Most of the \$61.4 million in actual expenditures went towards funding Countywide Strategies policy and advocacy work; the amount expended on Place-Based activities in the 14 communities was only \$14.6 million over the three years ending in FY 2012-13, significantly lower than the \$65.1 million budgeted for activities in the 14 communities during those three years.
5. The new Strategic Plan included a roadmap for ending support to Prior Strategic Initiatives grants. The Agency has not implemented this component of the Plan and continues to fund several of these grantees. In addition, the Agency adopted other

Countywide Initiatives in 2010. Spending on these two categories of grants has greatly exceeded spending on Strategic Plan components as a percentage of annual expenditures.

6. During the Agency's "pause" on Place-Based Strategy funding in FY 2012-13, it appears that the right questions were raised, as to the core results to be achieved for families and communities. It took First 5 LA several years after implementation of the Place-Based Strategy to ask these questions and to develop quantitative metrics to monitor impact suggests insufficient planning for the new strategy. It contributed to a loss of momentum in activities for the newly formed Community Partnerships in the 14 designated communities.
7. The Agency's own inquiry into implementation of the Place-Based Strategy, known as the Listening, Learning, Leading (L3) effort, concluded that the Strategic Plan was not being used as a guide to Agency funding and that new performance measures needed to be adopted. The Agency has adopted new performance measures after three years of minimal assessment of outcomes for its Place-Based Initiatives but the new measures have yet to be reported on. These measures do not cover the Countywide Initiatives that still comprise the bulk of what First 5 LA is funding.
8. While this audit was underway, the First 5 LA Commission adopted new Governance Guidelines that call for new programs and initiatives to be aligned with the Agency's strategic plans, to have implementation timelines and to have specific outcomes and performance measures. If followed, all of these guidelines should help the Agency avoid some of the problems encountered in rolling out its Place-Based Strategy.

RECOMMENDATIONS

- 6.1 The First 5 LA Commission should direct Staff to prepare a draft policy, (possibly an amendment to the new Governance Guidelines adopted in March 2014), for approval stating that proposed budgets will be tied to the adopted Strategic Plan. The staff report will demonstrate the nexus between the strategic plan and any potential investments prior to their approval.
- 6.2 The First 5 LA Commission should require that Staff provide sufficient detail and narratives in the proposed annual Agency programmatic budget, as well as a management plan with a sufficient level of detail that demonstrates to the Board and public that the proposed budget is realistic and can be accomplished with existing staff and/or contractors.

- 6.3 The First 5 LA Commission should amend its current Strategic Plan to include a clear cutoff date and plan for discontinuing initiatives from the prior strategic plan.
- 6.4 First 5 LA Commission should require that Agency Staff report annually on progress that is being made against the quantitative indicators for the six intermediate term outcomes, adopted as part of the Best Start Family Framework.
- 6.5 The First 5 LA Commission should require that staff prepare a multi-year plan outlining the specific activities that will lead to service enhancements for children 0-5 in the 14 communities designated for concentrated funding under the 2009-2015 Strategic Plan.

SECTION TWO

Information Presented about Budgeted and Actual Expenditures for the Place-Based Strategy

First 5 LA's budget document and process have undergone changes and improvements during the five year period since adoption of the 2009–2015 Strategic Plan. Previously, the budget documents did not provide annual expenditure detail for the Agency's initiatives. It presented multi-year allocations from which annual expenditures were drawn. The budget documents were not sufficient as management or oversight tools as it was not possible to assess what was planned and what was actually accomplished by Agency staff in a year.

The recent Agency budget documents have improved and present annual budgets and past year actual expenditures, by initiative. The documents still have some deficiencies in details, particularly in their presentation of financial information about the initiatives comprising First 5 LA's Place-Based Initiatives.

The Agency's tracking and reporting of expenditures for the Place-Based Initiatives has been inconsistent and unclear about how funds are being used. Though the Place-Based Strategy is comprised of three distinct components, the budgets for each component, and related detail, have not always been presented in reports presented to the Commission and public to ensure transparency and clarity about the Agency's expenditures. These limitations are discussed in this report section.

Agency budgets and expenditure reports do include a greater level of detail for Countywide Strategies. Financial information about the key components of Countywide Strategies has been presented each year, with increasing level of detail over time as these initiatives have expanded.

The Presentation of Place-Based Strategy Components is Inconsistent in Budget Documents

As described in the 2009-2015 Strategic Plan, the Place-Based Strategy was to consist of three components:

1. Family Strengthening
2. Community Capacity Building
3. Systems Improvement Initiatives

The Strategic Plan also included Countywide Strategies as a separate, but complimentary, component of the plan.

In the 2010 Implementation Plan for the 2009-2015 Strategic Plan, the Family Strengthening and Community Capacity Building components are described in greater detail. The Systems Improvement Initiatives were combined with the Countywide Strategies. According to the early strategic documents, First 5 LA envisioned that the Countywide Strategies would develop strong, coordinated and responsive systems to support families and improve outcomes for children prenatal through five years of age. Figure 2.1 presents brief descriptions of the three components of First 5 LA's Place-Based Strategy.

Figure 2.1: Description of the Place-Based Components and Countywide Strategies

Strategy Component	Description
Place-Based Strategy	The Place-Based Approach is comprised of the three components below.
Family Strengthening	Investments to provide intensive, direct services to at-risk families. This component consists primarily of support for the “Welcome Baby!” and other home visitation programs.
Community Capacity Building	Seen as a vehicle for partnering with communities. Goal is to organize and train residents and organizations to advocate for themselves. Investments in this area have primarily supported the development of 14 Community Partnerships.
Systems Improvement	Activities designed to impact the larger structures affecting child well-being in the 14 communities.
Countywide Strategies	The countywide strategies are to consist of investments in seven areas, namely 1) Public Policy, 2) Public Education, 3) Resource Mobilization, 4) Workforce Development, 5) Data Systems Integration, 6) Health Access, and 7) Information Resource and Referral.

Source: FY 2009-2015 Strategic Plan and 2010 Implementation Plan

The components of the Place-Based Strategy and Countywide Strategies have not been presented consistently in budget and expenditure documents, thus making it difficult to track spending by activity over time. In fact, less detail has been presented over time in the Agency’s budget documents.

A review of Agency budgets and expenditure reports illustrates this point. The names given to the Place-Based Initiative components changed between FYs 2010-2011 and 2013-2014. In the final two years, the investments in this category are referred to in a single line item as Best Start.

This change is consistent with the restructuring of the Place-Based Strategy that occurred upon the adoption by the Commission of the Best Start Family Framework in June, 2013. However, collapsing spending records for different program elements into one budget category reduces the transparency of the Agency's financial documents, as well as the Commission's ability to provide oversight, and the level of disclosure provided to the public.

Figure 2.2 presents budgeted amounts for the various program components that comprised Place-Based Initiatives in FYs 2010-11 through 2013-14, including program components that were transferred in and out of the Place-Based Initiative category.

Figure 2.2: Changes in Budget Presentation for Place-Based & other Initiative Expenditures, FYs 2010-11 through 2013-14

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Place-based Initiatives (PBI)				
Partnership Development	10,303,500	4,340,000	<i>not disclosed</i>	<i>not disclosed</i>
Community Capacity Building	3,545,000	9,680,000	<i>not disclosed</i>	<i>not disclosed</i>
Data Systems Integration	200,000	<i>moved to: CWS</i>	<i>moved to: CWS</i>	<i>moved to: CWS</i>
Public Education	1,550,000	<i>moved to: CWS</i>	<i>moved to: CWS</i>	<i>moved to: CWS</i>
Transition	1,700,000	<i>one year only</i>	<i>one year only</i>	<i>one year only</i>
Family Strengthening	-	2,815,000	<i>not disclosed</i>	<i>not disclosed</i>
Best Start	<i>not disclosed</i>	<i>shown in Prior SP</i>	31,119,349	22,851,676
Total Place-based Initiatives	17,298,500	16,835,000	31,119,349	22,851,676
Prior Strategic Plan Investments (PSP)				
Best Start	56,538,000	9,465,000	<i>moved to: PBI</i>	<i>moved to: PBI</i>
Countywide Strategies (CWS)				
Data Systems Integration	<i>in PBI</i>	1,165,000	375,000	1,436,150
Public Education	<i>in PBI</i>	2,100,000	320,000	2,459,500

Source: Unaudited financials, and Agency budget documents, FYs 2010-11 to 2013-14

Between FY 2010-11, (the first year of the Place-Based Strategy) and FY 2013-14, details on spending in each of the key components changed. It contained decreasing levels of detail of how the monies were being spent in the latter two years. It is not possible to discern from Agency documents how funding was allocated between the distinctly different components of Family Strengthening, Community Capacity Building, and Partnership Development in FYs 2012-13 and 2013-14. Expenditures for these components were folded into the single "Best Start" budget line item.

The term Best Start was also used in budget documents for the pilot program in Metro LA, which contained the same three components of the Place-Based Strategy. Collapsing this expenditure information in

the budget and financial reports also obscured the amount of continuing support for the pilot program.

Even though less information was provided in budget documents about the Place-Based Strategy in FYs 2012-13 and 2013-14, the Agency expanded its budget for that period. First 5 LA budgeted \$16.8 million in FY 2011-12; \$31.1 million in FY 2012-13; and \$22.9 million in FY 2013-14 for Place-Based Initiatives in its programmatic budget. Despite the importance of this strategy to the Agency, and the varied programmatic uses of funds for it; the Agency's budget and expenditure documents provided only a single dollar amount for the entire program.

Finally, First 5 LA staff reported that Family Strengthening was implemented on a limited basis between FYs 2010-11 and 2013-14. Contracts were not in place with hospitals and other community providers to make pre-natal and post-partum home and hospital visits for families in the 13 communities. The only community where Family Strengthening was consistently implemented throughout this time period was Metro LA. As shown in Figure 2.2 above, the Agency only reported expenditures for Family Strengthening in FY 2011-12. Without the spending on Family Strengthening indicated, the budget implies that the majority of funding budgeted and expended for the Place-Based Strategy was for Community-Capacity Building. It is unclear as to why the Agency did not invest in Family Strengthening in FYs 2011-12 and 2012-13 in communities other than Metro LA (which was budgeted in the preexisting Best Start program). It is also unclear as to how the amounts presented were to be used for Community Capacity Building.

For the Countywide Strategic grants, additional initiatives were added each year, which is demonstrated in Figure 2.3 below. As compared to the Place-Based Strategy, the budget and expenditure documents for the Countywide Strategies were more detailed throughout the course of Strategic Plan implementation. This allows for year-to-year comparisons and greater transparency about expenditures, even as additional initiatives were being added. For example, in FY 2012-13, 24 categories of grants were listed in budget documents for the Countywide Strategies.

Figure 2.3: Categories Used to Describe the Place-Based and Countywide Initiatives in First 5 LA Budgets and Expenditure Statements

	2010-2011	2011-2012	2012-2013	2013-2014
Place-Based Investments	Partnership Development Process	Partnership Development Process		
	Community Capacity Building	Community Capacity Building		
	Data Systems Integration	Data Systems Integration		
	Public Education	Public Education		
	Transition	Transition		
		Family Strengthening		
			Best Start	Best Start
Countywide Strategic Grants	Public Policy	Public Policy	Policy Advocacy Fund Policy Agenda/Agency Advocacy	Policy Advocacy Fund (PAF) Policy Agenda/Agency Advocacy
			Policy Issue Education	
	Public Education	Public Education	Public Education	Public Education
			Public Education - Conference Funding Grants	Public Education - Conference Funding Grants
	Data Systems Integration	Data Systems Integration	Data Systems Integration	Data Systems Integration
	Health Access	Health Access	Health Access (Healthy Kids)	Health Access (Healthy Kids)
	Information Resource and Referral	Information Resource and Referral	Information Resource and Referral	Information Resource & Referral (211)
	Transition	Transition		
	Resource Mobilization	Resource Mobilization	Resource Mobilization	Resource Mobilization
			Resource Mobilization - 50 Parks	
			Resource Mobilization - Challenge Grants/Social Enterprise Grants	Resource Mobilization - Challenge Grants/Social Enterprise Grants
			Resource Mobilization - Donors Choose	Resource Mobilization - Early Head Start Matching Grants
			Resource Mobilization - ECE Recoverable Grant Fund	Resource Mobilization - Donors Choose
			Resource Mobilization - LA PECHI/Baby Futures Fund	Resource Mobilization - LA PECHI/Baby Futures Fund
			Resource Mobilization - Matching Grant Program	Resource Mobilization - Matching Grant Program
	Workforce Development	Workforce Development	Workforce Development - Cares Plus	Workforce Development - Cares Plus
			Workforce Development - ECE Career Development Policy Project	
		*Cares Plus	Workforce Development - ECE Workforce Consortium	
		*East LA College Care Providers	Workforce Development - FCC Higher Education Academy (ELAC)	
		*ECE Career Development Policy Project (LACOE)	Workforce Development - Kindergarten Readiness	
		*ECE Workforce Consortium (LAUP Initiative)	Workforce Development - P-5 Core Competencies	Workforce Development - P-5 Core Competencies
		*P-5 Core Competencies (All Sectors)	Workforce Development - Public Education	

Source: Budgets and unaudited financial statements for each fiscal year.

Budget Totals for the Place-Based Strategy do not Include Operating and Personnel Costs

In addition to providing less information over time, the Place-Based Strategy line items and budget totals as presented in Figure 2.3, do not include personnel, consultant, meeting, and capital improvement costs included in the Agency's operating budget. Although, the operating budget does not break out costs by programmatic area, First 5 LA staff was able to provide the audit team with a breakout of costs in the operating budget for Place-Based Initiatives for FYs 2010-11 through 2012-13. These operating costs were identified from four First 5 LA operating cost centers: Best Start Communities, Program Development, Public Affairs, and Research and Evaluation. A portion of total costs for Program Development, Public Affairs and Research and Evaluation were allocated to the Place-Based Strategy by First 5 LA staff based on Best Start Communities' proportionate share of total costs.

Figure 2.4: Operating Costs for the Place-Based Strategy Components

	FY 2010-11	2011-12	2012-13
Best Start Communities	\$ 2,977,114	\$ 2,533,644	\$ 2,421,644
Program Development	\$ 51,101	\$ 51,470	\$ 83,921
Public Affairs	\$ 105,126	\$ 140,394	\$ 132,468
Research and Evaluation	\$ 13,812	\$ 14,407	\$ 32,347
Total	\$ 3,147,153	\$ 2,739,915	\$ 2,670,380

Source: First 5 LA

Not including the Place-Based operating costs in budget presentations is problematic because it obscures the total level of spending on the program. Place-Based operating budget costs should be explicitly identified as an additional line item under the Place-Based Strategy in budget documents presented to the Commission and the public. As demonstrated in Figure 2.5, operating costs comprised 64 percent of total spending on Place-Based in FY 2010-11. Operating costs as a percentage of total expenses, declined in FYs 2011-12 and 2012-13.

**Figure 2.5: Operating Budget Costs as a Percentage of Total Place-Based Strategy Spending
FYs 2010-11 – 2012-13**

	FY 2010-11	2011-12	2012-13
Place-Based Program Total	\$ 1,777,304	\$ 5,817,048	\$ 8,068,306
Operating Total	\$ 3,147,153	\$ 2,739,915	\$ 2,670,380
TOTAL	\$ 4,924,457	\$ 8,556,963	\$ 10,738,686
Operating Expenses as % of Total	64%	32%	25%

Source: First 5 LA

Budget Documents Do Not Track Expenditures by Each of the 14 Place-Based Communities

The FY 2009-2015 Strategic Plan does not indicate how many communities are to be selected. A subsequent document reviewed by the Commission in November 2009, describes the community selection process. The process consisted of three levels of analysis, including an assessment of community needs, strengths and capacities, as well as the racial and socioeconomic diversity of the communities in question. The Agency's 2010 Implementation Plan states that 14 communities were selected based on the three tiered analysis that was conducted.

Though the Place-Based approach is being implemented in 14 communities, First 5 LA does not track or present its budget for expenditures per community. This means that Agency management, the Commission and the public have not been able to compare the same information to assess the results in each of the 14 communities, or gauge results by community compared to expenditures of the community.

The fourteen communities in which the Place-Based Strategy is being implemented are:

1. Los Angeles Metro
2. Central Long Beach
3. Compton/East Compton
4. East Los Angeles
5. Lancaster
6. Metro LA
7. Pacoima/Northeast Valley
8. Palmdale
9. South El Monte/El Monte

10. South Los Angeles/Broadway-Manchester
11. South Los Angeles/West Athens
12. Southeast LA County Cities
13. Watts/Willowbrook
14. Wilmington

Nowhere in First 5 LA's budget and financial documents are expenditures for the Place-Based Initiatives tracked by the fourteen communities. Staff indicated that they do not have this information readily available for review.

Budget Documents Do Not Include Sufficient Detail about Place-Based Expenditures

During the course of FY 2012-13, changes were made to the Place-Based Strategy allocation at several points. Figure 2.6 below highlights changes to the allocations that were proposed in the FY 2012-13 budget.

Initially, the First 5 LA Board of Commissioners adopted an annual program budget for FY 2012-13 of \$31 million for Place-Based Initiatives. In April, the First 5 LA Board took action to identify an allocation amount per community. It approved funding levels of \$1.7 million per community, or a total of \$23.8 million (\$1.7 million per community x 14 communities) over the course of the 2012-13 fiscal year. That total was subsequently reduced by the Commission, to \$560,000 per community, or \$7.8 million total in July 2012 (when the Agency initiated its internal "pause," to re-examine the goals of the Place-Based Strategy).

This total was significantly below the \$31 million initially budgeted for FY 2012-13. In July 2012, additional funding was approved for evaluations, communications, and partnership logistical support, rather than for the full range of activities that were to comprise the Place-Based Strategy.

The budget reduction between April and July was due to the Agency's internal decision to slow the pace of Place-Based Strategy implementation. It is unclear, however, why both the April and July budget allocations in the supplementary documents were lower than the original FY 2012-13 Budget.

**Figure 2.6: Place-Based Strategy Budget Allocations in
FY 2012-13**

Place-Based Strategy Component	FY 12-13 Budget	Approved as of April, 2012	Approved as of July 2012
Family Strengthening		\$700	-
Community Capacity Building		\$450	-
Evaluation		\$200	\$200
Communications		\$150	\$150
Partnership Logistical Support		\$210	\$210
Total	\$31 million	\$23.8 million (based on \$1.7 million/ community)	\$7.8 million (based on \$560,000 /community)
	<i>FY 2012-13 Unaudited Financial Expenditures</i>	<i>Agenda Item 10, April 12, 2012</i>	<i>Agenda Item 10, July 12, 2012</i>

Source: First 5 LA

Beginning FY 2012-13, the Agency provided a breakdown for the Community Capacity Building component expenditure category. It documented more precisely how funds were being used. While useful information for understanding how Agency funds were being used, this expenditure detail was not included in the Agency's adopted budget documents. The data was part of a budget transmittal letter given to the Commission.

The Place-Based budget breakdown showed that approximately half the funds expended were used for marketing, communications, research, and evaluation. Slightly more than one-third of the funds allocated to consultants were used to provide training and technical assistance, along with facilitation services. The remaining, approximately 14 percent of the budget, was used for Community Partnership support services such as child care, transportation, and catering.

This level of detail had not been presented to the Commission for the Place-Based Approach prior. This level of detail was also provided in the FY 2013-14 budget presentation.

Figure 2.7: FY 2012-13 Place-Based Expenditure Detail

Place-Based Component	Total Expenditure (FY 12-13)
Capacity Building	
Partnership Development (CSSP)	\$ 803,648
CBAR	\$ 57,182
Total Community Capacity Building	\$ 860,831
Partnership Logistical Support (Community Meetings)	
Audio-Visual Services	\$ 57,009
Catering	\$ 76,647
Child Care	\$ 106,121
Facilities - Space	\$ 93,851
Translation & Interpretation	\$ 138,131
Transportation	\$ 34,865
Facilitation - Contractors	\$ 379,226
Staff Reimbursement	\$ 2,361
Community Supplies	\$ (798)
Other Expenses	\$ 13,115
Total Partnership Logistical Support	\$ 900,528
Community Pilot (Lead Agency)	
Para Los Ninos	\$ 728,713
Communications	
Marketing - Public Affairs	\$ 1,135,497
Research & Evaluation	
	\$ 1,592,545
Total Best Start Community Investment	\$ 5,218,114

Source: First 5 LA

In May 2013, a budget preview document for FY 2013-14 was presented to the Commission with detail comparable to that shown in Figure 2.7, with proposed expenditures of approximately \$4.5 million for Community Capacity Building and \$22.8 million for Family Strengthening ("Welcome Baby!" home visitation). Research and Evaluation, and Public Education (comparable to Marketing in Figure 2.7) comprised approximately \$2.7 million, for a grand total of \$30.6 million.

While the FY 2013-14 Place-Based Initiative budget appears to be another case of budgeting in excess of what can be accomplished, most of the funds (\$22.8 million) are for Family Strengthening direct services. First 5 LA Staff Report indicates that contracts have been signed with hospitals in 13 communities (Metro LA, the pilot community, already has this program underway). However, launching these programs simultaneously in 13 new communities will require significant staff effort. It would be useful if budget information on the

rollout of the program was presented per community, with a timeline, which would allow the Commission and public to assess the feasibility of such a rapid expansion of the Family Strengthening component of the Place-Based Strategy.

FINDINGS

9. The categories used to describe the Place-Based components in budget and expenditure documents changed between FYs 2010-11 and 2013-14, making it difficult to track expenditures by activity over time.
10. In Fiscal Years 2012-13 and 2013-14, all budget line items for the Place-Based Strategy were collapsed into a single line item documented as, Best Start. This provides the Commission and the public with few details about how funds were being used. It minimizes the means for First 5 LA management to expend funds in accordance with specific Commission direction. A transmission letter to the First 5 LA Commission presented more detail on Place-Based budgeted expenditures for FYs 2012-13 and 2013-14 however, this information was not included in the budget document itself and therefore not compared to actual expenditures.
11. Place-Based Strategy budget and actual expenditure information for all years reviewed do not represent Agency operating budget expenditures, which averaged \$2.8 million per year for the first three years of the rollout.
12. Budget and actual expenditure documents presented to the Commission do not track Place-Based Strategy spending per each of the 14 communities being served. This practice makes it impossible for the Commission to compare the level of funding with the outcomes achieved in each community.
13. Not until FY 2012-13 did budget documents provide a greater level of detail as to how funding for the Place-Based Strategy was being spent. In that year, budget detail showed that approximately half of the funds were being spent on marketing, communications, and research and evaluation for the Place-Based strategy.

RECOMMENDATIONS

- 6.6 The First 5 LA Commission should establish a policy requiring additional line item detail to include Place-Based funding approved as part of the Agency's Operating Budget. This should be provided in the annual program budget and expenditure reports for Place-Based Strategy activities presented to the Commission and public.
- 6.7 The First 5 LA Commission budget policy should require that Place-Based Strategy budget detail include separate line items for the Community Capacity Building and Family Strengthening components. As well as a breakdown of how much is being spent directly in the communities as compared to expenditures for marketing, education, research and evaluation. Budget detail should also include the total spent for operating budget expenses.
- 6.8 The First 5 LA Commission should require that Agency staff track and report the spending by each of the 14 Best Start communities, including the pilot community, Metro LA.

SECTION THREE

The Decision to Implement the Place-Based Strategy Was Based on Insufficient Evidence, and Implementation To-Date has been Problematic

In documents from First 5 LA staff presented to the Commission in 2009 and 2010, in conjunction with adoption of the 2009–2015 Strategic Plan and the conversion to a Place-Based Strategy; it was implied that there was extensive evidence in support of the Place-Based Approach, as being a successful model to implement. The documents cited research showing the importance of improving social and environmental conditions to change outcomes for young children.

Review of the studies cited by the Agency indicates that, there are positive correlations between the proposed Family Strengthening direct services to the outcomes First 5 LA seeks. However, the evidence is mixed and limited as to the effectiveness of the Community Capacity Building approach and its ability to create positive change for the communities in question.

First 5 LA also cites other foundations, primarily private, that are investing in Place-Based Initiatives. One example that supports the Place-Based Approach is the Harlem Children's Zone (the Zone). However, the Zone invests almost entirely in direct services, and has just one program out of 27, (Community Pride) that focuses on community organizing.

There are several concerns about the Place-Based Strategy itself. Primarily, families and individuals may move out of the geographic boundaries of the designated communities, thus impeding their ability to obtain services and participate in the Community Partnerships. Secondly, it took nearly three years to develop Community Partnerships in the 14 communities selected, due to this period being interrupted by an internal "pause."

First 5 LA and the Partnerships themselves acknowledged that the work is slow going and that there haven't been many concrete results to-date. It is unclear, however, whether the funding for the Community Capacity Building component of the Place-Based Strategy has been spent effectively. It is difficult to measure this component of the work. Interviews with a sample of Community Partnership representatives and parents in the 14 communities provided mixed comments on the results of First 5 LA's efforts to date. Thus far, a common theme is that little has changed in the way of services available for children ages 0-5. Sources: First 5 LA Commission Item 3, June 5, 2013, Best Start Inquiry Process, Setting the Context; Unaudited financial documents, FY 2010-11, to FY FY2012-2013; confidential interviews conducted with members of the 14 Community Partnerships in March and April 2014

Insufficient Evidence on the Effectiveness of Community Capacity Building Presented to the Commission

In documents to the First 5 LA Commission prior to and around the time of adoption of the 2009-2015 Strategic Plan, First 5 LA stated that there was extensive research to support the shift to the 14 Community plan. While the strategic planning documents did cite research studies in support of the Family Strengthening activities proposed, evidence supporting Community Capacity Building and how it would support improved services was not similarly presented in the Strategic Plan or in the 2010 Implementation Plan developed for the new Strategic Plan.

The 2010 Implementation Plan, states that research and practices emerging from decades of place-based efforts make a strong case for

First 5 LA's shift of a significant amount of its resources to this type of programming.

The Agency planned to spend \$405 to \$540 million (45 to 60 percent of its five-year budget) on the Place-Based Strategy components. The Implementation Plan does not indicate what percentage of these funds would go towards Community Capacity Building, as compared to Family Strengthening. However, it does state that \$17.3 million would be budgeted for Place-Based investments in FY 2010-11. The proposed FY 2010-11 funding, and the level allocated for Community Capacity Building over a five-year period, prompts that evidence showing effectiveness for all of the Place-Based Strategy components be presented, in addition to the Family Strengthening component.

First 5 LA provided a list of articles and a logic model for its Place-Based Strategy of October 2012. The logic model illustrates that while there is considerable evidence in support of the Family Strengthening component of the Place-Based Strategy; the Community Capacity Building component and its potential effectiveness could be considered "promising and theoretical". The research listed on Community Capacity Building, suggests that the outcomes are varied, and the work is difficult to undertake.

Following the Agency's "pause" of the Place-Based work in 2012, along with a subsequent internal review conducted; staff developed a packet of documents for the June 26, 2013 Commission meeting. The packet included a list of community change efforts implemented elsewhere. The packet also contains review of literature and strategic framework describing how the components of the Place-Based Strategy, including Parent Partnerships, Policy and Systems, and Professional Development, will lead to the results sought by the Agency. These documents illustrate the rationale behind the Place-Based Strategy and include greater detail about place-based work elsewhere.

First 5 LA references the initiatives of other funders and foundations to support its shift to the Place-Based Strategy. It can be argued that the role of private funders is to support promising practices so that research and evaluations of their effectiveness can inform the future work of public agencies.

The Agency did not fully disclose the difficulty of Establishing and Measuring the Success of Community Capacity Building

There is insufficient detailed documentation on the effectiveness of Community Capacity Building initiatives implemented elsewhere. First 5 LA's early strategic documents do not adequately disclose the potential impact entailed by shifting to the new plan. The FY 2009-2015 Strategic Plan and 2010 Implementation Plan should have included greater and more realistic discussion detailing the amount of time and obstacles in developing the Community Partnerships.

As illustrated in the FY 2009-2015 Strategic Plan, Community Collaboration will take 2-3 years. However, this time estimate is not discussed in the body of the document.

The 2010 Implementation Plan adopted the following year, however *does* make reference to long-term commitment for *Place-Based* work. On page 8, the document states:

"While this fourth plan aligns with the five-year cycle of the previous plan, its vision is much longer term. The likelihood of achieving the priority outcomes will be greater if its duration is viewed as extending beyond the initial five years of implementation."

At the end of the same document, there is reference to the amount of time needed to realize the goals of the work:

"This process takes a very long time. We must contemplate how to move towards more long range strategic thinking and planning. Research and promising practices indicate that a minimum of ten years with considerable escalation of investments (fiscal and non-fiscal) are truly necessary to achieve the goals in our Strategic Plan."

The references to the amount of time are inconsistent between the two documents. More importantly, they do not include a discussion about why the work might be slow-going. The references in the Implementation Plan do not describe which components of the Strategic Plan might take multiple years to develop.

Other foreseeable challenges that could have been raised include the need to retrain existing staff or to hire additional staff members that were able to handle the community organizing component of the work. The documents might have also discussed the difficulty in measuring the effectiveness of Community Capacity Building work. The

Commission would have benefitted from having this information in advance.

In the documents presented to the Commission prior to its June 26, 2013 meeting, a section entitled, "Timeline," is included. This section acknowledges the unclear objective in early strategic documents regarding the timeline, and outlines when specific results might be expected. It also notes that broad allocations for each of the Place-Based components were approved without specific timelines associated with them. Finally, it states that the intended *core family* and *community-level* results are expected within three to five years. The core results for *communities* are expected within five to ten years (both timelines use 2013 as a starting point). This level of discussion, which was previously not included in Agency documents, is key information necessary for management and Commission oversight and accountability.

The Implementation of the Place-Based Strategy has been Challenging To-Date

First 5 LA adopted the Place-Based Strategy without providing clear evidence of the measurement of this strategy's effectiveness. There are also challenges inherent to the Place-Based work itself that should be considered. First, it is impossible to prevent the movement of families and individuals out of the geographic boundaries of the relatively small, 14 communities. This poses a high potential for possible relocation throughout the duration of Strategic Plan implementation. It could prove difficult to measure whether families and individuals are continuously involved in community organizing and service provision activities.

Second, the development of the Community Partnerships has been difficult and time-consuming. Although the Agency states the plans are near completion; the Partnerships still do not have implementation plans on record, over the 3 year period. Despite this, the Partnerships have developed mission and vision statements, leadership groups, bylaws, and other infrastructure during this time period.

In confidential interviews, some community members expressed appreciation for the community meetings and trainings facilitated by First 5 LA. Conversely, others expressed their frustration with the slow pace of the Partnership Development process. It was stated that the Agency had changed the goals of the Partnerships too frequently and that the mission for the Partnerships was unclear, at times. Concern

was also expressed about continued funding from First 5 LA once the implementation plans are completed. Finally, community members voiced the opinion that the funds spent on organizing might have been better spent on providing services in the 14 communities, as state and federal resources have dwindled.

The Agency adopted an Accountability and Learning Framework to accompany the Strategic Plan that includes a high-level set of evaluation activities for the Place-Based Strategy to enable the measurement of the effectiveness of the Community Capacity Building work. However, it does not appear that the Agency regularly tracked the development of the Community Partnerships, or their ability to impact change over time. Source: Accountability and Learning Framework adopted to accompany the 2010 Implementation Plan

The Agency undertook an internal “pause,” between June 2012, and June 2013. The primary purpose of this break was to retool and develop a sharper strategic focus for the Community Capacity Building work. As part of this process, First 5 LA undertook a review of the Community Partnerships by using a Learning and Development Tool. A portion of the results of the review are included in the Building Stronger Families Framework (BSFF) Implementation Plan. Source: First 5 LA Commission Item 3, June 5, 2013, Best Start Inquiry Process, Setting the Context; Building Stronger Families Framework Implementation Plan

The BSFF Implementation Plan also describes an evaluation tool that will be used for assessing the Community Capacity Building work moving forward. Several data collection methods will be employed, including observations, interviews with Best Start staff, focus groups with the Community Partnerships, interviews with the Commission, partners and policymakers, and social network and collaboration assessments. The information collected will be used to report emerging themes, challenges and promising practices. The Developmental Evaluation is certain to collect considerable data about the Community Partnerships; it remains to be seen how the information will be used and whether the capabilities of the Partnerships will be improved as a result. Source: Building Stronger Families Framework and Implementation Plan

FINDINGS

14. The Agency provided insufficient evidence to the Commission about the potential effectiveness of and challenges inherent in the Place-Based Strategy and its ability to improve services for children aged 0-5. It cited the work of private foundations, which may not be an appropriate comparison for an agency that receives public funds.
15. Documents presented to the Commission prior to the adoption of the Place-Based Strategy did not adequately list the potential impacts involved, including the extended period of time for results to materialize.
16. Implementation of the Place-Based Strategy and the Community Capacity Building work in particular, is time-consuming and challenging. It is difficult to measure the effectiveness of the Community Partnerships and their ability to improve services. Some Community Partnership representatives have expressed frustration at the slow pace of development and their concern that the implementation plans will not be funded once completed.

RECOMMENDATIONS

- 6.9 The First 5 LA Commission should direct Agency staff to present detailed research and other information to the Commission prior to adopting a new strategy or major change to an existing strategy explicitly demonstrating the success and/or challenges of the strategy when implemented elsewhere.
- 6.10 The First 5 LA Commission should review its Place-Based Strategy and determine whether supporting this strategy is the most appropriate use of funds and time resources. Would the Los Angeles community be better served by having a mix of direct service investments, similar to those that First 5 LA funded through its Countywide Initiatives and prior Strategic Plan programs?
- 6.11 The First 5 LA Commission should ensure that sufficient information about the viability of the Community Partnerships and their ability to improve outcomes for children ages 0-5 is delivered to the Commission on a regular basis.

REQUEST FOR RESPONSE

Recommendation Number	Responding Agency
6.1 through 6.11	The First 5 Los Angeles Commission

COMMENDATION

During the course of this audit; the First 5 LA Commission approved a new set of Governance Guidelines on March 13, 2014. In recognition of the evolving direction that First 5 LA has undertaken in a continuing effort to serve the children of Los Angeles County ages 0-5; the CGJ commends the Commission for adding more clarity to processes and expectations for meeting its continued mission.

"The First 5 LA Board of Commissioners will make its decisions guided by the principles of transparency, financial responsibility and accountability, and adherence to the Commission's Strategic Plan".

The implementation of these guidelines and the Strategic Plan for 2015-2020 indicates decision-making that focuses First 5 LA's strategic direction, aligns the organization's efforts and activities and clarifies its intended impact. This includes addressing of "legacy investments", along with criteria of new initiatives/programs for the Agency.

(Source: www.First5LA.org "First 5 LA Governance Guidelines" approved March 13, 2014)

ACRONYMS

CGJ	2013-2014 Los Angeles County Civil Grand Jury
L3	Listening, Learning, and Leading
FY	Fiscal Year
BSFF	Best Start Families Framework

COMMITTEE MEMBERS

Alicia F. Thompson	Chairperson
Robert J. Taub	Co-Chairperson
Jeffery N. Wallace	Secretary
Henry Buffett	
Nancy M. Coleman	

MAINTENANCE ISSUES AND LIVING CONDITIONS AT JUVENILE HALLS



LeRoy R. Titus Chairperson
Sylvia F. Brown Secretary
Paulette B. Lang
Valencia R. Shelton
Melode A. Yorimitsu

MAINTENANCE ISSUES AND LIVING CONDITIONS AT JUVENILE HALLS

TOPIC OF INVESTIGATION

The objective of this investigation is to bring attention to the condition of the housing facilities at the three juvenile halls in the County of Los Angeles and to advocate for those minors who are compelled to reside therein.

Accommodations should emphasize the creation of environments or surroundings that encourage good rather than bad behavior and, in that sense; the juvenile halls in the county need improvement.

BACKGROUND

The 2013-2014 Los Angeles Civil Grand Jury (CGJ) had the opportunity to tour and inspect Central Eastlake and Los Padrinos Juvenile Halls on October 8, and October 15, 2013, respectively. As a result of those visits and observations, a sub-committee was formed to further study and evaluate the living conditions at all of the juvenile halls and to report its findings to the entire CGJ for disposition.

Conditions warranting corrective measures were observed during subsequent visits to all three facilities by the newly formed sub-committee.

It should also be noted that members of the CGJ visited and evaluated all three facilities under the auspices of the Detention Committee.

Los Padrinos Juvenile Hall

Los Padrinos Juvenile Hall (Los Padrinos) opened in 1957 as the second oldest juvenile detention facility in Los Angeles County. Minors, both boys and girls, are housed at this facility while awaiting court action or transfer to another probation facility such as a juvenile camp or a commitment to the California Youth Authority.

The housing units have a rated capacity of 592 minors and houses boys and girls aged 13 years to 18 years, in 25 Units. These include dorms and Special Handling Units (SHU's) designated for minors who violate any of Los Padrinos Juvenile Hall's rules. Failure to follow staff direction, disruptive behavior, assaulting other minors, vandalism or other violations could result in minors being confined to these SHU's.

Formerly a public school, Los Padrinos' buildings are arranged around a grassy quad that is well maintained.

Source: www.lospadrinosjuvenilehall

FINDINGS

At Los Padrinos the housing facilities were found to be old and dilapidated. The SHU's were in disrepair with ceilings covered with glue left behind after tiles had been removed. There was a limited amount of hot water in the boys' showers and mold was prevalent on the window sills. There were no toilets in the SHU, and the floors in the hallways, day room, and office area were worn and very dirty.

The CGJ's concerns about the lack of hot water and mold on the window sills and the overall condition of the facility were reported to the Los Angeles County Supervisor of that district during a presentation he made before the CGJ. Sharing the CGJ's concerns, he directed his staff to visit Los Padrinos and provide him with a comprehensive report of their findings.

A letter from the Supervisor, dated October 25, 2013, indicated that he had instructed the Chief Executive Officer of Los Angeles County, in conjunction with the directors of the Internal Services Department and Los Angeles County Probation Department (Probation Department), as well as members of his staff, to investigate the conditions and

commence the necessary improvements at Los Padrinos. (See Exhibit I.) He further indicated in the letter that he found the conditions at Los Padrinos, unacceptable.

As a result of the above actions, approximately \$1 million dollars was immediately allocated in October/November 2013 to renovate both the Boys and Girls SHU's at Los Padrinos Juvenile Hall. Additionally, in order to better maintain the cleanliness of these facilities, the Internal Services Department contracted with an outside vendor to conduct quarterly deep cleanings for the entire facility at a cost of \$25,000 per quarter. The detained minors will no longer be responsible for the ongoing upkeep of these areas.

On January 22, 2014, the sub- committee visited the facility and found that major work had commenced. A total transformation was in progress and members of the inspection team were impressed and appreciative of the fact that work had begun to improve the quality of living conditions for the minors.

Subsequently, the Probation Department informed the sub-committee that the Los Angeles County Board of Supervisors had approved an additional incremental grant of \$1,000,000 for repairs and maintenance at Los Padrinos, on February 4, 2014.

On March 21, 2014, the CGJ was advised by the Probation Department that the repairs at the Girls and Boys SHU's at Los Padrinos Juvenile Hall were 95% completed with current expenditures totaling \$911,000.

RECOMMENDATIONS

7.1 The CGJ recommends that the superintendent and facility manager at Los Padrinos continue their coordinated efforts to maintain and improve the living conditions at this facility.

COMMENDATIONS

We applaud the Supervisor of the Fourth District of Los Angeles County for responding to the CGJ's observations and taking immediate action to remedy the maintenance conditions at Los Padrinos.

MAINTENANCE ISSUES AND LIVING
CONDITIONS AT JUVENILE HALLS

EXHIBIT I



**BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES**

820 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
Telephone (213) 674-4444 • FAX (213) 626-3441

DON KNABE
CHAIRMAN PRO TEM

October 25, 2013

Ms. Paulette B. Lang
Forcperson
Los Angeles Civil Grand Jury
210 West Temple Street, Room 11-506
Los Angeles, California 90012-3210

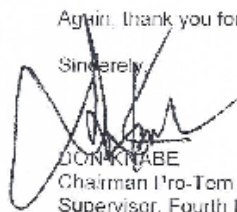
Dear Ms. Lang:

Thank you again for the invite to speak before the Civil Grand Jury.

I am writing to thank the Grand Jury members for notifying me of the conditions at Los Padrinos Juvenile Hall. I instructed our CEO in conjunction with the directors of our Internal Services Department and Probation Department, as well as members of my staff to investigate the conditions and commence the necessary improvements. As members of your Grand Jury pointed out, the conditions at Los Padrinos are in fact unacceptable. The County has commenced on a path to correcting the conditions, and I will notify your Grand Jury with all of the improvements made at the site once the work is completed.

Again, thank you for bringing this matter to my attention.

Sincerely,


DON KNABE
Chairman Pro-Tem
Supervisor, Fourth District
County of Los Angeles

DK:CG:dsg

Central Juvenile Hall

Central Juvenile Hall, also known as Eastlake, was established in 1912 in Los Angeles County. It was the first juvenile detention facility in the county and has a rated capacity of 622 minors. As of March 28, 2014, the detained population was 271 minors, male and female.

Central Juvenile Hall sits on 22 acres of land and includes 9 brick buildings with twenty-four separate housing units. The occupied housing units are: C-D, E-F, G-H, J-K, L-M, N-O, P-Q, R-S and A1. The Boy's E-SHU, Boy's SHU, P-Q, Boy's R, and a Mental Health Unit houses male minors who are detained and supervised 24 hours daily. These minors are designated '101' which is the highest level of corrective supervision. There is an additional Mental Health Unit in a section of the Administration Building which houses developmentally disabled minors. Source: www.eastlakejuvenilehall

Located in a remote area of the grounds is a dilapidated hut designated as Alpha and Omega which houses dual system minors. These are minors under the joint protection of the child welfare and juvenile justice systems. Therefore, all minors in Alpha and Omega are under the dual supervision of the Department of Children and Family Services and the Probation Department. Placement at Los Padrinos within Alpha and Omega, is optional but most dual supervision youth choose to reside there.

FINDINGS

On October 8, 2013, the CGJ visited the hall and made a cursory inspection of the facility. It found decaying facades on the exterior of several brick buildings, peeling paint throughout the compound, dry rotted support beams on the exterior of the chapel, pooled water on the periphery of the main grassy area of the compound and clogged plumbing lines in several units.

Upon further inspection of the Girls SHU, the CGJ found it to be unkempt and dirty. The sleeping quarters, classroom, recreation area, day room and dining area were in disarray and untidy. Additionally, ceiling tiles in the corridor had been removed and not replaced. One cell in the Girls SHU was uninhabited due to leaking pipes that seeped

water into the corridor. Bath towels and duct tape were used in a futile attempt to repair broken pipes and prevent seepage. There was an indistinct foul odor in the hallway suggesting that sewage or stagnant water was present.

The Boys SHU was clean but poorly lighted. Windows were etched so severely that it was impossible to see inside some of the individual cells, none of which had toilets or sinks.

As previously noted, the Alpha and Omega unit is totally isolated from the main facility and surrounded by barbed wire fencing which gives the appearance of an adult prison, not a youth facility. The exterior of the unit is faded with visible termite and dry rot damage. The grounds adjacent to the structure are void of grass and dusty. The recreation area, though covered in concrete, has weeds growing through cracks and the surface poses a safety hazard to all who transit through this area.

Of particular concern to the CGJ were some of the conditions within the Omega girls' unit. There were several staff offices with covered windows preventing visibility from the main area. As these offices are frequently used for private meetings and consultations between professional staff and minors, there should be some means of external visibility. The showers in the bathroom were dirty and the toilet facilities contained urinals. The furniture in the common areas was worn, soiled, and shabby.

On January 22, 2014, the sub-committee returned to Central Juvenile Hall for a follow-up visit and met with management staff to review current maintenance issues. At the outset of the meeting, the supervising staff advised the sub-committee that they were aware of the maintenance work currently underway in the Girls and Boys SHU's at Los Padrinos Juvenile Hall. The supervisory staff also reported they anticipated an allocation of additional funds for maintenance projects at Central Juvenile Hall.

The supervising staff provided the sub-committee with a listing of the maintenance work completed at the facility during July and August 2013 totaling \$14,200,000.

On February 4, 2014, the Los Angeles County Board of Supervisors approved \$6,499,000 to be allocated to Los Padrinos (\$1,000,000) and

MAINTENANCE ISSUES AND LIVING
CONDITIONS AT JUVENILE HALLS

Central Juvenile Hall (\$5,499,000) for maintenance, repair and replacement at the two facilities.

The following repairs to the infrastructure at Central Juvenile Hall were approved:

REPAIRS	FUNDS ALLOCATED BY THE BOARD OF SUPERVISORS
Hazmat Abatement	\$ 400,000.00
Repair Water Damage & Abate Mold	\$2,899,000.00
Water Supply & Sewer Line Repairs	\$2,200,000.00

Central Juvenile Hall is in severe disrepair. It is a financial drain on the maintenance budget of the Probation Department. Constant need for repairs of basic utilities and infrastructure is costly. Rather than keeping the site operational through on-going remedial repairs, the Probation Department would save money and better serve the minors with a modern facility. Replacing the facility would alleviate safety issues caused by the present dilapidated buildings.

RECOMMENDATIONS

- 7.2 Remove window coverings on staff offices used for consultations with minors in Omega girls unit such that external visibility is not impaired.
- 7.3 The CGJ recommends razing all buildings on the site and constructing a modern facility. This should be done in tandem with the on-site construction of the new Eastlake Courthouse which has already received funding of \$90,312,000 as reported by the Administrative Office of the Courts.

Barry J. Nidorf

Barry J. Nidorf is a juvenile detention facility located in Sylmar, California. It has a rated population capacity of 590. The facility houses minors who are classified as high-risk offenders as well as general population minors.

A three person team of the CGJ's Detention Committee visited Barry J. Nidorf Juvenile Hall on October 11, 2013, with the sole purpose of inspecting the facility.

On January 24, 2014, a sub-committee of the CGJ visited Barry J. Nidorf. The sub-committee was accompanied by the Assistant Superintendent, the Facilities Maintenance Manager, and a Probation Department Director.

The layout of the facility is reminiscent of a college campus with a large green grass quad in the center. There are five large red brick buildings situated on 22 acres of land. The dormitories are designated A-B, C-D, E-F, G-H, I-J, K, L-M, N-O, R-S, T-V, Boys SHU, Girls SHU, W1, W2, X, Y and Z. Units W-Z are located behind a locked and barbed wire enclosure known as "The Compound". It houses those minors who have been tried and convicted as adults. Source: www.barryjnidorfjuvenilehall

The general population is composed of minors who are fighting the prosecutors desire to have them tried as adults, minors who are conscripted to camps, minors who have either medical/dental issues, minors who are developmentally disabled as well as minors who are detained regionally within the Antelope Valley. Units A, B, E, F, J, and the Girls' SHU, were closed.

FINDINGS

The housing units visited by the sub-committee were clean and sanitary. Showers were operable and void of mold and soap residue. The units that housed minors were configured in a dorm setting with a central intake area where initial processing occurs.

The facilities manager was very informative and had impeccable recall of completed repairs and those still needing immediate attention. The repairs already completed during Fiscal Year 2013-2014 by the

Internal Services Department to improve the hall are listed in Exhibit II.

The interior of several housing areas were in the process of being repainted and newly designed sleeping units were being installed. The new beds, designed by a member of the Nidorf staff, were constructed to prevent suicide attempts by minors. The beds have no bars or tall posts which will reduce efforts by minors to harm themselves.

The CGJ observed several areas needing attention. Holes, erosion and rust on the roof areas were observed throughout the facility. The vents and flooring of the Boys' Gym were dirty, chipped and in need of repair. Adequate lighting in the chapel is needed and the Girls' Gym flooring needs to be replaced.

Recently completed and on-going scheduled repairs in the housing areas are listed in Exhibit III.

Subsequent to the initial inspection by the CGJ Detention Committee, the following budgeted allotments, previously requested, were made specifically for Nidorf:

\$366,534	Repairs in Girl's SHU
375,082	Repairs in Boys' SHU
40,800	Repairs in Kitchen
112,310	Repairs in Boy's Units 22 and 23
26,183	Additional allocation for Boy's and Girl's SHU

The estimated cost of all final repairs according to the Superintendent and Internal Services Division totals \$920,909.

RECOMMENDATIONS

- 7.4 The roof on the entire complex has been patched on occasion since the 1971 earthquake. It is recommended that there be a complete assessment and professional inspection of the roof as a precautionary measure.

COMMENDATION

We commend the Nidorf staff for their resourcefulness and excellent upkeep of the facility. The cooperative relationship between the Facility Manager and Assistant Superintendent is noteworthy.

EXHIBIT II

**Repairs Completed at Barry J. Nidorf
(as of January 31, 2014)**

1. Front gate at Sylmar was aligned correctly to close on impact
2. Installed a rain gutter and down spout on the warehouse
3. Replaced ice machine in main kitchen area
4. Repaired large pothole adjacent to the kitchen
5. Installed a freezer condenser and compressor in the kitchen
6. Installed electrical conduit and heaters in the warehouse
7. Installed razor wire atop communication riser a-b
8. Repaired two (2) four inch copper water lines at the North School
9. Repaired air conditioning unit on Administration building roof
10. Installed earthquake valve
11. Installed new phone line at North School

EXHIBIT III

**Housing Unit Repairs Completed at Barry J. Nidorf
(as of January 31, 2014)**

1. Patched roof of Unit R-S
2. Modified TV in Unit Room 19
3. Repaired water leaks in the Boy's SHU
4. Replaced 2 shower pans in Girl's administrative unit
5. Replaced urinals in Units J-K and L-M
6. Replaced wood door in Boy's SHU
7. Installed LED wall pack light fixtures in module unit
8. Modified Mental Health Unit office in R-S room 19

A Summary Observation

At the conclusion of the field investigation, the sub-committee had the following general observation:

Management responsibility for each juvenile hall does not reside with a single person. The superintendent has oversight for matters related to detention of the minors. Responsibility for maintaining each facility is that of the Management Services Bureau, a separate organizational structure within the Probation Department. This bifurcated management approach is not optimal and, in some instances, has led to conflicting priorities when it comes to the comfort and care of the minors.

A possible change in the management reporting structuring was discussed during a meeting among the County Supervisor for the Fifth District, a senior member of the Probation Department, and the sub-committee.

On April 15, 2014, the sub-committee was informed by the Chief of Probation that a new dual reporting system had been implemented by his department. The facility manager at each juvenile hall will report to both the superintendent and the Bureau of Management Services. Responsibility and accountability for the management and maintenance of a juvenile hall will now reside with the respective superintendent.

REQUEST FOR RESPONSE

Recommendation Number	Responding Agency
7.1, 7.2, 7.4	Los Angeles County Chief of Probation
7.3	Los Angeles County Board of Supervisors

ACRONYMS

CGJ	2013-2014 Los Angeles County Civil Grand Jury
SHU	Special Handling Unit

COMMITTEE MEMBERS

LeRoy R. Titus	Chairperson
Sylvia F. Brown	Secretary
Paulette B. Lang	
Valencia R. Shelton	
Melode A. Yorimitsu	

PROPERTY TAX AVOIDANCE OR PICKING THE TAX PAYERS' POCKET?



**Nancy M. Coleman
Darrel D. Kelty
S. Robert Ambrose
Alicia F. Thompson
LeRoy R. Titus**

**Chairperson
Secretary**

PROPERTY TAX AVOIDANCE OR PICKING THE TAX PAYERS' POCKET?

TOPIC OF INVESTIGATION

The 2013-2014 Los Angeles County Civil Grand Jury (CGJ) became aware that sales of some multi-million dollar commercial/industrial properties are not being reassessed in the same manner as sales of single family residences. The transfer of ownership for commercial/industrial properties does not always trigger a reassessment, due to the manner in which the change of ownership is allowed to be "structured". The obvious inequity of this practice and the closure of loopholes that exist is the basis of the CGJ's concern.

BACKGROUND

Proposition 13 was adopted by the citizens of California in 1978 to curtail the amount of real property taxes homeowners were obligated to pay. The need for this legislation was due to rapidly increasing market values of homes. The limits set by Proposition 13 froze the value of all real property in California at the assessor's values established that year, and allowed an increase in assessed value of no more than 2% in succeeding years. This limit will remain in place as long as the property is owned by the same person or person(s).

In 1976, single-family homes represented 39.9% of the total property tax revenue generated in Los Angeles County. Commercial/ industrial properties represented 46.6% of the total tax revenue; residential income property generated 13.5%.

Thirty-seven years later, in 2013, property tax revenue from commercial/industrial properties had fallen to 30.2% of property taxes collected. During that same period, the share from single family residences increased to 56.7%. Residential income property taxes remained at 13.1%. (See table below from the Los Angeles County 2013 Annual Report of the Office of the Assessor.)

DISTRIBUTION OF VALUE BY PROPERTY TYPE (Values in Billions)										
			Single-Family Residential			Residential Income			Commercial-Industrial	
YEAR	Total Roll Value		Total Roll	% of Value		Total Roll	% of Value		Total Roll	% of Value
1975	\$ 83.2		\$ 33.2	39.9%		\$ 11.2	13.5%		\$ 38.8	46.6%
1980 *	\$ 150.0		\$ 71.2	47.5%		\$ 22.8	15.2%		\$ 56.0	37.3%
1985	\$ 245.2		\$ 115.7	47.2%		\$ 32.7	13.3%		\$ 96.8	39.5%
1990	\$ 412.8		\$ 200.3	48.5%		\$ 57.5	13.9%		\$ 155.0	37.6%
1995	\$ 486.8		\$ 251.0	51.6%		\$ 64.4	13.2%		\$ 171.3	35.2%
2000	\$ 569.6		\$ 306.6	53.8%		\$ 70.5	12.4%		\$ 192.5	33.8%
2005	\$ 823.7		\$ 469.8	57.0%		\$ 106.5	12.9%		\$ 247.4	30.1%
2010	\$ 1,042.3		\$ 583.3	56.0%		\$ 137.9	13.2%		\$ 321.7	30.8%
2013	\$ 1,130.0		\$ 641.1	56.7%		\$ 148.2	13.1%		\$ 340.7	30.2%
* All values are exclusive of exemptions (real estate and homeowners' exemptions) and public utilities										

The sharp disparity in the percentage of property taxes paid by sales of single-family residential homes illustrates that revenue collected from sales of commercial/industrial properties are not paying an equitable share of property taxes.

The imbalance can be attributed to the method of which the ownership of commercial/industrial property is transferred. Currently, the lack of reassessment for commercial/industrial property is based on the structure of ownership of the buyers; not on the actual sale of the property.

The procedures for transferring commercial/industrial properties are often complicated and convoluted. They generally involve limited liability partnerships (LLP's), limited liability companies (LLC's), and trusts.

The objective of the parties is simple--the avoidance of property reassessment after completion of the transaction. At the finalization of the sale, purchasers of commercial/industrial properties are able to avoid a reassessment if 50+% of the ownership in the transaction is not held by any one person, entity, or limited partnership. As a result of the multiple configurations used to hold and control the property, the sale fails to trigger a mechanism for property reassessment. This was neither the intent, nor spirit of the law when Proposition 13 was adopted. This loophole was opened/created in 1979 by the legislative task force formed to define "legal entity" and "change of ownership" for the implementation of Proposition 13.

In contrast, most single family residences are sold and transferred by a recorded deed. For example, owner A sells her home to buyer B for an agreed upon amount. Under Proposition 13, a transferring deed is recorded, and the county assessor is required to assess the property at its new fair market value. The transfer of ownership is completely transparent, and property taxes are based on the increased value.

To further illustrate this disparity, a commercial/industrial complex and a single family residence within blocks of each other are sold on the same day, with very different reassessment outcomes. The structure of the commercial/industrial property's ownership is one of multiple entities. In order to avoid reassessment, the purchase is structured so that no one person or entity owns 50+% of the property at the conclusion of the transaction. The reality of this sale is that a structural turnover in ownership has occurred. However, no reassessment is triggered. Multi-million dollar ownership transfers that employ this type of structure (LLC, LLP or trusts) avoid the payment of additional tax revenues for the city, county, or state. Meanwhile, the new owner of a single-family residence is reassessed.

In an actual case, involving the sale of the Miramar Hotel in Santa Monica, California, the Los Angeles County Superior Court ruled that the hotel property would not be reassessed at the conclusion of the recent sale because no one person or entity held or controlled a 50+% interest in the property.

Administrative steps preceded this Los Angeles Court Decision. The Los Angeles County Assessor (County Assessor) reassessed the property. The new owners of the Miramar Hotel appealed the decision before the Tax Board of Appeals. The Miramar Hotel lost its appeal. The Miramar's new owners were later successful in the Los Angeles County Superior Court.

The Los Angeles County Assessor filed an appeal of the ruling, a hearing was granted before the California Appellate Court, which was heard on March 20, 2014. (County of Los Angeles, A Body Corporate & Politic vs. Ocean Avenue LLC, A Delaware Limited Liability Company).

The County's brief stated: "In March, 2006, the Miramar Hotel was listed for sale with a licensed broker. The broker was authorized by the seller to obtain offers for the hotel property. The seller accepted the 'best offer'."

The purchasing entity, an LLC, entered into a 'purchase for sale' agreement for the hotel land and property on July 7, 2006. The 101 Wilshire LLC (the name used by the buyers, at the time of the initial purchase) secured financing. In August 2006, several financial sponsors for the buyers were identified. In September 2006, the buyer (101 Wilshire LLC) successfully contracted with a lender to finance the acquisition of the Miramar Hotel."

During the same month, the parties canceled the real estate contract, and restructured the transaction for the purchase of the Miramar. The contract for purchase was restructured as a three-person LLC:

- 42.5% membership interest in Ocean Ave LLC, of one person's investment portfolio;

- 49% to a trust of the wife of the person above; and

- 8.5% to another LLC (where the individual with 42.5% ownership listed above, owns more than 75% of the involved LLC).

Ownership interest is transferred to Ocean Avenue LLC, (the husband and wife listed above) which controls the Miramar Hotel, at the completion of the transaction/purchase. The seller of the property no longer maintained any controlling interest or commonality with the new owners. In this case, ownership in the hotel obviously had a 100% turnover. The loophole in the definition of "legal entity" and

"ownership" is at the center of the disparity in treatment for reassessment.

If a commercial/industrial property is sold as a "single structure" transaction; a reassessment of the property is triggered for the new owners. However, in the case of the Ocean Avenue LLC transaction, where none of the purchasers owns 50+%, there is no reassessment of the property.

The CGJ believes that the intent of Proposition 13 was that every purchase/transfer of real property (and not the structure of final ownership) should trigger reassessment by the County Assessor.

The purchasers of single family homes are not likely to become an LLC or LLP in order to avoid reassessment when entering into a mortgage contract. The recording of a deed at the conclusion of the transaction is the normal trigger for reassessment of residential property.

The Role of the Board of Equalization and the Los Angeles County Assessor in the Sale of Commercial/Industrial Properties

Responsibility for ensuring that county property tax assessment practices are equal and uniform throughout the state rests with The California State Board of Equalization (BOE). To carry out its mandate, the BOE gathers and disseminates information to all California counties regarding changes in control and ownership of legal entities that hold an interest in California real property. (Interview with BOE Official)

A department within the BOE, the Legal Entity Ownership Program (LEOP), transmits a monthly listing/report to each county assessor. This report provides information, with the corresponding property schedules, of legal entities that have reported a change in control or ownership of commercial and/or industrial properties. www.boe.ca.gov/proptaxes/leop.htm)

The County Assessor reviews the monthly LEOP and monitors changes in control or ownership of legal entities by reviewing newspaper articles, appraiser referrals, staff's personal knowledge, and public inquiries. (Interviews with Los Angeles County Assessor and Senior Staff)

Training of Professionals Responsible for Determining Change in Ownership

Currently, the Los Angeles County Assessor's Office chairs the California Assessors' Association (CAA) Standards Ad Hoc Committee for the Legal Entity Ownership Program (LEOP). The County Assessor is in a unique position to champion a change with regard to the inequities of the existing practices. The County Assessor maintains detailed policies and procedures for processing changes in ownership via a comprehensive tracking system. The BOE recently cited the County Assessor as being proactive in discovering changes in control or ownership of legal entities. (California State Board of Equalization. Los Angeles County Assessment Practices Survey. June 2013. P. 3.)

As illustrated in the example by the Miramar Hotel transaction, discerning a change-in-ownership of commercial/industrial properties can be very complex. The BOE and the County Assessor staff must be able to understand and interpret an array of documents, as well as apply a variety of statutes, regulations, and court decisions when ascertaining final ownership, and possible qualification for reassessment, at the conclusion of the transaction.

Development of a certification program that specializes in evaluating complex commercial/industrial purchase and sale transactions would be a great financial benefit to Los Angeles County.

On March 24, 2014 state legislation (AB 2756) was introduced. The proposed legislation calls for certification of assessor staff in determining change of ownership. The State Legislative Counsel's office summarizes the importance of training and certification in the following:

"Existing property tax law requires a transferee of real propertyrequires a corporation, partnership, limited liability Company, or other legal entity to file a change in ownership statement with the board. This bill would prohibit a person from making decisions with regard to change in ownership....unless he or she is the holder of a valid assessment analyst certificate issued by the board." (Legislative Counsel's Digest for Assembly Bill No.2756, March 24, 2014)

Reassessment of commercial/industrial property is not based on a sale

FINDINGS

Reassessment of commercial/industrial real property is based on the structure of ownership at the conclusion of a sale.

When a commercial/industrial property is sold and the new ownership is structurally held by new ownership interest(s), reassessment of the property may not occur. When a purchase/transfer is completed, the reassessment is completely dependent upon whether the assessor can discern if one person, entity, partnership, or trust owns or controls more than 50+% of the property.

RECOMMENDATION

- 8.1 The Los Angeles County Assessor and Board of Supervisors should request the California State Legislature to revise the law to require reassessment, when real property is purchased/transferred to different structural ownership at the conclusion of a transaction. Reassessment should be based on the purchase/transfer of real property—not the structure of ownership involved. (i.e. the greater than 50+% ownership formula currently in place.)

Certification of Professionals Responsible for Determining Change in Ownership

FINDING

State law does not require certification for assessor staff members to qualify them to examine property ownership at the completion of complex commercial/industrial purchase transactions. They are responsible for making change-in-ownership, or exemption decisions which, could potentially impact millions of dollars in annual statewide property tax revenue.

RECOMMENDATION

8.2 The Los Angeles County Assessor and Los Angeles County Board of Supervisors should support passage of Assembly Bill No.2756, or similar legislation that contains language requiring assessor certification for decision making in the discerning of "change of ownership", and transfers of real property. (See Article 8.5 Assessment Analyst Qualifications, 674(a) of AB2756.)

REQUEST FOR RESPONSE

Recommendation Numbers	Responding Agency
8.1 and 8.2	Los Angeles County Assessor
8.1 and 8.2	Los Angeles County Board of Supervisors

ACRONYMS

CGJ	2013-2014 Los Angeles County Civil Grand Jury
BOE	Board of Equalization
LEOP	Legal Entity Ownership Program
LLC	Limited Liability Company
LLP	Limited Liability Partnership
CAA	California Assessors' Association

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SCHOOL DISCIPLINE PRACTICES: ARE WE HELPING OR HINDERING OUR CHILDREN?



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SCHOOL DISCIPLINE PRACTICES: ARE WE HELPING OR HINDERING OUR CHILDREN?

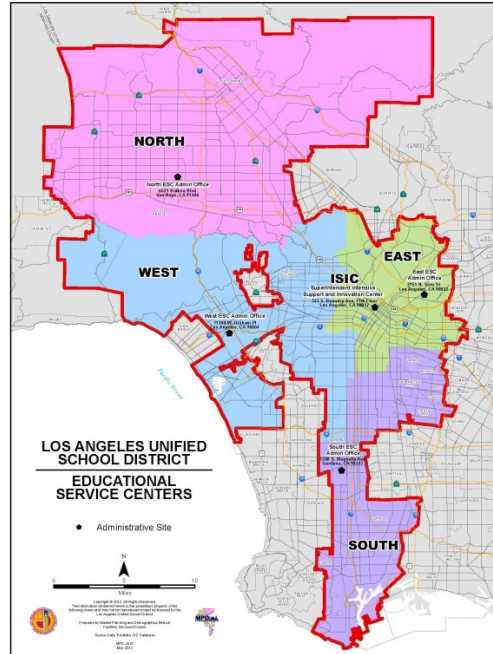
TOPIC OF INVESTIGATION

The 2013-2014 Los Angeles County Civil Grand Jury requested an audit to investigate and analyze the presence or absence of disparity in the handling of identical disciplinary problems by high school and middle school personnel and Los Angeles School Police Department.

BACKGROUND

Founded in 1853, the Los Angeles Unified School District (LAUSD or District) is the largest school district in California and the second largest school district in the nation, with more than 640,000 students at over 1000 schools (including public charter schools). The District's boundaries cover over 710 square miles, and serves students from the City of Los Angeles and 31 other municipalities.

The District is divided into five Educational Service Centers—four regional Educational Service Centers, and one non-regional Center—where instructional and operational functions are managed separately by local Instructional Area Superintendents.

Figure 1: LAUSD Educational Service Center (ESC) Map

Source: LAUSD

Since 1948, the Los Angeles Unified School District has maintained the Los Angeles School Police Department (LASPD) to patrol school campuses and their surrounding areas, as well as enforce parking rules. With approximately 500 staff, including 400 sworn officers, the LASPD is the largest independent school police department in the country. Since 1965, following the Watts Riots, LASPD officers have been stationed at schools in Los Angeles.

LASPD's Campus Services Bureau manages all campus officers, through six regional divisions: Valley-East, Valley-West, West, South, Central and East. These officers are assigned to schools, with at least one officer per high school and others deployed to campuses according to need. In addition, officers are assigned to Campus Support/Safe Passages to provide police patrol services to all schools and educational centers in the District.

LAUSD school administrators and staff must comply with California State Education Codes when managing and responding to student behavior on campus. The Education Code guides LAUSD's establishment of disciplinary standards and protocols.

LASPD officers enforce laws based on the California State Penal Code, Vehicle Code, Welfare & Institutions Code, Government Code and local and county municipal codes. LASPD officers can only take formal action (such as citation or arrest) against a student who has violated one of these codes. LASPD officers cannot cite or arrest students for violations of the Education Code or school discipline rules, unless they also violate one of the codes listed above.

National Trends in School Discipline and Policing Policies

1990 Gun-Free School Zones Act

One of the first major efforts undertaken by the federal government in response to rising violence on school campuses was the passage of the Gun-Free Schools Act in 1990. This legislation prohibited students, staff and adults other than law enforcement officers from carrying weapons on campus. It thereby established the framework for zero tolerance policies for students caught with firearms on campus, and ushered a trend towards an increased security presence at schools.

Zero Tolerance – Expansion in Use

Following the passage of the Gun-Free Schools Act, schools across the country began to expand the application of zero tolerance to include offenses of a less severe nature than firearms possession. Accordingly, zero tolerance policies led to a dramatic increase in the numbers of suspensions and expulsions in school districts throughout the country. (Source: Field interviews with LAUSD personnel. February-March, 2014.)

2001 No Child Left Behind Act

With the passage of the No Child Left Behind Act in 2001, student performance became central to public school funding. Schools across the country focused intently on academic achievement and testing results. As a result, the program brought heightened attention to racial and class disparities in academic performance, causing some communities to look closer at factors impacting student achievement in underprivileged schools and districts.

2011 Supportive School Discipline Initiative

The US Departments of Education and Justice launched a joint initiative in the summer of 2011 to coordinate federal actions in order to provide public schools with effective alternatives to exclusionary discipline (i.e. expulsions and out-of-school suspensions), while encouraging new emphasis on reducing disproportionality for students of color and students with disabilities.

2014 School Discipline Guidelines Jointly Issued by the US Departments of Education and Justice

In January 2014, the US Departments of Education and Justice issued guidance to assist public schools in administering student discipline without discriminating on the basis of race, color or national origin. This guidance summarizes schools' obligations to avoid racial discrimination in the administration of student discipline. It provides a set of recommendations to assist schools in developing and implementing student discipline policies and practices equitably and in a manner consistent with their Federal civil rights obligations.

Historical Trends in School Discipline and Campus Law Enforcement Policies at LAUSD

2005 LA Board of Education "Student Discipline Policy" Resolution

In 2005 the Los Angeles Board of Education issued a resolution which noted that while "the District has a Zero Tolerance Policy, which lists clear and immediate actions and consequences for certain student discipline infractions of the Education Code...the vast majority of student discipline infractions have no clear, objective and immediate consequences."

The Board called upon the LAUSD Superintendent to "create a research-based comprehensive District Discipline Policy" that would include, among other things "a suggested hierarchy of preventative intervention supports, learning opportunities and consequences", "alternatives and limits to off-campus suspensions", and "regular tracking and analysis of student discipline data at all levels (expulsions, opportunity transfers, suspensions, detentions and referrals)...[which] should be regularly scrutinized to identify trends and improve practice."

2007 Discipline Foundation Policy: School-Wide Positive Behavior Support

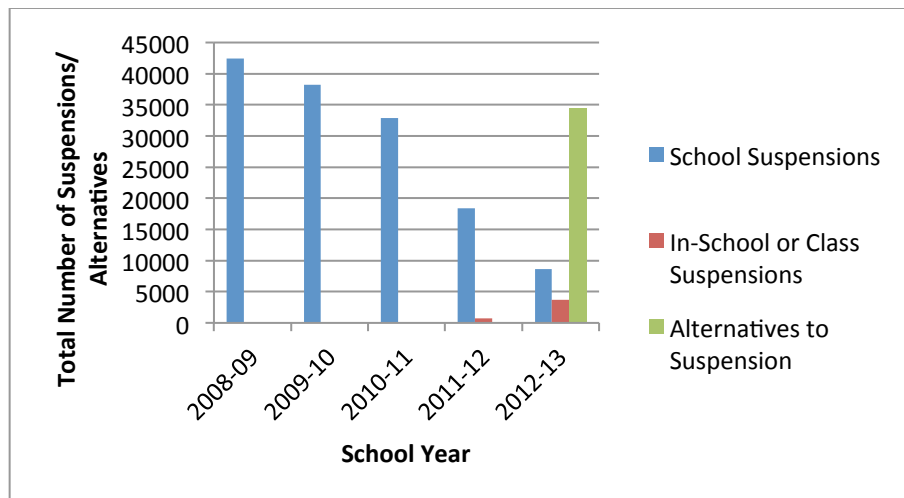
In response to the District Board of Education's 2005 Resolution, the LAUSD developed and introduced the Discipline Foundation Policy: School-Wide Positive Behavior Support, which remains the District's guiding discipline policy today. Through the Discipline Foundation Policy, the District seeks to "establish a framework for developing, refining and implementing a culture of discipline conducive to learning." According to the policy, "school-wide positive behavior support is based on research that indicates that the most effective

discipline systems use proactive strategies designed to prevent discipline problems. "Ongoing monitoring shall be used to ensure that equitable school-based practices are implemented in a fair, non-discriminatory and culturally responsive manner."

In an attachment to the Discipline Foundation Policy, the District provides *Guiding Principles for the School Community*, which "establishes a standard [to which all LAUSD schools] are required to align their school's discipline plans and rules. The goal is to maximize consistency in school-site practice, while allowing schools to personalize rules, provided they are consistent with the tenets and contents of this bulletin." The policy outlines the responsibilities of various LAUSD employees and stakeholders, and supporting resource materials include the list of the Top Ten Alternatives to Suspension, the Team Implementation Checklist, the Rubric of Implementation, and the Matrix for Student Suspension and Expulsion Recommendations. The Matrix establishes three categories of discretionary offenses, reflecting varying levels of principal discretion from "No Discretion" to "Broad Discretion".

In response to this policy to shift to alternatives, there has been a dramatic reduction in the number of out-of-school suspensions in recent years. As shown in the following figure, the overall number of out-of-school suspensions at LAUSD has dramatically declined since the 2008-09 school year, and the use of alternatives to suspension has increased since the District began tracking them in 2012.

Figure 2: Suspensions and Alternatives at LAUSD, 2008-2013



Source: LAUSD data

2011 Agreement to Resolve Between LAUSD and USDOE Office of Civil Rights

In response to an investigation by the US Department of Education's Office of Civil Rights regarding disparities in the treatment of students with disabilities and African American students, LAUSD and the Office of Civil Rights entered an Agreement to Resolve. Through this agreement, LAUSD identified Action Steps that would reduce the disproportionate suspension rate of African American students. (Source: LAUSD document dated March 21, 2014, Section 6, pages 3 and 4).

2011 Daytime Curfew Ordinance

Starting in 1995, both Los Angeles Police Department and Los Angeles School Police Department officers had the ability to issue citations to students absent from school under daytime curfew laws. The Los Angeles City Council enacted Los Angeles Municipal Code 45.04 which made it unlawful for any youth under the age of 18 to be in a public place during school hours.

These citations, punishable by fine and loss of driving privileges, were referred to the Informal Juvenile and Traffic Court.

From 2005 to 2009, over 47,000 tickets were issued under the City of Los Angeles's daytime curfew ordinance¹. This number reflects citations issued by all law enforcement agencies, including the Los Angeles Police Department, the Los Angeles School Police Department and the Los Angeles Sheriff's Department.

During that time, community concern began to grow, as advocates questioned the use of citations as an effective tool to improve student attendance, performance or behaviors.² In response, and under the leadership of a new Chief, the Los Angeles School Police Department issued a revised policy on the enforcement of daytime curfew laws. This policy (LASPD Notice 11-04) states³:

"Officers must consider the spirit of the intended application of the Daytime Curfew ordinances prior to taking enforcement action. In addition, officers must be familiar with and adhere to the numerous exceptions which allow minor students to be in public during school hours without violating the ordinance...The proper application of the ordinance is for minor students who are either intentionally avoiding school or loitering in public places at times when they are required to

¹ School Attendance Task Force, "A Comprehensive Approach to Improving Student Attendance in Los Angeles County," January 2012.

² "Police in LAUSD Schools: The Need for Accountability and Alternatives", Community Rights Campaign, October 2010.

³ LASPD Policy 11-04, October 19, 2011.

be in school. Unless one of the above-mentioned elements is present...generally, the minor should not be subject to a citation or arrest...Officers are reminded that they must inquire whether the student had a valid excuse for tardiness or absence."

Through this policy revision, LASPD restricted officers' ability to enforce the daytime curfew on school grounds, at school entrances, or in areas directly adjacent to school grounds, "unless the officer has reasonable suspicion, based on specific and articulable facts, that the student is in violation of another law or ordinance."⁴

2012 Closure of Informal Juvenile & Traffic Court

The Informal Juvenile and Traffic Court closed on June 30, 2012. As a result of field interviews conducted with Los Angeles County Probation Department and LASPD in March of 2014, citations that had not been processed by that time were assigned to the Los Angeles County Probation Department, where probation officers could resolve the matters through community diversion programs or license suspension.

2012 LASPD Efforts to Reduce Citations and Arrests for Minor Offenses

On August 20, 2012, LASPD Chief of Police issued a memorandum to the Board of Education and the LAUSD Superintendent detailing a new approach to reduce the number of minor violations referred to the Juvenile Courts, which include truancy diversion and alternative best practices (discussed in detail in Section 2 of this report).

2013 School Climate Bill of Rights

The LAUSD School Board passed a resolution (a section of which was the "School Climate Bill of Rights") in May 2013 to roll back "zero tolerance" disciplinary practices and implement resource-based alternatives in schools. The resolution specifically addressed issues regarding disproportionality in the administration of disciplinary measures. The School Climate Bill of Rights includes:

- ending "Willful Defiance" suspensions (i.e., not following classroom rules, not bringing school supplies, leaving the classroom without permission, using foul language);
- implementing restorative justice programs to begin by 2015;
- promoting a plan for district-wide implementation of Positive Behavior Interventions and Supports (PBIS); and
- developing new policy principles to redefine and limit the role of the police in school discipline.

⁴ LASPD Policy 11-04, October 19, 2011.

2013 Moratorium on Citations of Students under the Age of 12

On November 15, 2013, the LASPD Chief of Police issued a memo titled "Incidents Involving Subjects 12 Years and Younger" which stated that "effective December 1, 2013, officers should refrain from issuing referral citations or diversion forms for a citable offense to subjects that are 12 years or younger.

2014 Revised Discipline Foundation Policy

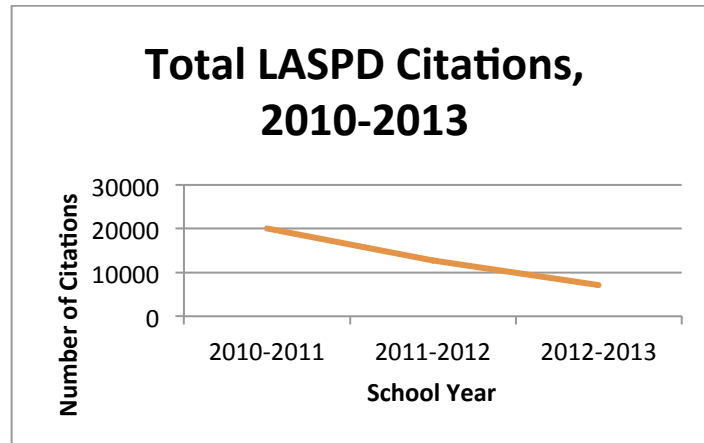
On February 14, 2014, the District issued a revised Discipline Foundation Policy. Major changes in the 2014 revision of the 2007 policy include:

- renaming the program to "School-wide Positive Behavior Intervention and Support" (formerly, "School-wide Positive Behavior Support");
- reflecting the reorganization of the District, including the Educational Service Centers;
- introducing an "independent monitor" who will report annually to the Board of Education regarding the implementation of the Discipline Foundation Policy; and
- incorporating the 2013 School Climate Bill of Rights.

Data

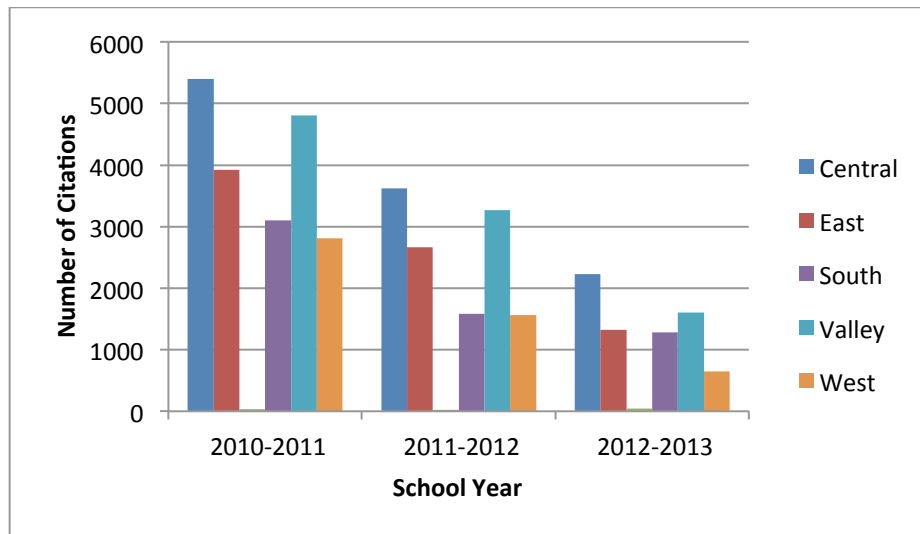
As shown in the figures below, LASPD arrests and citations have declined since school year 2010-11.

Figure 3 shows that LASPD citations have decreased by nearly 13,000 over the three-year period.

Figure 3: Total LASPD Citations, 2010-2013

Source: LASPD

The figure below shows the total LASPD citations by division for each of the three school years, reflecting a consistent decline across each division.⁵

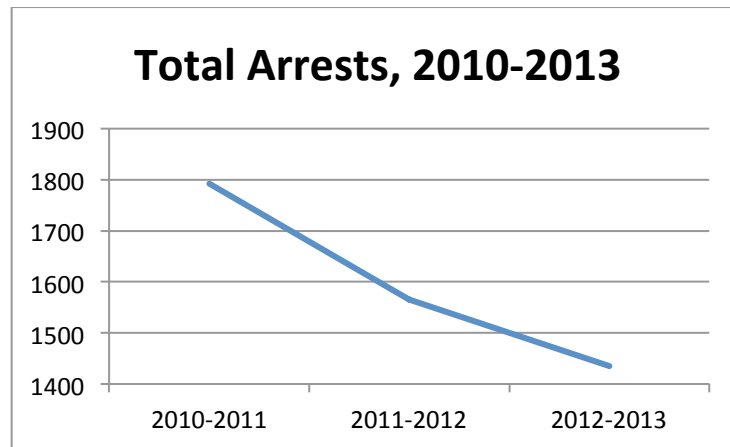
Figure 4: LASPD Citations by Division, 2010-2013

Source: LASPD

⁵ LASPD is divided into six districts. One district ("Other") is not reflected in this figure because the numbers are negligible.

Similarly, total arrests by LASPD across the entire district have declined from 2010-2013, as shown in Figure 5 below.

Figure 5: LASPD Total Arrests, 2010-2013



Source: LASPD

Analysis of Selected School Sample Data

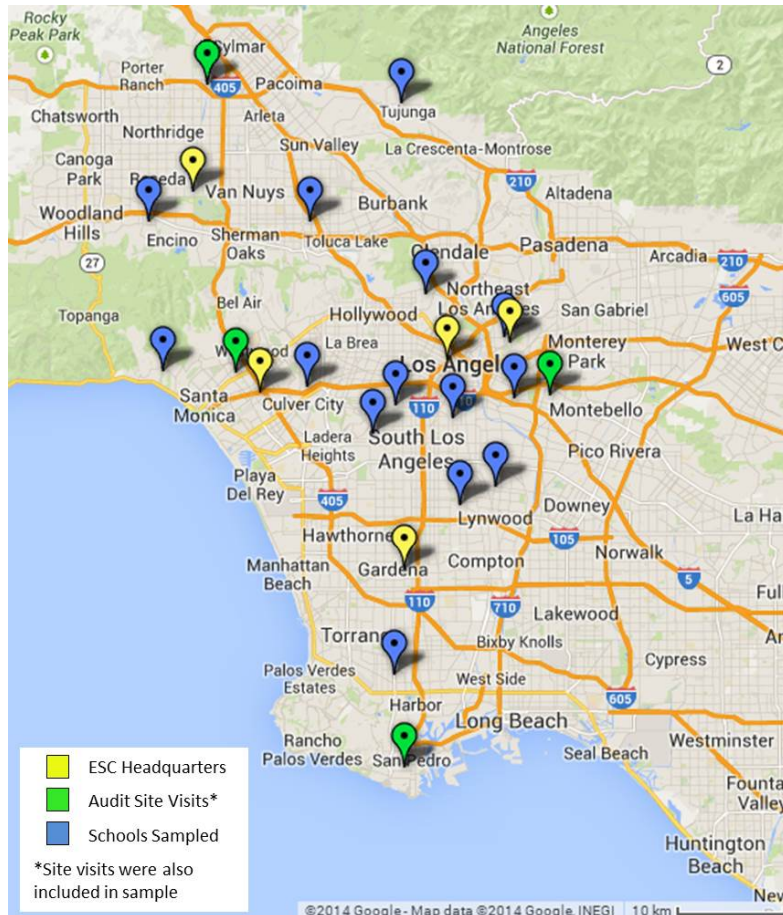
The CGJ Committee met in January, 2014 and chose 13 schools, based on location and student population. In a March 13, 2014 meeting with LAUSD Administrators, they added 5 additional schools to the sample.

Analysis for this audit included a review of LAUSD data for the 18 selected schools in the District, including:

- | | |
|-----------------|-------------------|
| ▪ Crenshaw | ▪ Foshay |
| ▪ Garfield | ▪ Jefferson |
| ▪ Kennedy | ▪ Lincoln |
| ▪ Markham | ▪ Marshall |
| ▪ Narbonne | ▪ North Hollywood |
| ▪ Palisades | ▪ Portola |
| ▪ San Pedro | ▪ South Gate |
| ▪ Stevenson | ▪ University |
| ▪ Verdugo Hills | ▪ Hamilton |

The locations of these schools can be seen on the map below.

Figure 6: Map of LAUSD Schools Selected for Data Sample



The scope of this audit, the analysis of data included a specific review of the suspension rates for students of color over the past five years. The results of that analysis are shown below in the following figures, which include breakdowns of the population by race (for example, Hispanic, African American, White and Asian students), as identified in LAUSD data reports.

SECTION 1: Organization, Leadership & Oversight of Approaches to School Discipline

The effectiveness of policy reform in a large organization such as LAUSD requires an adequate and appropriate organizational structure to support it. For the implementation of the Discipline Foundation Policy, in conjunction with the District's formal student discipline policies and procedures, the District has acknowledged the importance of leadership, coordination and consistency. The District's institutionalization of these changes in policies and practices regarding student discipline has been inadequate and has compromised the District's ability to ensure equity and consistency at school sites.

LAUSD Organization

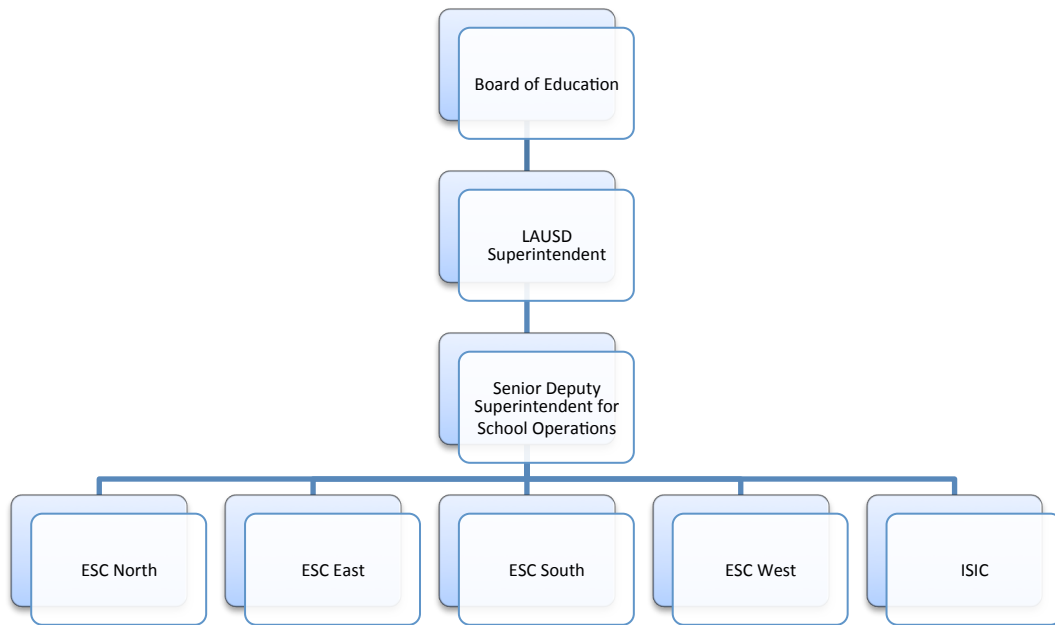
Since 2000, LAUSD has undertaken at least three significant reorganizations. In 2000, the District established eleven local districts, divided geographically, in order to promote local decision-making and decentralized management to focus on and improve student performance. Each local district had its own superintendent and administrative staff, but according to an audit conducted by the California State Auditor in 2006, "the central office retained significant decision-making and policy-setting authority."⁶

In 2004, in the wake of major budget cuts, LAUSD conducted another reorganization and consolidated the local districts down from 11 to eight. This organizational structure lasted from 2004 to 2012, when the District once again restructured. Following an organizational analysis⁷ conducted by senior leadership in 2011, the Superintendent reorganized the District from eight local districts to five Educational Service Centers (ESCs). Four of the Educational Service Centers are regionally divided (North, South, East, West). The fifth Center is the Intensive Support and Innovation Center (ISIC)⁸ for select schools located throughout the District. A major change in the structure was the separation of instructional, community and operations responsibilities by establishing three distinct but interrelated units in charge of each of the three areas.

⁶ Audit of Los Angeles Unified School District, September 2006, California State Auditor, page 7.

⁷ "Next Three Years: Policy and Investment", LAUSD Superintendent, 2012.

⁸ The Intensive Support and Innovation Service Center includes 132 schools throughout the District that have been identified for their innovation or special needs.

Figure 7: LAUSD Division of Operations Organization Chart

Source: LAUSD

Note: ESC= Educational Service Center. ISIC = Intensive Support and Innovation Service Center

Under the new organizational design, administrative functions have been divided between instruction and operations. The Operations staff, under the direction of the ESC Administrator of Operations, oversees the implementation of Discipline Foundation Policy at all of the schools under its ESC jurisdiction.

LAUSD is Not Providing Sufficient Oversight of Discipline Foundation Policy Implementation

Oversight of the District's Discipline Foundation Policy has shifted from the Division of Student Health and Human Services to the School Operations Division. According to the District, under the School Operations Division, the focus has shifted to a "multi-prong measurable and objective standard for ensuring implementation of the District's Discipline Foundation ranging from addressing school climate, formally tracking discipline and interventions, to developing alternatives to formal discipline."⁹

⁹ LAUSD School Operations, Response to Report Draft, March 21, 2014, page 4.

Under the Superintendent's leadership, the District has incorporated the collection and use of data to increase accountability and allocate resources. In a 2012 policy statement, the Superintendent stated that:

"...to ensure that monitoring of program implementation and evaluation of program effectiveness leads to continuous improvement, the District launched a performance management system at all levels of the organization. The Office of the Deputy Superintendent of Instruction works very closely with the Performance Management Unit to ensure that all schools are meeting their performance targets. The mission of the Performance Management Unit is to support LAUSD's move from a culture of compliance to a culture of performance."¹⁰

While LAUSD stresses the importance of performance measurement, it has not adequately set appropriate performance goals related to implementation of the Discipline Foundation Policy, nor has it put in place a sufficient system to monitor Discipline Policy Foundation goals. In his 2011 evaluation of District discipline, consultant Jeffrey Sprague noted the need for the District to "develop and standardize a system of performance-based feedback for implementers." Sprague further reiterated the importance of "consistent and sustained implementation of the systems and practices," in order to ensure "implementation fidelity".¹¹ Implementation fidelity will allow the District to draw valid conclusions about the effectiveness of the policy. (LAUSD Memo 6128.0 dated August 9, 2013).

In its three-year Strategic Plan, (2012-2015), LAUSD identifies performance management as part of a key strategy to improve the effectiveness, efficiency and transparency of school operations:

"Performance Management is not a new initiative, but the new way we will manage LAUSD's operations and hold ourselves accountable to the public, whom we ultimately serve. We define Performance Management as the process we will use to move from a 'compliance culture' to a 'performance culture', focusing every employee's work on the use of data, as well as the processes and accountability measures that will drive continuous improvement in teaching and learning, and in supporting productive learning conditions in all of LAUSD's schools."¹²

Although LAUSD recognizes the need for oversight of Discipline Foundation Policy implementation to ensure consistency and to measure success, it has not put in place an adequate system to monitor and manage performance. In the 2007 Discipline Foundation

¹⁰ "Next Three Years: Policy and Investment", LAUSD Superintendent, 2012.

¹¹ "LAUSD Discipline Foundation Policy: Evaluation of the Relationship Between School-Wide Positive Behavior Interventions and Supports Implementation and Outcomes," Jeffrey Sprague. October 2011

¹² LAUSD 2012-2015 Strategic Plan

Policy bulletin, the District notes that “ongoing monitoring shall be used to ensure that equitable school-based practices are implemented in a fair, non-discriminatory and culturally responsible manner.”¹³

Implementation of the Discipline Foundation Policy has primarily been self-reported by schools through the completion of the Team Implementation Checklist. According to the District, “in 2012, School Operations replaced the self-evaluating Team Implementation Checklist with the Rubric of Implementation, which is an online assessment tool that measures eight key elements... [and] is designed to monitor the implementation of the Discipline Foundation Policy at each school site. The Operations Coordinator, school principal and Instructional Director complete the ROI twice per school year.” (LAUSD Bulletin 5655.2 dated August 19, 2013).

In August 2013, the District issued a memorandum advising administrators and principals of a new system for electronic certifications to ensure compliance with 24 District policies, which includes the Discipline Foundation Policy. (Memo No. 6128.0 Administrative Certification Online System, dated August 9, 2013).

In the latest report from LAUSD, as shown below, 134 schools out of 1,000 had implemented the Discipline Foundation Policy as of June 30, 2013¹⁴.

Figure 8 LAUSD Schools Fully Implementing Discipline Foundation Policy, as of June 30, 2013

	# of Schools Fully Implementing Discipline Foundation Policy	% of Schools Fully Implementing Discipline Foundation Policy
ESC North	30	16%
ESC South	29	20%
ESC West	45	36%
ESC East	20	13%
ISIC	10	9%

Notably, this reflects a reduction¹⁵ in the implementation rate from a 2009 report¹⁶ that showed 328 schools fully implementing the policy.

¹³ LAUSD Bulletin 3638.0, “Discipline Foundation Policy: School-Wide Positive Behavior Support”, March 27, 2007.

¹⁴ Attendance and School Safety Performance Dialogues, February 21, 2014.

In order to increase the level of implementation, management and oversight at the LAUSD Central Office must be strengthened. While technically there is a coordinator who oversees the Discipline Foundation Policy, it is unclear what that role entails. Currently, the coordinator does not monitor implementation, provide technical assistance for schools, or provide other oversight of the policy implementation. While the February 2014 revised Discipline Foundation Policy references the role of an “independent monitor” in ensuring full implementation of the Discipline Foundation Policy, it is unclear when this employee will be hired.

LAUSD Does Not Provide Sufficient Tools to Identify and Develop “Internal Champions” at School Sites

The District widely acknowledges the critical importance of leadership in ensuring maximum results from the Discipline Foundation Policy. And yet, these qualities have not been defined or included in job descriptions, and presumably this is not part of the hiring selection process.

Jeff Sprague pointed out in his 2011 evaluation the need for “high-quality leadership and support [from administrators who] should be held accountable for implementation of the Discipline Foundation Policy.”¹⁷ He noted that “organizational effectiveness depends on (a) high-quality leadership and support provided by a principal or other administrator [and] (b) an internal “champion” for a program.” Mr. Sprague also expressed concern about the high turnover rate of administrators, which impairs the District’s ability to maintain consistent direction and focus:

“[A] key finding in this evaluation is the critical importance of administrative leadership in any successful implementation...Since the initial approval of this policy, there have been four different district superintendents leading this district. As a result the implementation of this policy has fallen to a lesser priority. In addition, during this same period there have been several changes in local superintendents. At the school level, assignment of new leadership occurs on a regular basis, requiring continuous professional development...At the central

¹⁵ According to the District, the reduction is the result of increased rigor in the assessment of implementation level.

¹⁶ “SWPBS Policy Implementation in LAUSD: Making it Happen”, Laura Zeff, 2009.

¹⁷ “LAUSD Discipline Foundation Policy: Evaluation of the Relationship Between School-Wide Positive Behavior Interventions and Supports Implementation and Outcomes,” Jeffrey Sprague. October 2011.

level there is no full time staff dedicated solely to supporting implementation of the Discipline Policy.”¹⁸

As noted above, LAUSD provides administrators and teachers with the “Discipline Foundation Policy Resource Manual”, which includes over 40 pages of examples of exercises, handouts, evaluations, and strategies to improve positive behavior support. The Manual urges schools to identify a “school-site staff member with expertise in positive behavior support strategies” but offers no practical information on how to do so and provides limited professional development to support leadership development, as detailed in Section 2 of this report. At the school-site level, implementation of the Discipline Foundation Policy relies heavily if not entirely on the ability of an individual principal to identify the right strategies and devote extensive time to implementation. With high turnover rates, limited resources and substantial pressure to improve academic performance, LAUSD principals face significant challenges in focusing on discipline policy implementation. The success of the Discipline Foundation Policy should not rely on the personalities or persistence of individuals.

Formal Collaboration Between LAUSD and LASPD Staff Is Insufficient

In addition to principals and teachers, police officers play an important role on school campuses. While coordination between the LASPD and LAUSD occurs at school sites informally throughout the day, and occurs formally at the executive and senior leadership levels, there is an opportunity for further collaboration between other levels of staff.

While the LASPD Chief reports to the LAUSD Superintendent¹⁹ (and ultimately to the LAUSD Board of Education), there is little formalized coordination of activities. Although the LASPD is technically a division of the LAUSD, it operates with significant autonomy. Because LASPD and LAUSD senior officials consider the work of the respective staff distinct from the other—drawing clear distinctions between law enforcement and school discipline—there is little formal coordination. However, since policies and practices have recently changed for both LAUSD and LASPD staff, it is critical that the respective employees understand the roles of their counterparts have been impacted. In a new school environment where police citations and school suspensions are dropping, school-site staff must understand the expectations of

¹⁸ “LAUSD Discipline Foundation Policy: Evaluation of the Relationship Between School-Wide Positive Behavior Interventions and Supports Implementation and Outcomes,” Jeffrey Sprague. October 2011.

¹⁹ According to senior staff, the LAUSD Superintendent and the LASPD Chief of Police have weekly conference calls, to which Educational Service Center administrators are invited to listen.

officers, teachers and administrators, in order to serve students and meet overall District goals.

Rather than by design, it has been fortuitous that the new leadership at LAUSD and LASPD share a philosophy of supporting positive behaviors on campus. In order to sustain this system, to ensure that it can survive changes in personalities and leadership, LAUSD and LASPD should identify formal ways to coordinate activities, including cross-training employees and promoting interagency information-sharing.

FINDINGS

Following the reorganization of the District, which included the relocation of oversight of the Discipline Foundation Policy, monitoring tools have not been sufficiently utilized and implementation performance has declined.

Despite its overall focus on performance management, the District is not meeting its own goals, and therefore is not holding schools sufficiently accountable for implementation and success of the Discipline Foundation Policy.

As noted in its own policy documents, the success of school-site discipline policy implementation relies on the leadership of principals. However, LAUSD has not defined the qualities of these “internal champions” or provided schools with meaningful tools to identify and support implementation of the Discipline Foundation Policy. As a result, the policy has not been implemented consistently across the District.

LAUSD and LASPD share a philosophy of supporting positive behavior in students by moving away from punitive administrative responses. However, there is not sufficient collaboration between staff at both entities to ensure a common understanding of respective policies and procedures.

RECOMMENDATIONS

- 9.1 The LAUSD Superintendent should ensure strong leadership at the Central Office by clarifying the role of the Discipline Foundation Policy Coordinator and hiring the Independent Monitor immediately.
- 9.2 The LAUSD Superintendent should define the leadership qualities necessary to promote the Discipline Foundation Policy

at the school-site level, and should work with the respective bargaining units to incorporate those in job descriptions and performance evaluations.

- 9.3 The LAUSD Superintendent should monitor the implementation of the Discipline Foundation Policy more closely to foster greater accountability and success.
- 9.4 The LAUSD Superintendent and the LASPD Chief of Police should identify more opportunities for collaboration with all levels of administrators and school staff to ensure a shared vision and consistent application of policies on campuses.
- 9.5 The District should move immediately to enhance the Central Office oversight of Discipline Foundation Policy monitoring in order to bring all District schools into compliance with LAUSD policies.
- 9.6 LAUSD should work with the respective bargaining units to ensure that job descriptions reflect the essential leadership qualities required for the implementation of the Discipline Foundation Policy, and that implementation is incorporated into performance evaluations.

SECTION 2: Alternatives to Suspension

The Los Angeles Unified School District has put significant effort in to reducing school suspensions and has been successful in reducing days lost to suspension in the District as a whole. On the school level, however, the implementation of Discipline Foundation Policy is varied and highly dependent on the quality of leadership. LAUSD has not provided adequate support to schools in the implementation of alternatives to suspension. Further, there is a lack of collaboration and information sharing between schools, stunting the flow of best practices throughout LAUSD.

In March 2007, LAUSD adopted the Discipline Foundation Policy, a new approach to how the District approaches discipline and behavioral issues. Memo BU 3638.0, "Discipline Foundation Policy: School-Wide Positive Behavior Support" states:

School-wide positive behavior support is based on research that indicates that the most effective discipline systems use proactive strategies designed to prevent discipline problems. Before consequences are given, students must first be supported in learning the skills necessary to enhance a positive school climate and avoid

negative behavior. In the event of misconduct, there is to be the appropriate use of consequences.

The intent of positive behavior support is to shift schools away from a reactionary, punitive model of discipline and towards a positive environment that encourages good behavior. An example of this difference would be giving a student a reward when they dispose of their trash properly instead of issuing a detention when they litter. (LAUSD Suspension Risk Report, dated December 3, 2013).

These changes began to gradually reduce the number of suspensions issued in LAUSD schools. In school year 2006-2007, there were 60,962 suspensions issued. By 2009-2010, this number dropped to 38,223, a decrease of 37 percent.²⁰ In May 2013, LAUSD continued the push against suspensions by banning suspension for willful defiance offenses, which had previously been the most common reason cited for suspension. With this, LAUSD demonstrated a strong commitment to decreasing instructional time lost to removal from school.

As shown in Figure 2 on page 5, the overall number of suspensions at LAUSD has dramatically declined over the period of this analysis (2008-2009 through 2012-2013). Figures 9 and 10 below show the rate of suspensions for the four major populations of students at schools in the selected sample (shown above). Each table identifies the percentage of the total student population at each school for the respective population, and then shows the annual percentage of total suspensions at each school for that population. In addition, each table shows the five-year average suspension rates for each population at each of the sample schools.

Racial Disparities in the Use of Suspension Continue to Exist at Some Schools

Although the District has been successful in reducing its overall use of suspensions, it continues to show disparities in the suspension of African American students. Continued racial disparities in the use of exclusionary punishment may constitute a violation of LAUSD's 2011 Agreement to Resolve with the Department of Education's Office of Civil Rights. The District agreed to:

"...develop and implement a comprehensive plan to eliminate the disproportionality in the discipline imposed on African American students (comprehensive disciplinary plan). The District shall modify

²⁰ Los Angeles Unified School District Profile. Office of Data Accountability, School Information Branch.

its policies, procedures and practices to eliminate the disproportionality and shall also implement, as appropriate, behavioral intervention programs, supports and other methods to minimize subjectivity in the imposition of disciplinary sanctions.²¹

In the sample of 18 schools reviewed as part of this audit, 11 issued suspensions to African American students in the 2011-2012 school year at a rate higher than the percentage of African Americans in the student body. Further, seven schools in 2011-2012 issued suspensions to African American students at a rate more than double the percentage of African Americans in the school.”²²

This data shows a continued trend of disproportionate suspensions in LAUSD. The tables on the following pages show suspension and demographic data for the 18 sample schools. As shown in Figure 9, the suspension rate for African American students has been consistently higher than their percentage of the student body. For the five-year period reviewed, the percentage of suspensions given to African Americans exceeded their percentage of the population at 16 of the 18 schools reviewed. While the difference was only between one to four percentage points at four of the schools, the difference between the African American percentage of the population and the percentage of suspensions issued to African Americans ranged in percentage points at the remaining 14 schools from six to 34 percentage points.

Additional tables show the same statistics for Hispanic, Asian, and White students in the sample schools. Unlike suspension rates for African Americans and as shown in Figure 9, the percentage of suspensions given to Hispanic students relative to all suspensions exceeded the Hispanic percentage of the student population at only two schools over the five-year period. Suspension rates for Asian or White students did not exceed their proportion of the population at any of the schools, as shown in Figure 11 and 12.

²¹ Agreement to Resolve between the Los Angeles Unified School District and the U.S. Department of Education, Office for Civil Rights. OCR Case Number 09105001.

²² The student population data reflects 2011-2012 data.

Figure 9: Suspensions Issued to African American Students in

Selected Sample, 2008-2013

				Percentage of Total Suspensions per School Year				
School Name	2011-2012 Student Demographics		5 Year Avg.	2008-09	2009-10	2010-11	2011-12	2012-13
	Total Students	% African American	% African American	% African American	% African American	% African American	% African American	% African American
Crenshaw	1191	69%	83%	81%	77%	83%	93%	83%
Foshay	2038	15%	49%	63%	47%	35%	33%	68%
Garfield	2329	0%	0%	0%	0%	0%	0%	0%
Hamilton	1723	24%	52%	54%	52%	42%	62%	49%
Jefferson	1624	7%	27%	30%	14%	24%	67%	0%
Kennedy	2165	4%	4%	7%	6%	8%	0%	0%
Lincoln	1503	1%	3%	10%	4%	0%	0%	0%
Markham	1042	30%	56%	57%	52%	48%	51%	70%
Marshall	2540	2%	6%	4%	4%	5%	9%	9%
Narbonne	2918	17%	31%	31%	27%	21%	35%	41%
North Hollywood	2536	5%	11%	9%	13%	13%	9%	10%
Palisades	2563	18%	32%	38%	41%	48%	34%	0%
Portola	1650	9%	20%	18%	20%	16%	20%	25%
San Pedro	2485	9%	25%	21%	16%	20%	56%	11%
South Gate	2255	0%	1%	3%	2%	1%	0%	0%
Stevenson	1832	0%	2%	1%	0%	4%	2%	2%
University	1830	17%	33%	26%	22%	34%	37%	47%
Verdugo Hil	1412	3%	11%	21%	15%	4%	7%	6%

Source: LAUSD Data

Figure 10: Suspensions Issued to Hispanic Students in Selected Sample, 2008-2013

School Name	2011-2012 Student Demographics		Five Year Avg. % Hispanic	Percentage of Total Suspensions per School Year				
	Total Students	% Hispanic		2008-09 % Hispanic	2009-10 % Hispanic	2010-11 % Hispanic	2011-12 % Hispanic	2012-13 % Hispanic
Foshay	2038	83%	51%	38%	51%	65%	67%	32%
Hamilton	1723	64%	43%	41%	45%	51%	33%	43%
University	1830	59%	54%	58%	61%	54%	46%	51%
Kennedy	2165	78%	67%	80%	84%	71%	0%	100%
North Hollywood	2536	78%	75%	80%	67%	83%	73%	73%
Garfield	2329	98%	80%	99%	99%	100%	100%	0%
Lincoln	1503	78%	93%	90%	92%	82%	100%	100%
Marshall	2540	67%	79%	82%	86%	81%	74%	73%
South Gate	2255	98%	98%	97%	98%	99%	99%	98%
Narbonne	2918	66%	59%	58%	65%	71%	59%	41%
San Pedro	2485	69%	65%	66%	73%	63%	36%	89%
Markham	1042	68%	44%	43%	48%	51%	49%	29%
Stevenson	1832	99%	98%	99%	100%	96%	98%	98%
Jefferson	1624	91%	53%	70%	86%	76%	33%	0%
Palisades	2563	24%	20%	19%	23%	28%	29%	0%
Crenshaw	1191	29%	16%	19%	23%	17%	7%	16%
Verdugo Hills	1412	58%	57%	51%	53%	63%	57%	61%
Portola	1650	38%	51%	53%	52%	56%	44%	49%

Source:

LAUSD Data

Figure 11: Suspensions Issued to Asian Students in Selected Sample, 2008-2013

	2011-2012 Student Demographics		Five Year Avg.	Percentage of Total Suspensions per School Year				
	Total Students	% Asian		2008-09	2009-10	2010-11	2011-12	2012-13
School Name	Total Students	% Asian	% Asian	% Asian	% Asian	% Asian	% Asian	% Asian
Foshay	2038	0%	0%	0%	0%	0%	0%	0%
Hamilton	1723	3%	1%	1%	0%	1%	1%	4%
University	1830	11%	5%	6%	5%	5%	8%	2%
Kennedy	2165	3%	1%	3%	2%	2%	0%	0%
North Hollywood	2536	3%	1%	1%	1%	1%	1%	3%
Garfield	2329	0%	0%	0%	0%	0%	0%	0%
Lincoln	1503	18%	2%	0%	0%	12%	0%	0%
Marshall	2540	9%	3%	6%	3%	1%	2%	3%
South Gate	2255	0%	0%	0%	0%	0%	0%	0%
Narbonne	2918	2%	2%	4%	3%	2%	0%	0%
San Pedro	2485	1%	0%	1%	1%	0%	0%	0%
Markham	1042	0%	0%	0%	0%	0%	0%	1%
Stevenson	1832	0%	0%	0%	0%	0%	0%	0%
Jefferson	1624	0%	0%	0%	0%	0%	0%	0%
Palisades	2563	8%	4%	5%	8%	2%	5%	0%
Crenshaw	1191	0%	0%	0%	0%	0%	1%	0%
Verdugo Hills	1412	4%	2%	4%	2%	1%	1%	0%
Portola	1650	6%	3%	2%	4%	4%	4%	2%

Source: LAUSD Data

Figure 12: Suspensions Issued to White Students in Selected Sample, 2008-2013

Student Demographics			Percentage of Total Suspensions per School Year					
			Five Year Avg.	2008-09	2009-10	2010-11	2011-12	2012-13
School Name	Total Students	% White	% White	% White	% White	% White	% White	% White
Foshay	2038	1%	0%	0%	2%	0%	0%	0%
Hamilton	1723	7%	4%	4%	3%	6%	3%	4%
University	1830	11%	7%	11%	13%	7%	6%	0%
Kennedy	2165	9%	7%	9%	7%	19%	0%	0%
North Hollywood	2536	12%	12%	10%	20%	3%	15%	13%
Garfield	2329	2%	0%	1%	1%	0%	0%	0%
Lincoln	1503	2%	2%	0%	4%	6%	0%	0%
Marshall	2540	10%	10%	8%	7%	11%	14%	10%
South Gate	2255	2%	1%	0%	0%	0%	1%	2%
Narbonne	2918	7%	2%	3%	3%	2%	2%	0%
San Pedro	2485	17%	9%	10%	9%	17%	8%	0%
Markham	1042	2%	0%	0%	0%	0%	0%	0%
Stevenson	1832	1%	0%	1%	0%	0%	0%	0%
Jefferson	1624	2%	0%	0%	0%	0%	0%	0%
Palisades	2563	47%	24%	37%	28%	21%	32%	0%
Crenshaw	1191	1%	0%	0%	0%	0%	0%	0%
Verdugo Hills	1412	31%	29%	23%	27%	31%	34%	33%
Portola	1650	45%	25%	27%	24%	24%	31%	22%

Source: LAUSD Data

LAUSD points out that suspensions can be monitored in multiple ways, and that looking at the number of suspensions issued to particular racial groups (as shown above) does not take into account individual students who were suspended more than once. This can lead to high numbers when certain students account for a large percentage of suspensions. For clarification, Figure 13 below shows the rate of suspension for students suspended one or more times.²³ As shown, the rate of suspensions has gone down for every group since school year 2008-2009. The percentage of African American students suspended, however, is consistently the highest rate of any racial group each year. In 2012-2013, African American students had a rate three times that of the district as a whole.

²³ Figure 10 adapted from table provided by LAUSD March 21, 2014. Data was not independently verified by auditors.

Figure 13: Students Suspended One or More Times by Racial Group District-wide, 2008-2013

AFRICAN AMERICAN			
School Year	# Students Enrolled	# Students Suspended 1 or More Times	Percentage of Group Suspended One or More Times
2008-2009	66,168	7,870	11.89%
2009-2010	62,250	6,973	11.20%
2010-2011	58,386	5,749	9.85%
2011-2012	56,205	3,931	6.99%
2012-2013	53,957	2,529	4.69%
LATINO			
School Year	# Students Enrolled	# Students Suspended 1 or More Times	Percentage of Group Suspended One or More Times
2008-2009	498,300	21,023	4.22%
2009-2010	487,199	19,094	3.92%
2010-2011	474,133	16,610	3.50%
2011-2012	462,223	9,916	2.15%
2012-2013	450,870	5,847	1.30%
WHITE			
School Year	# Students Enrolled	# Students Suspended 1 or More Times	Percentage of Group Suspended One or More Times
2008-2009	58,391	1,686	2.89%
2009-2010	58,205	1,447	2.49%
2010-2011	57,262	1,257	2.20%
2011-2012	57,508	910	1.58%
2012-2013	55,698	564	1.01%
ASIAN			
School Year	# Students Enrolled	# Students Suspended 1 or More Times	Percentage of Group Suspended One or More Times
2008-2009	25,416	576	2.27%
2009-2010	39,468	560	1.42%
2010-2011	38,686	284	0.73%
2011-2012	25,109	178	0.71%
2012-2013	24,685	100	0.41%
TOTAL			
School Year	# Students Enrolled	# Students Suspended 1 or More Times	Percentage of Group Suspended One or More Times
2008-2009	668,691	31,470	4.71%
2009-2010	652,620	28,331	4.34%
2010-2011	633,787	24,252	3.83%
2011-2012	619,085	15,167	2.45%
2012-2013	602,163	9,192	1.53%

Source: LAUSD Data

While the District has reduced its use of suspension on the whole, it is important that they monitor data to identify schools that continue to use suspensions disproportionately among minority groups in light of the Agreement to Resolve between the District and the U.S. Department of Education. In monthly Performance Dialogues, the District does not highlight schools that are suspending African American students at a higher-than-average rate, but rather presents this information at the Educational Service Center level. Identifying these schools will allow the District to intervene with increased training on alternatives to suspension and increased resources devoted to positive behavior support. (LAUSD Bulletin 6331.0 dated February 14, 2014).

LAUSD Has Not Provided Adequate Support for Alternatives to Suspension

While shifting towards positive behavior support over punitive methods of punishment, LAUSD developed a number of policy resources to help schools with the transition. The Discipline Foundation Policy Resource Manual, for example, provides tools such as the “Team Implementation Checklist”, a guide and rubric for schools to self-evaluate their implementation of positive behavior support. It also provides examples of how positive behavior support has been adopted at other schools. The shift toward Discipline Foundation Policy has been made during a time that the District as a whole is cutting back on resources. In 2012 LAUSD restructured the organization, cutting 300 administrative positions and shaving \$6 million from the budget.²⁴ While a number of District schools have been able to embrace positive behavior support, its implementation across the District has been inconsistent. Some school representatives report that while the policy is clear, its translation into practice is less developed. Further, they report a lack of training for teachers and relatively little collaborative sharing of best practices within schools.

LAUSD has developed a number of policies that discourage suspension and encourage positive behavior support. These policies, however, have not been adequately translated into practice at all schools. Figure 14 below shows the 12 top-utilized behavioral interventions for the current 2013-14 school year. In February 2014, the District released a policy bulletin titled “Discipline Foundation Policy: School-Wide Positive Behavior Intervention and Support” in which a matrix of “Intervention Supports and Alternatives to Suspension” are provided. The suggested alternatives are highlighted in grey in the table. As shown, despite strong policy statements on suggested alternatives, half of the top four behavioral interventions are not suggestions of the policy document.

²⁴ “Cost-cutting changes set for LAUSD”, Barbara Jones. LA Daily News: Jan. 23, 2012.

Further, school suspension still makes up 11.2 percent of punishments utilized. Only 90 of these suspensions (4.4 percent) were given for behaviors that require mandatory suspension based on state or federal law. While the District's policy documents are strong, practice at the school level has yet to catch up. (LAUSD Bulletin 5655.2, pg. 1-18).

Figure 14: Top-Utilized Behavioral Interventions in LAUSD, School Year 2013-2014 (YTD)

Behavioral Intervention	# Incidents	% of Total Number of Behavioral Interventions
<i>Parent Contact*</i>	3372	18.4%
Detention	2905	15.8%
Conference with Student	2601	14.2%
School Suspension	2047	11.2%
Conference with Parent	1693	9.2%
Counseling by Staff	1184	6.5%
Campus Beautification	785	4.3%
In School Suspension	515	2.8%
Counseling Individual	551	3.0%
Class Suspension	322	1.8%
Behavior Contract	263	1.4%
Peer Mediation	238	1.3%
Total Behavioral Interventions†	18343	

Source: LAUSD Data

Grey highlighting indicates behavioral interventions suggested by Feb. 14, 2014 policy document

*While not listed as an intervention in the "Intervention Supports and Alternatives" document, parent contact is requisite to or used in conjunction with many types of punishment.

†Interventions that made up less than 1% of total and marked as "Other" excluded from table

Given the large number of schools in LAUSD and the diversity of issues that each school faces, the District has been hesitant to prescribe one-size-fits-all solutions. This has put the onus of responsibility on the school principals to develop and implement positive behavior supports that are best suited for their school. Unfortunately, this means that schools with strong leadership or those with a particular interest in the topic are ahead of the curve while schools with less experienced, unenthusiastic, or otherwise occupied leaders may continue to fall behind. (Harvey Rose field interviews, March 20, 2014).

One of the key issues with the shift away from suspensions is that schools must institute alternative punishments. Such alternatives, though, often require more time and resources than issuing a suspension. For example, alternatives to suspension include detention, Saturday school, and counseling. All of these alternatives,

however, require supervision or specially trained staff. In climate of reduced budgets, finding the additional resources for these alternatives can be difficult.

Further, schools report that the current atmosphere focuses strongly on academics. With limited discretionary spending at the school site, any available money is diverted to teaching positions over non-instructional staff. This has been exacerbated by cuts to all types of staff, including non-instructional. Between 2008 and 2012, LAUSD eliminated 2,911 non-instructional positions, as shown in Figure 15 below.²⁵

Figure 15: Annual Cuts in Instructional and Non-Instructional Staff, 2008-2012

	2008-09	2009-10	2010-11	2011-12	Total
Instructional	0	2520	619	1914	5053
Non-Instructional	415	398	989	1109	2911

Source: LAUSD Budget Policy Brief: FY 2012-2013, March 2012.

Position reductions can make it difficult for already over-burdened schools to implement alternatives to suspension. Suspensions remove the problem student from the school, essentially raising the staff to student ratio. For schools that were previously depending on suspensions as a punishment, this change is difficult without additional staff. This is particularly true because effective alternatives take more resources and time than simply removing the student from the school.

LAUSD has been very clear on what behaviors do and do not merit suspension. One document, the "Matrix for Student Suspension and Expulsion Recommendation", lays out 32 different education code violations and describes a principal's discretion to suspend for each. The District also offers multiple trainings and policy bulletins regarding who has the authority to suspend and exactly what procedures to follow when issuing a suspension. But these documents focus on the problem behavior and not on the reaction to the behavior, deferring to the school-site administrator to self-determine punishment when not using suspension.

²⁵ LAUSD Budget Policy Brief: FY 2012-2013, March 2012.

One document that seeks to tackle this problem, "Top Ten Alternatives to Suspension", offers ten categories of alternative punishments. Each one of them would require additional resources to adopt, however, and a number would require significant investment by a school. Offering alternatives with no feasible way to implement at a school site is not an effective way to reduce suspensions. The alternatives suggested by LAUSD are shown in Figure 16, on the next page, which is a modified LAUSD document. The first two columns are taken from the policy document, while the third column ranks the alternatives based on the resources needed to implement them, on a scale of one to three. The "resource commitment" is based on the need for additional staff, money, or space to utilize the punishment. For example, referral to an outside agency requires relatively little effort on the part of the school, while individual counseling would require an intensive time commitment from a trained counselor. As can be seen, seven of ten alternatives would require moderate to high resource commitments. All three of the "low" resource commitment alternatives still require administrative action or some limited oversight.

Figure 16: LAUSD Suggested Alternatives to Suspension and Ranked Resource Commitments for Each

Alternative	Description	Resource Commitment (1-Low to 3-High)
Coordinate Behavior Plan for Any Student Whose Behavior Has Impeded Learning	Training will be available to assist appropriate staff in the creation of a structured, coordinated behavior plan specific to the student, and based on the analysis of data and the assessment of the purpose of the target behavior to be reduced. This must focus on increasing desirable behavior and replacing inappropriate behavior.	3
Alternative Programming	Changes in the student's schedule, classes or course content; assignment to an alternative school or program; independent study or work experience program should be tailored to the student's needs.	2
Behavior Monitoring	Strategies to monitor behavior and academic progress might include progress report cards checked after each class regarding behavior, self-charting of behaviors, strategies to provide feedback to the student, etc.	2
Appropriate In-School Alternatives	In-school alternatives in which academic tutoring and instruction related to the student's behavior, such as work in social-emotional skills, and a clearly defined procedure to return to class as soon as the student is ready is provided.	3
Community Service	Required amount of time in community service in school system or in the community.	1
Counseling	Students are referred for participation in group or individual counseling.	3
Parent Supervision in School	Following existing school-site visitation policy parent comes to school and provides additional support and supervision for a period of throughout the day.	1
Mini-Courses	Short course or modules on topics related to social-emotional behavior, used as a disciplinary consequence, after-school or Saturday.	3
Restitution	Financial or "in-kind." Permits the student to restore or improve the school environment.	1
Problem-Solving/Contracting	Use negotiation/problem-solving approaches to assist student to identify alternatives. Develop a contract which includes reinforcement for success, and consequences for continuing problems.	2

Source: LAUSD Policy Bulletin BUL-3638.0, Attachment G, with "Resource Commitment" added

Another policy bulletin, "Guidelines for Student Suspensions", offers guidelines for an in-school suspension as an alternative to a school suspension. It states that students can be removed to a supervised classroom overseen by "certificated staff."²⁶ One school administrator expressed frustration at this bulletin, stating that because of the strong focus on academic achievement, if he had an extra certificated staff member it would be more beneficial for them to be teaching a regular class. He does not have the extra resources to devote staff to an in-school suspension room.

In February 2014, LAUSD issued a revised policy bulletin, "Discipline Foundation Policy: School-Wide Positive Behavior Intervention and Support." The document provides an update to the 2007 bulletin and additional guidance to school administrators on alternatives to suspension in an attachment titled "Guide to Tier II and Tier III Intervention Supports and Alternatives to Suspension." As this document is very recent, it is unclear how useful it will be to school administrators, but it is a good step towards turning policy into practice. Like the policy documents mentioned above, however, the "Guide" suggests numerous alternative punishments that would require more resource commitment. To a school administrator constrained by budget issues and mainly concerned with academic achievement, policy documents will do little to implement a new paradigm of student discipline. (LAUSD Bulletin 6231.0 dated February 14, 2014).

In addition to issuing strong guidelines, LAUSD also monitors school data to ensure that schools are not exceeding limits on suspensions. Educational Service Center administrators are responsible for monitoring disciplinary data to ensure that schools do not exceed a limited number of suspensions. Educational Service Center administrators report that as schools approach or pass the suspension limit, they come under increased scrutiny for additional suspensions. While this is a very effective method for reducing suspensions, it does not offer alternatives for schools. By simply removing one tool but not supporting adequate alternatives, LAUSD may be hampering disciplinary effectiveness. It is important to consider the effect this can have on under-resourced schools. If a school cannot issue suspensions, but also does not have the resources to offer effective alternatives, administrators may fall back into the old way of doing things and issue quick punishments that are not in line with discipline foundation policy. Schools that are most likely to have this problem are schools that are already inundated with problem behaviors, which could further exacerbate the problem of unequal handling of disciplinary issues between schools. (LAUSD Bulletin 6050.1 dated August 19, 2013).

²⁶ LAUSD Policy Bulletin BUL-5655.2, "Guidelines for Student Suspensions". August 19, 2013.

There is a Lack of Inter-School Collaboration on Discipline Foundation Policy

An important part of spreading the Discipline Foundation Policy throughout the District is sharing best practices among schools. School-level administrators who are effectively implementing positive behavior supports are the District's best resource for effective implementation strategies. Yet school administrators express a lack of inter-school collaboration and the sharing of ideas. (Harvey Rose Field Interview March 20, 2014).

As mentioned in Section 1, in 2012 LAUSD overhauled its administrative and organizational structure. They transitioned from eight geographical Districts to five, and separated instructional and operational functions in the District. Unfortunately with this overhaul, some of the collaborative relationships among schools that had been developed for years were reportedly lost. This happened at a time when these relationships would have been immensely valuable for information sharing regarding implementation of the Discipline Foundation Policy.

Inter-campus visits between Principals, Assistant Principals, and Deans are also a useful exercise for spreading best practices, but school administrators report that such visits are relatively rare. One school, a demonstrated leader in Discipline Foundation Policy, reported that it has been visited by the administration of only one other school in LAUSD. Further, school administrators report that while there are monthly meetings for Principals and Assistant Principals, these meetings tend to be focused on policy compliance and instructional topics. There is relatively little time devoted to disciplinary and operational issues. Instead of helping schools learn from each other, these meetings tend to be centrally focused. One administrator described each school as an island, unaware of what other schools were doing. In fact, of disciplinary alternatives to suspension that school administration reported using, almost all were generated in-house, as opposed to borrowed or adapted from another school. In response to this finding, LAUSD states "Instructional Area Superintendents, administrators of operations, instructional directors and operations coordinators"²⁷ collaborate on school visits. While this is certainly a useful exercise, it is the Principals, Assistant Principals, and Deans who are dealing directly with students on discipline issues, not the District-area administrators. These Principals, Assistant Principals and Deans are the school-site administrators who would most benefit from collaborative school site visits so that they can learn

²⁷ Los Angeles Unified School District Performance Audit – Los Angeles Civil Grand Jury: Corrections and Revisions Proposed by LAUSD Office of School Operations. March 21, 2014.

new ideas directly from their peers, not secondarily via a higher-level administrator.

It is important for LAUSD to recognize the resource it already possesses in its network of schools. Resources are wasted when each school is independently generating ideas that could be effectively shared and adapted. Further, despite the division between instructional and operational responsibilities at the organizational level, it is important to recognize their convergence at the school level. Strong discipline enhances academics, and vice versa. Adequate time and resources should be devoted to both topics in LAUSD's strategic planning.

FINDINGS

Despite overall reductions in their use, suspensions of African American students remain disproportionately high.

The effective implementation of Discipline Foundation Policy is highly dependent on effective school leadership, and as such, has been implemented with varying quality throughout the District.

Despite strong policy statements that have discouraged suspension, LAUSD has not adequately supported schools in implementing alternatives to suspension.

Following District reorganization, collaborative channels between schools were lost and have not yet been reestablished. This has slowed the spread of best practices in positive behavior supports within the District.

RECOMMENDATIONS

9.5.1 The Superintendent should direct LAUSD Operations to utilize data regarding the disproportionate use of suspensions among African American students in specific schools. It should target trainings, interventions, and resources to increase disciplinary alternatives within those schools with the most disproportionate rates.

9.6.1 The Superintendent should direct LAUSD Operations to include language in the Discipline Foundation Policy Manual or a Policy Bulletin stating that it is against district policy to disproportionately suspend any racial or ethnic group and that the District will be monitoring for such violations.

- 9.7 The Superintendent should direct LAUSD Operations to continue to utilize data on the use of disciplinary alternatives to suspension in schools to identify schools that are not effectively using alternatives and offer additional resources, training, or coaching to increase their use.
- 9.8 The Superintendent should direct LAUSD Operations to develop a disciplinary best practices newsletter that suggests alternatives to suspension and highlights schools with effective implementation of positive behavior supports.
- 9.9 The Superintendent should direct LAUSD Operations to institute discipline-focused meetings and instructional seminars between small collaborative groups of similar schools.
- 9.10 The Superintendent should formally or programmatically encourage Principals, Assistant Principals, Deans, and other school administrators to visit high-performing schools to enhance the flow of information about effective implementation of the Discipline Foundation Policy.

SECTION 3: Training

LAUSD and LASPD have recently adopted significant changes in how their employees respond to student actions—placing limits on tools (such as suspensions and citations) that have been widely used by the respective agencies for decades. Consistent implementation of these policies has been hindered by the inadequacy of training at both entities. In order to ensure uniform standards in implementation, the agencies must ensure that all employees responsible for adopting policies and practices have sufficient knowledge for proper implementation. (Rubric of Implementation, December 13, 2013).

LAUSD Discipline Foundation Policy Training

Training Mandates

As the District moved away from the punitive policies²⁸ to the intervention-focused model of School-Wide Positive Behavior Support, all of the major guidelines and policy documents have urged robust and regular training for employees engaged in student discipline.

²⁸ This refers particularly to zero tolerance practices. As discussed in the Background Section of this report, "Zero Tolerance" refers to the District's previous discipline practice, where schools imposed automatic punishments for infractions regardless of circumstances.

Beginning with its 2005 "Student Discipline Policy" resolution, the Los Angeles Unified School District Board of Education urged the District to provide:

"...differentiated professional development for all school staff... on research-based classroom management and student discipline techniques... [as well as] regular training on the Student Code of Conduct and the District Discipline Plan that demonstrates procedures for teaching and practicing expected behaviors should also be provided."

The Board of Education further recommended that "this professional development and training be integrated in to bank days²⁹ and other regular professional development across content areas throughout the year."

As discussed in the Background Section of this report, the District responded to the Board of Education's 2005 Resolution with the introduction of the Discipline Foundation Policy: School-Wide Positive Behavior Support, which remains LAUSD's guiding discipline policy today. Through the Discipline Foundation Policy, the District provides the *Guiding Principles for the School Community*, which:

"establish a standard [to which all LAUSD schools] are required to align their school's discipline plans and rules...The goal is to maximize consistency in school-site practice, while allowing schools to personalize rules, provided they are consistent with the tenets and contents of this bulletin."³⁰

The policy outlines the responsibilities of various LAUSD employees and stakeholders, and specifically states that Central District Office Staff shall develop and coordinate training and professional development for all employees. Section V of the School-Wide Positive Behavior Support policy, titled "Professional Development and Training", states that "professional development in the area of school-wide positive behavior support must be mandated, broad-based and inclusive of all staff involved in supporting schools and students."³¹

The policy further states that "ongoing monitoring shall be used to ensure that equitable school-based practices are implemented in a fair, non-discriminatory and culturally responsive manner."³²

²⁹ "Bank days" refer to District-mandated professional development days.

³⁰ *Guiding Principles for the School Community*, Discipline Foundation Policy: School-Wide Positive Behavior Support, LAUSD, 2007.

³¹ Ibid.

³² Ibid.

LAUSD is not Providing Formal Training on the Discipline Foundation Policy to All Relevant Employees

Despite these mandates, the LAUSD Central Office does not provide training to all employees. In fact, the District only provides direct, formal training to principals and Educational Service Center administrators—and even that is insufficient. In place of participatory training, the District has developed and made available various learning tools for school-site administrators and teachers to access independently. These include a video called the “Student Discipline Training Kit” and a PowerPoint presentation called “Class Suspensions Training”. According to the District, deans are now required to complete the “Student Discipline Training Kit” as part of the principal’s online certification. However, the District did not provide evidence of certification monitoring to show that these records are received and reviewed. (Bulletin 6128.0 dated August 9, 2013).

In his 2011 independent evaluation of the Discipline Foundation Policy, commissioned by LAUSD, consultant Jeffrey Sprague of the University of Oregon noted that “organizational effectiveness [with regard to implementing the Discipline Foundation Policy] depends on...access to formal training and technical assistance.”³³ Sprague pointed out that “research indicates that active coaching and support is a critical element for gaining implementation of [a School-Wide Positive Behavior Support program],” and he recommended that “training with accountability features must be systemic for all staff members involved in discipline.”³⁴

Following this evaluation, and in response to the US Department of Education’s Office of Civil Rights’ findings on the disproportionality of suspensions³⁵, LAUSD reiterated its commitment to training staff in its November 2011 plan, which states:

“All Central office staff shall...play an active, supportive role in assisting schools with the implementation of this policy...[by] (1) developing and coordinating training for parents, behavior seminars for students and professional development for all employees...School administrators must ensure that the *Culture of Discipline: Guiding Principles for the School Community* will be taught, enforced, advocated, communicated and modeled to the entire school community, and that school practices are consistent with the tenets of this policy...Every school administrator is to ensure ... training and

³³ “LAUSD Discipline Foundation Policy: Evaluation of the Relationship Between School-Wide Positive Behavior Interventions and Supports Implementation and Outcomes,” Jeffrey Sprague. October 2011

³⁴ Ibid.

³⁵ As discussed in the Background Section of this report, the US Department of Education’s Office of Civil Rights issued a report on LAUSD performance in October 2011.

support for staff ... in maintaining an environment conducive to learning.”³⁶

To date, nearly seven years after the introduction of the Discipline Foundation Policy, the District has not complied with its own requirements for training—particularly of certain staff at school sites, including teachers, counselors and other employees who daily confront the behavioral problems of students. According to the job descriptions, the Principal at all school levels (Elementary, Middle and Secondary) maintains responsibility for providing “effective professional development and training for all stakeholders”. This presumably includes discipline policy training. ([HTTPS://12.lausd.net/12/training](https://12.lausd.net/12/training)).

Whether principals throughout the District provide sufficient training to staff cannot be determined because training is neither tracked nor monitored by the Central Office. Interviews conducted at the sampled school indicated that actual training on discipline policy occurs inconsistently, if at all.

In order to comply with its own policies, and ensure proper and consistent implementation, the District should require annual Discipline Foundation Policy training of all staff (including school-site staff) actively charged with managing student discipline. Jeffrey Sprague recommended in his evaluation of the implementation of the Discipline Foundation Policy that the District “continue the current Central and Local District support infrastructure to increase the dissemination of evidence-based best practices, research and opportunities for collaboration...It is important to explicitly recommend that the District continue to support and invest in systemic and systematic staff development activities. This would include continued staff development and coaching in order to maintain implementation fidelity.”³⁷ However, as discussed in Section 1 of this report, the District has not maintained that support infrastructure, and has since relocated the function of discipline policy to School Operations. It is not clear that this division provides the same level of support as was provided under the Division of Health and Human Services.

Although the District’s size presents challenges in ensuring the proper training of teachers, the District can meet this challenge by identifying existing professional development opportunities (such as bank days, as recommended by the Los Angeles Board of Education in its 2005 Resolution), which can be used to focus on student discipline, and establishing a mechanism to track staff’s participation in such training.

³⁶ Draft Implementation Plan, Agreement to Resolve Between LAUSD and USDOE OCR, November 15, 2011.

³⁷ “LAUSD Discipline Foundation Policy: Evaluation of the Relationship Between School-Wide Positive Behavior Interventions and Supports Implementation and Outcomes,” Jeffrey Sprague. October 2011.

In accordance with the LAUSD Superintendent's demonstrated commitment³⁸ to performance monitoring and measurement, training standards should be incorporated into existing performance metrics to ensure accountability throughout the District. ESC Administrators of Operations and Operations Coordinators should expand monitoring of these school-site training activities, in conjunction with the regular review of student discipline data, in order to identify opportunities for reinforcement/improvement or potential weaknesses. The Central Office, through its monthly performance dialogues, can hold ESCs accountable for this training and performance, while ensuring that ESC administrators have sufficient opportunity to address local implementation problems.

Discipline Foundation Policy Training Not Mandated for Senior Leadership and School-Site Administrators in Charge of Discipline

As noted above, consultant Jeffrey Sprague's 2011 evaluation of LAUSD implementation of the Discipline Foundation Policy pointed out that "training with accountability features must be systemic for all staff members involved in discipline."³⁹ As an example of such accountability, Mr. Sprague suggests that training be a prerequisite for application to a dean position.

A review of current LAUSD job descriptions, however, indicates that such training prerequisites have not been mandated for any senior school-site administrator positions. Historically, Deans and Assistant Principals have been the key disciplinarians at school sites. While the District has recently clarified that Principals maintain primary responsibility for discipline, that role continues to be delegated by Principals to Assistant Principals and Deans in many LAUSD schools. (LAUSD-UTLA Collective Bargaining Unit, page 13. March 21, 2014).

And yet according to District job descriptions, none of those positions require demonstrated experience or training in discipline policy. The District does not have a job description for the Dean position, and the contract language for Deans makes no mention of required knowledge or training related to discipline policies and procedures. Although the District states that "deans are now required to complete online training [and that training] is being monitored by ESC Operations", the District

³⁸ From the LAUSD website, Superintendent Deasy's message: "If we transform human capital by ensuring there are effective employees at every level of the organization focused on improving student outcomes, give our students and parents a portfolio of high quality school choice, and hold ourselves accountable through strong performance management, then every student in our schools will graduate college-prepared and career-ready."

³⁹ "LAUSD Discipline Foundation Policy: Evaluation of the Relationship Between School-Wide Positive Behavior Interventions and Supports Implementation and Outcomes," Jeffrey Sprague. October 2011.

did not provide supporting evidence. The current job description for Secondary School Assistant Principals also makes no mention of discipline policy training requirements, and only vaguely cites a “desirable” qualification of “knowledge of the Education Code, Board Rules, District policies and operating procedures.” (LAUSD data: March 21, 2014).

Even Secondary School Principals, who are officially responsible for discipline at the school-site according to senior LAUSD administrators, are not required to demonstrate any specific experience or training related to the Discipline Foundation Policy prior to advancement. Similar to the language for Secondary School Assistant Principals, the job description for Secondary School Principal references only “desirable” knowledge that includes “knowledge of District policies, procedures, goals and objectives”, with no specific reference to discipline.

At the Educational Service Center level, the Administrator of Operations maintains central oversight of disciplinary matters within that region. While the job description for this position details the Administrator of Operations’ role in providing “leadership and direction for planning, evaluation, improvement and implementation in school safety”, it fails to reflect any required knowledge or experience in that area. Again, this job description only notes the desirability of “knowledge of Board policies.” (LAUSD-UTLA).

LASPD Training on Enforcement Policies

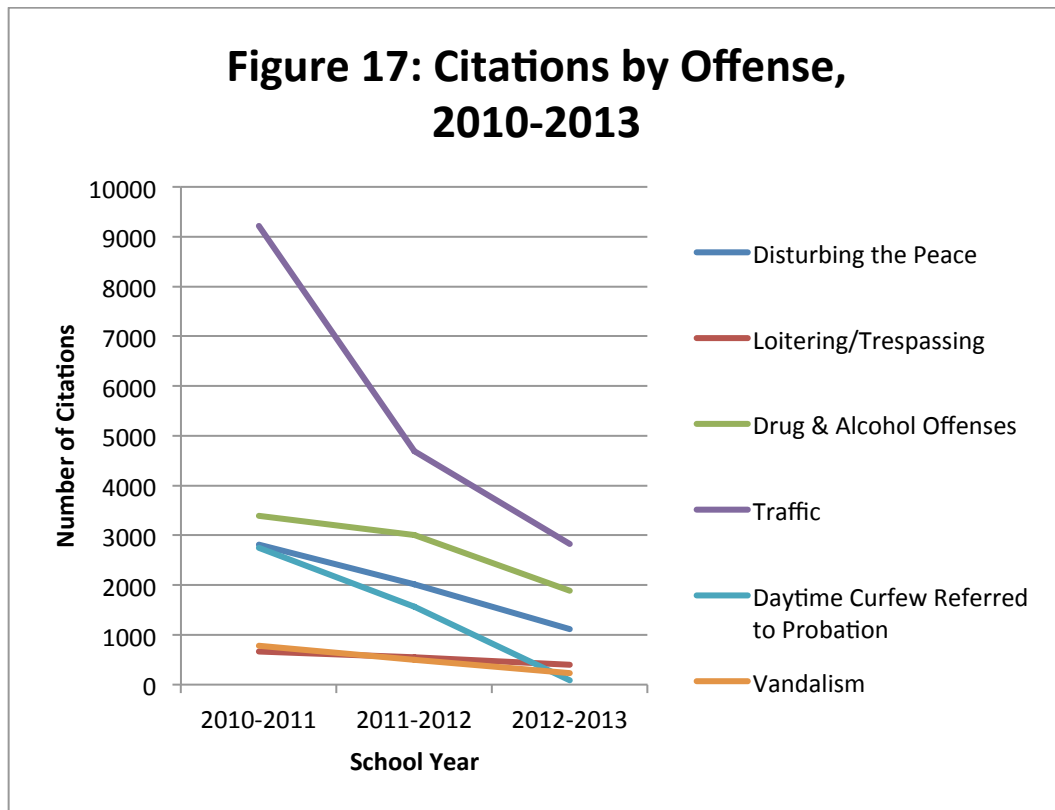
Like LAUSD, LASPD has recently adopted changes to guidelines for officers on school campuses responding to student actions. These changes mirror the shift away from punitive⁴⁰ responses and toward supportive interventions.

As discussed in the Background to this report, during the 1990s and into the 2000s, LASPD campus officers frequently used citations in response to a wide range of student actions on campus. According to LASPD data, officers issued over 20,000 citations⁴¹ to LAUSD students in the 2010-11 school year. Since then, however, the LASPD has dramatically reduced the number of citations given to students. This has primarily been the result of the leadership and direction of current LASPD management, and the closure of the Los Angeles County Informal Juvenile & Traffic Court, where citations were previously

⁴⁰ LASPD does not technically impose punishments for violations of the law. Only the Courts or the Judicial System can legally impose such punishments.

⁴¹ LASPD District Data Report for all citations 2010-2013

referred. As shown Figure 17, the number of citations issued by LASPD since the 2010-2011 school year has markedly decreased.



Source: LASPD Data

Under current management, LASPD has focused on developing positive relationships with students on campus, and has implemented restrictions in the use of citations. As this constitutes a marked shift in the officers' role on campus, it denotes a need for significant training (and re-training) of campus officers, which has been acknowledged in LASPD's own guidelines. In its FY 2013-14 Training Plan, LASPD states that it:

"...has an interest and responsibility for the continual growth and development of its members. Through combined professional training and personal education, an employee can achieve professional and personal excellence and career goals. By so doing, the Police Department will ensure its members possess the knowledge and skills necessary to provide the effective professional service level the LAUSD communities need and demand".⁴²

⁴² LASPD 2013-14 Training Plan, July 1, 2013, page 2

Though not yet finalized, LASPD's draft Training Policy (Policy 208 of the draft Policy Manual) reflects a nearly identical purpose and scope.

The School Year 2013-14 LASPD Training Plan clarifies that there are two types of training for LASPD employees: POST-certified courses and "in-house instruction."⁴³ The Plan notes that "in-house instruction is our responsibility. It provides 'hands-on' continuing professional training... [that] is very beneficial for professional development."⁴⁴

LASPD Does Not Provide Formal Annual Training on Campus Enforcement Policies to Campus Officers

LASPD campus police officers receive formal training on law enforcement policies and practices as part of a state-mandated 40-hour training program⁴⁵ that new recruits must complete within the first two years of employment. This training is not tailored to specific LASPD policies and practices, and does not address recent directives that have been implemented.

In a 2006 memo to all LASPD personnel, the Chief stated a commitment to "implement additional training programs that allow campus officers to participate more frequently [and to schedule] campus officer meetings that provide personnel with an opportunity to discuss concerns and make suggestions."⁴⁶ Current LASPD management has shown a similar commitment. In his capacity on the County's Student Attendance Task Force, the LASPD Chief has made a public commitment to comprehensive training. One of 10 recommendations published in the Student Attendance Task Force's 2012 report focused explicitly on training. This recommendation even includes the "provision of school-wide cross-training that emphasizes the importance of a welcoming and supportive climate."⁴⁷

Although current LASPD management is widely acknowledged by both LASPD and LAUSD employees for the Department's proactive engagement in promoting a more positive role for officers on campus, the Department's efforts to formalize a training program focused on identifying these "teachable moments"⁴⁸ has not kept pace. The Department holds an annual training symposium for officers during the summer. Although the Department states that past symposia have

⁴³ POST: Peace Officer Standards and Training

⁴⁴ Ibid, page 3.

⁴⁵ Campus Law Enforcement Course, Commission on Peace Officer Standards and Training.

⁴⁶ Chief of Police Quarterly Message, LASPD, November 28, 2006.

⁴⁷ "Comprehensive Approach to Improving Student Attendance in Los Angeles County", January 2012.

⁴⁸ As referenced in the November 15, 2013 Memo from the Chief of Police to All LASPD Department Personnel, "teachable moments" are alternative methods to responding to minor infractions.

included “training segments on campus training”, the Department did not provide any evidence (such as an agenda) to support this.

To codify recent policy changes, the Department is working to update its official Department Policy Manual, which contains all relevant policies and procedures for employees. However, to date this has not been completed. Currently, campus officers receive policy updates via email, which Division sergeants may read and review during roll-calls. However, this process is neither formalized nor mandated, and the Department currently does not monitor the process or test officers’ comprehension of the information. (Meeting at LAUSD, October 24, 2013).

Because the shift away from citations towards more supportive interventions represents a significant change in how campus officers interact with students on campus, it is critical that the Department ensure that all officers sufficiently understand the new direction. In the absence of formal training, the department cannot be certain that all employees have adequate knowledge of the new guidelines so that standards across schools remain consistent. For the upcoming summer symposium in August 2014, the Training Unit has proposed⁴⁹ three relevant workshops, including one entitled “Legal Updates/Department Policy on Citations, Truancy Diversion, and Alternate Solutions to Arrest.” This workshop should be mandatory for all campus officers, and should become standing workshop topic at all future symposia.

LASPD Does Not Take Sufficient Advantage of Existing Meeting Opportunities to Address Campus Law Enforcement Protocols

Because the Department is relatively small compared to LAUSD, LASPD supervisors have greater opportunities than their LAUSD counterparts to work directly with campus employees. In concert with LAUSD Performance Dialogues⁵⁰, the LASPD Chief also hosts monthly meetings to review various performance metrics and to discuss relevant operational issues. All Lieutenants and Deputy Chiefs are required to attend these meetings, though campus (and other departmental) officers are only occasionally invited to participate in the monthly Performance Dialogues. Recognizing the effectiveness of this model, the LASPD Chief should consider replicating the structure to mandate similar monthly performance meetings for campus officers at the LASPD division⁵¹ level. Currently, campus officers meet with their direct supervisors on a daily basis during roll-call. While these too could be adapted to include a focus of enforcement issues and

⁴⁹ Memo to Deputy Chief Anderson, “2014 Department Training Symposium”, January 10, 2014.

⁵⁰ “Performance Dialogues” are monthly meetings at LAUSD with ESC administrators and principals to focus on the review of designated performance measures.

⁵¹ As noted in the Background Section of this report, LASPD Campus Services Bureau is divided geographically into 6 divisions.

performance, monthly meetings might allow for a more robust and focused discussion.

FINDINGS

Though called for in District policy, LAUSD is not monitoring and ensuring formal training on discipline policy to teachers, counselors and other relevant school-site employees.

LAUSD does not require training on discipline policies and procedures for advancement to positions that have significant oversight of that function.

LASPD does not provide formal annual training on campus law enforcement policies to campus officers.

LASPD is not taking advantage of existing opportunities to address and train campus officers on campus law enforcement protocols.

RECOMMENDATIONS

- 9.11 The Superintendent of LAUSD should establish relevant training requirements for all employees who manage disciplinary issues, and ensure that those requirements are met prior to hire or advancement.
- 9.12 The Superintendent of LAUSD should require annual training on discipline for all employees who handle disciplinary issues, including ESC Administrators of Operations, Principals, Assistant Principals, Deans, Teachers and relevant school support staff.
- 9.13 The Chief of LASPD should develop and require annual training on campus law enforcement policies and procedures for all campus officers.
- 9.14 The Chief of LASPD should incorporate campus enforcement performance into monthly Performance Dialogues and daily roll-calls to ensure that campus officers have sufficient opportunity to raise any concerns and that supervisors have sufficient opportunity to identify any concerns.
- 9.15 The Chief of LASPD and the Superintendent of LAUSD should consider the implementation of annual cross-training of school-site employees to ensure sufficient understanding of policies and distinctions between agency roles on campus.

- 9.16 The Superintendent of LAUSD and Chief of LASPD should collaborate to establish a mechanism to monitor staff participation in trainings on their respective policies and procedures to ensure full participation by all pertinent staff.

SECTION 4: Data

The two different data-tracking systems at LAUSD and LASPD are not adequately tracking discipline-related interactions between personnel and students. LAUSD's electronic discipline tracking system, LAUSDMAX, contains missing data and data that are of questionable reliability—variable to the extent that it appears incorrect. Poor-quality data leaves District management unable to fully utilize the system to ensure that the District's discipline policy is being implemented. LASPD's data system tracks citations, arrests, and calls for service, but does not track less serious interactions between police and students that do not result in formal law enforcement.⁵² Finally, LAUSD and LASPD's systems do not interface even at a basic level, allowing conflicting data to exist between the systems. (Harvey Rose field survey of LAUSD Data, March 24, 2014).

LAUSD's Discipline Database Contains Missing or Highly Variable Data that Needs Review

With the adoption of the Discipline Foundation Policy in 2007, LAUSD stated its commitment to the use of data to guide positive behavior support. In the Discipline Foundation Policy Resource Manual, "Data-Based Decision Making" is one of eight major components of school-wide positive behavior support, meaning that "data is analyzed and used to guide decisions."⁵³

Further, as part of its 2012-2015 Strategic Plan, LAUSD's fifth strategy is the commitment to "Operate an effective, efficient, and transparent organization in order to assure the public trust."⁵⁴ Part of this strategy outlined therein is: (1) the use of data to performance management, which is defined as "focusing every employee's work on the use of data; (2) the use of the processes and accountability measures that will drive continuous improvement in teaching and learning; and (3) supporting productive learning conditions in all of LAUSD's schools."

⁵² LAUSDMAX is based on California Education Code and is considered a pupil record. The LASPD system is used to track Penal Code violations. A particular incident that is both an Education Code and Penal Code violation would merit entry to both systems.

⁵³ *Discipline Foundation Policy Resource Manual*, LAUSD, 2007.

⁵⁴ *Strategic Plan 2012-2015: All Youth Achieving*. LAUSD, 2012.

In 2011, LAUSD entered an agreement with the Department of Education, Office of Civil Rights to reform a number of its programs that were found to be unequal in their treatment of minority students. As part of this agreement, the District agreed to “develop an effective system for periodically evaluating implementation of the comprehensive disciplinary plan to ensure that it eliminates the disproportionality in the discipline imposed on African American students.”⁵⁵

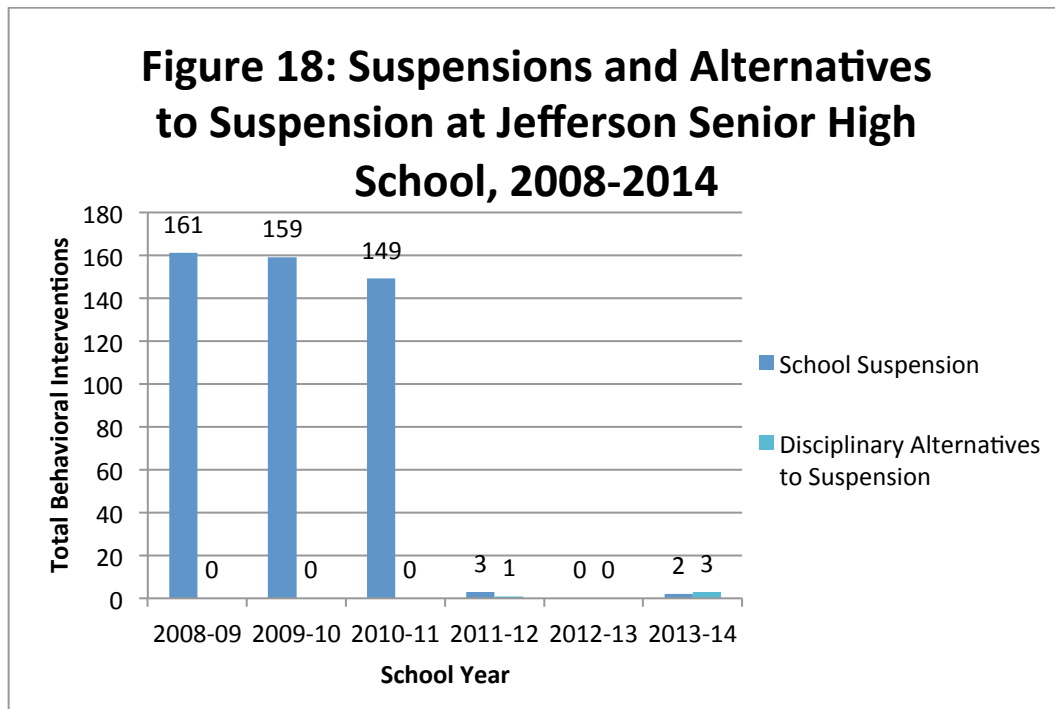
A robust disciplinary data tracking system is essential to ensuring compliance with the strategic plan, District policy, and the Office of Civil Rights agreement. Prior to school year 2011-12, LAUSD’s discipline tracking system recorded only school suspensions. Beginning in 2011, the system expanded to include in-school suspensions, and in 2012 further expanded to include 34 additional behavioral interventions used in lieu of suspension. While the current system allows for a more comprehensive understanding of discipline in the District, it has not been in place long enough to return reliable data from all schools. Both before and after implementation of the expanded system, however, data varies to an extent that merits further review by the school District. (LAUSD Discipline Module Bulletin 5808.2, September 27, 2013.)

Without accurate tracking of disciplinary data, LAUSD cannot monitor discipline foundation policy in schools nor properly use performance management to drive improvement. In addition, the District may be in violation of its agreement with the Office of Civil Rights because it does not have “an effective system” for evaluating its disciplinary plan.

A number of positive changes in the handling of disciplinary issues in LAUSD affected the number of behavioral interventions recorded. The adoption of the Discipline Foundation Policy and the shift away from the use of suspensions resulted in a reduction of formal disciplinary events after 2007. Variations in leadership at certain schools also caused these reductions to happen in different years. Further, the prohibition of suspensions for “willful defiance” in May 2013, caused a decrease in recorded suspensions. These are beneficial changes that have reduced the number of suspensions and formal disciplinary actions significantly. In a review of data from 16 LAUSD schools, however, disciplinary data varies to an extent that suggests further review of data accuracy is needed. Of 16 schools sampled for this audit, four had recorded discipline events fall by more than 78 percent in a one-year span. In one case, Jefferson Senior High, suspensions fell from 149 in school year 2010-11 to three in 2011-12, as shown in

⁵⁵ Agreement to Resolve between the Los Angeles Unified School District and the U.S. Department of Education, Office for Civil Rights. OCR Case Number 09105001.

Figure 18. In 2012-13, when both suspensions and alternatives to suspension should have been recorded, no data was recorded at all.



Source: LAUSD Discipline Data, 2008-2014, School-Level

While these variations may be legitimate reductions in the number of disciplinary events, the existence of such sizable variations in nearly one quarter of our sample suggests that the District should review the veracity of its school-level data. Further, the number of alternatives to suspensions reported does not match the eliminated suspensions. This indicates that either behavior in the school dramatically improved or behavioral interventions were not properly recorded. Similar one-year variations are also seen in data from Narbonne Senior High, Kennedy Senior High, and Foshay Learning Center. Narbonne decreased from 89 suspensions in 2011-12 to only 19 in 2013-13; Kennedy decreased from 67 suspensions in 2010-11 to two in 2011-12; and Foshay decreased from 495 suspensions in 2009-10 to 30 in 2010-11. Figure 19 shows these four schools with highly differing years highlighted in red.

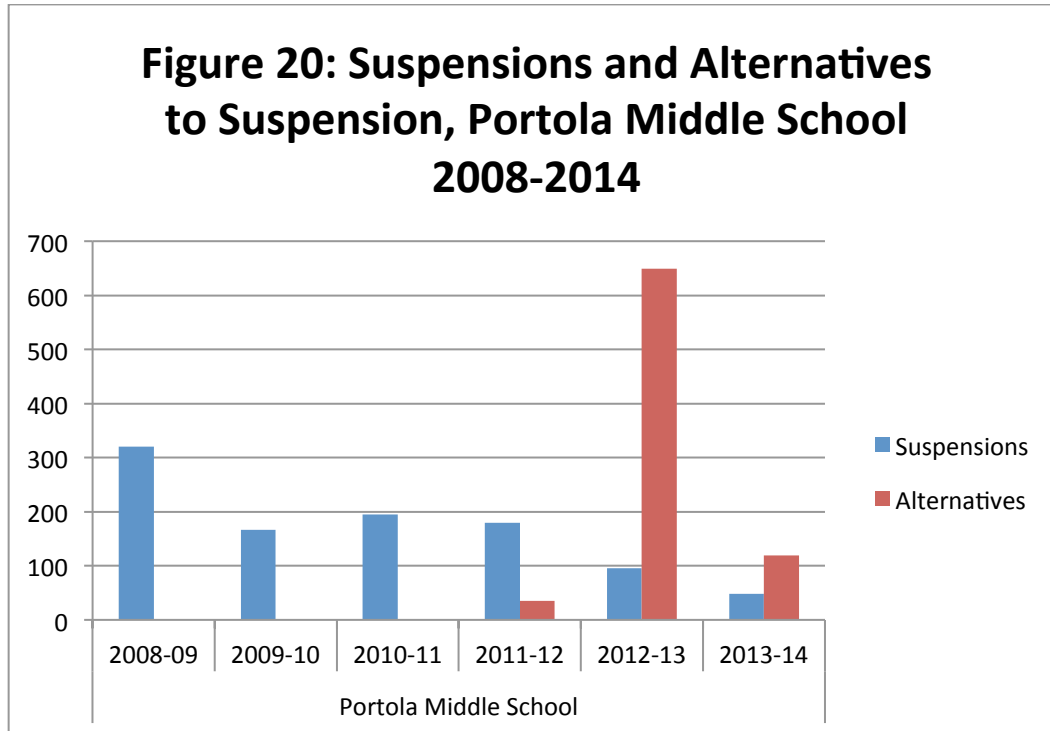
Figure 19: Schools in Sample with Highly Variable One-Year Changes in Suspensions

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Foshay Learning Center	492	495	30	48	15	12
Jefferson Senior High	161	159	149	3	0	2
Kennedy Senior High	316	189	67	2	2	0
Narbonne Senior High	216	218	126	89	19	0

Source: LAUSD Discipline Data, 2008-2014, School-Level

In all three of these schools, the reductions were either part of a gradual decline or have been sustained over the years since, which may suggest that they are true drops in the use of formal discipline. It is critical that such precipitous changes be reviewed by District administration, however, to ensure that data is being properly entered and that problem behavior is addressed with appropriate discipline. LAUSD monitors school discipline data and holds performance reviews but with the focus on decreasing suspensions there is not very much attention devoted to other potential areas of concern. A school that suddenly suspends a large number of students would be immediately noticed, but a school that reduces its levels by similarly large amounts without a corresponding number of alternative actions would go unnoticed. This leaves the District vulnerable to underreporting.

The expanded discipline reporting system, LAUSD MAX, was launched in school year 2012-13 and includes corrections such as parental notification and detention. With its launch, one would expect to see disciplinary alternatives to suspension increase and continue into 2013-14. An example is shown below in Figure 20 with data from Portola Middle School. As the use of suspensions fall, the use of disciplinary alternatives to suspension increase.

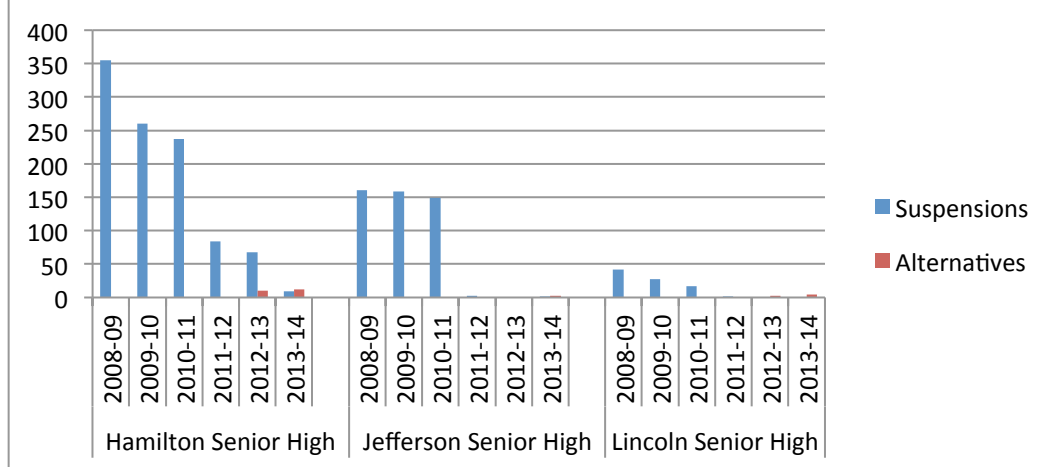


Source: LAUSD Discipline Data, 2008-2014, School-Level

In three out of 16 schools of the audit sample, however, there has not been an offsetting increase in disciplinary alternatives, as shown in Figure 21 below. At Hamilton Senior High, Jefferson Senior High, and Lincoln Senior High, there were 13 behavioral interventions in the three schools combined in school year 2012-13 for a combined enrollment of well over 6,000 students. Properly recording disciplinary action is a requirement of Policy Bulletin 5808.2, "LAUSDMAX Required Usage."⁵⁶ While the expanded system is new and schools are still learning its operation, by analyzing school-level data, LAUSD will be able to effectively channel its training resources to schools that are not properly recording disciplinary actions.

⁵⁶ LAUSDMAX is an integrated data management system used by the school district to document and track disciplinary data, as well as other student information.

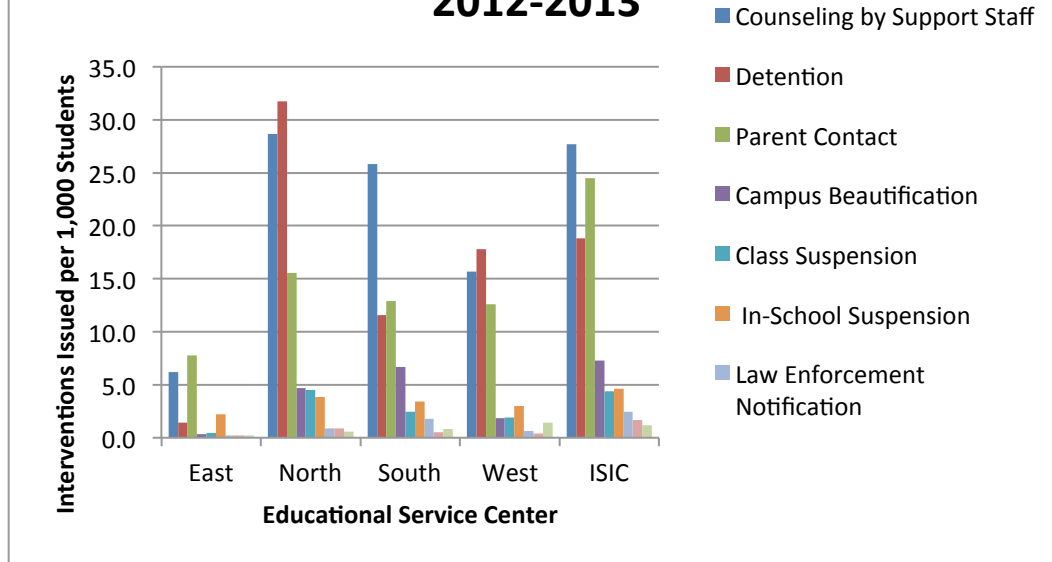
Figure 21: Suspensions and Alternatives to Suspension at Three Schools, 2008-2014



Source: LAUSD Discipline Data, 2008-2014, School-Level

Disparities between the use of disciplinary alternatives to suspension, or between the proper tracking of the use of disciplinary alternatives, can also be seen between the five Educational Service Centers (ESCs). Data from each ESC shows varying rates of adoption of alternatives to suspension. Whether this is a problem, with either the actual use of alternatives or with the proper entry of alternatives into the system is an issue for the District to determine. In either case, the District can use this data to target training and resources. As shown in Figure 22, the North and Intensive Service and Innovation Support (ISIC) ESCs record the highest use of alternatives to suspension per 1,000 students. ESC East records fewer than half the number of behavioral interventions than the next-highest ESC. The disparities shown are larger than one would expect based solely on regional variation or differing ESC size, and suggest that utilization or recordation issues are systemic in certain ESCs or throughout the District. These disparities indicate that training is needed on either the use of alternatives to suspension or on entering data into the discipline tracking system.

Figure 22: Utilization of Selected Behavioral Interventions Across Five Educational Service Centers, School Year 2012-2013



Appropriate disciplinary data entry requires school-level administrators who are both well trained and understand the importance of accurate data. In addition to teachers, LAUSD relies on Principals, Assistant Principals, and Deans who handle discipline to record disciplinary information into the LAUSDMAX system. None of these positions, however, have this responsibility in their job description. This creates variability in how schools can decide to handle data entry and does not clearly create areas of responsibility within a school. Further, diffuse responsibility does not demonstrate a priority within the District on the collection of robust disciplinary data in accordance with LAUSD's policy. (LAUSD Max Bulletin 5808.2, September 27, 2013).

LASPD Tracking Informal Law Enforcement Actions

While LASPD tracks its formal law enforcement actions internally, such as citations and arrests, these actions make up only a portion of an officer's daily routine. Tracking only these metrics does not provide an accurate or complete picture of an officer's role on a school campus. Many campus-based officers stress their presence as a positive role model at the school. Particularly with the shift away from citations, a significant portion of campus-based officers' interaction with students is for low-level offenses that do not require a formal citation or charge. These offenses, which LASPD management refers to as "teachable moments", are opportunities for officers to address problem behaviors

without introducing students to the juvenile justice system. These actions are the result of officers interacting daily with students and developing a rapport with them.

Although informal law enforcement actions are one of the primary interactions between school police and the student body, they are not currently documented or tracked. Without data on informal interactions, LASPD administration is only able to monitor the portion of officer time spent performing formal law enforcement. Over the last few years, the number of citations issued has dropped in all categories, from 20,078 in school year 2010-11 to 7,118 in 2012-13.⁵⁷ As the school District and Los Angeles School Police Department both shift away from punitive roles and toward positive behavior interventions, this data will likely continue to fall, progressively providing less information to LASPD administration on the actions of officers in schools.⁵⁸

Alternative tracking methods for informal interactions between law enforcement and the student body would offer a more comprehensive understanding of the daily routines of officers in the field and would help demonstrate successes or identify weaknesses. In addition, as schools continue to move away from a punitive climate, these metrics can serve as a more accurate way to track LASPD performance.

LAUSD and LASPD Should Increase Data Sharing

Although School Operations and LASPD are both divisions of LAUSD, each functions relatively independently. In terms of data, each organization operates its own system. These two systems do not interface, meaning that student data entered into the LASPD system has duplicate data already held in the LAUSD system. Part of the reason for this separation is the legal protection of student data. While there is an important bifurcation between school operations and law enforcement and the protection of student data, there is also room to have the systems interface in such a way that improves data reliability and decreases data entry. Increased data interfacing would improve disciplinary coordination between the organizations. The Los Angeles County Education Coordinating Council's Student Attendance Task Force came to a similar conclusion in 2012, when they recommended that "interdepartmental data systems will be reviewed as a starting

⁵⁷ LASPD District Data Report for all citations 2010-2013.

⁵⁸ LASPD would like to clarify that the term "punitive" is not a wholly accurate description of their role. They have no legal authority or standing to impose punishment for criminal violations and/or offenses. Rather, this is the purview of the courts/judiciary.

place, and barriers to sharing will be addressed and overcome through collaborative efforts, a blanket court order, or legislation.”⁵⁹

Currently, when an LASPD officer creates a citation or police report, it is handwritten or typed in the field. The record is then submitted to the LASPD Records Division, where it is entered into the system by a data clerk. The record is populated with the information collected by the officer at the scene, including the student’s contact information. In the case of citations, this record becomes the source of information for the Citation Diversion Program run by the Los Angeles County Probation Department. When citations are sent to the Probation Department, LASPD has no further role in the punishment of the offender. The Probation Department runs its own Citation Diversion program that contacts offenders.

It is critical that the contact information of the offender be correct in order for the Probation Department to contact the student by mail. Offenders are sent a paper referral to a community agency at their student’s home address. The student is supposed to report to the community agency for a defined period of time. Unfortunately, the Probation Department reports a significant proportion of these referrals are returned because of bad addresses. Without a valid address, the Probation Department can no longer proactively work with the offender.

Because addresses are not vetted against an existing database, there is a significant chance of error during the collection and entry process. There is, however, an already-existing record of student contact information in LAUSD’s records. Allowing LAUSD’s and LASPD’s systems to interface and reconcile, at least for contact information, could significantly improve the quality of data sent to the Probation Department. This interfacing could be implemented at the LASPD Data Clerk level, so that contact information is reconciled against the existing LAUSD information when input by a clerk. No process changes would be required in the field, and could actually save data entry time for clerks if information is automatically populated.

There are additional areas for data coordination between LAUSD and LASPD that should be considered as the organizations move forward. Presently, LAUSD cannot access any information regarding student citations. This means that a school may impose its own punishment for a violation of law that a student was already cited for by LASPD. While this double jeopardy situation may be appropriate in some cases, it would still be useful for school administrators to have access to data

⁵⁹ “A Comprehensive Approach to Improving Student Attendance in Los Angeles County: A Report from the School Attendance Task Force.” Jan 2012.

used it in making disciplinary decisions. Data isolation segments each stage of the disciplinary process and makes it impossible for LAUSD to understand the entire disciplinary situation of a student. While there are legal boundaries that make sharing some student data complex, these should not be used as a reason for inaction when there is a possible benefit to students.⁶⁰

Improving communication between the organizations does not mean sharing all data, but rather interfacing only on data that is relevant to the function of the other department and on a need-to-know basis. At a minimum level, this would include student contact information from LAUSD. Information sharing between organizations would allow student discipline to be handled more holistically, as opposed to in isolated fragments.

FINDINGS

LAUSD's disciplinary data varies or is missing to an extent that needs further review by the District to ensure its veracity.

Highly variable statistical data can serve as a source of information to target training to schools that are not correctly inputting data.

Data showing low levels of the use of alternatives to suspension should be used to target training on either the use of alternatives to suspension or the use of the data tracking system.

LASPD does not track informal law enforcement interactions (teachable moments) between officers and students. As the Los Angeles School Police Department shifts away from a punitive role, its current data system will offer progressively less information regarding the daily performance of officers in schools.⁶¹

LAUSD and LASPD do not share data, which creates siloes of information that reduce data quality and make it impossible for LAUSD to holistically understand a student's disciplinary situation.

⁶⁰ If basic contact information was shared with LASPD based on a "need to know", there may be no violation of student privacy laws. Further, the L.A. County Education Coordinating Council's Student Attendance Task Force acknowledged these hurdles when they suggested using a court order or legislation to enable information sharing.

⁶¹ LASPD would like to clarify that the term "punitive" is not a wholly accurate description of their role. They have no legal authority or standing to impose punishment for criminal violations and/or offenses. Rather, this is the purview of the courts/judiciary.

RECOMMENDATIONS

- 9.17 The Superintendent should direct LAUSD's Data and Accountability Office to monitor school-level discipline data for significant *positive or negative* variations that would indicate data quality issues and target training on the use of LAUSDMAX accordingly.
- 9.18 The Superintendent should direct LAUSD's Data and Accountability Office to identify schools with low levels of recorded alternatives to suspension, identify the cause of these low levels, and target training accordingly.
- 9.19 The Superintendent should direct LAUSD's School Operations to specify school-level administrative responsibilities regarding the entry of data to LAUSDMAX and consider the addition of data-entry responsibilities in the job descriptions of school staff.
- 9.20 The Chief of Police should continue to direct LASPD's Office of Strategy, Performance, and Accountability to develop ways to track informal law enforcement actions between officers and students (teachable moments) and consider ways to utilize this data to evaluate performance and improve campus-based law enforcement.⁶²
- 9.21 The Superintendent should direct LAUSD's Data and Accountability Office to identify ways to share basic contact data with LASPD in order to improve data integrity and accuracy. Moving forward, LAUSD and LASPD should continue to evaluate avenues for information sharing.
- 9.22 The Superintendent should ensure strong leadership at the Central Office by clarifying the role of the Discipline Foundation Policy Coordinator and hiring the Independent Monitor immediately.
- 9.23 The Superintendent should define the leadership qualities necessary to promote the Discipline Foundation Policy at the school-site level, and should work with the respective bargaining units to incorporate those in job descriptions and performance evaluations.
- 9.24 The Superintendent should monitor the implementation of the Discipline Foundation Policy more closely to foster greater accountability and success.

⁶² LASPD responds: "As of February 2014 the LASPD has begun updating the Computer Aided Dispatch to appropriately track and recapitulate data from criminal investigations of consensual contacts (e.g. Terry v. Ohio) to serve as a metric to more accurately track LASPD performance in situations that do not lead to an arrest or citation."

- 9.25 The Superintendent should direct LAUSD Operations to utilize data regarding the disproportionate use of suspensions among African American students in specific schools to target trainings, interventions, and resources to increase disciplinary alternatives within schools with the most disproportionate rates.
- 9.26 The Superintendent should direct LAUSD Operations to include language in the Discipline Foundation Policy Manual or a Policy Bulletin stating that it is against district policy to disproportionately suspend minority groups and that the District will be monitoring for such violations.
- 9.27 The Superintendent should direct LAUSD Operations to continue to utilize data on the use of disciplinary alternatives to suspension in schools to identify schools that are not effectively using alternatives and offer additional resources, training, or coaching to increase their use.
- 9.28 The Superintendent should direct LAUSD Operations to develop a disciplinary best practices newsletter that suggests alternatives to suspension and highlights schools with effective implementation of positive behavior supports.
- 9.29 The Superintendent should direct LAUSD Operations to institute discipline-focused meetings and instructional seminars between small collaborative groups of similar schools.
- 9.30 The Superintendent should formally or programmatically encourage Principals, Assistant Principals, Deans, and other school administration to visit high-performing schools to enhance the flow of information about effective implementation of the Discipline Foundation Policy.
- 9.31 The Superintendent should establish relevant training requirements for all employees who manage disciplinary issues, and ensure that those requirements are met prior to hire or advancement.
- 9.32 The Superintendent should require annual training on discipline for all employees who handle disciplinary issues, including ESC Administrators of Operations, Principals, Assistant Principals, Deans, Teachers and relevant school support staff.
- 9.33 The Superintendent should direct LAUSD's Data and Accountability Office to monitor school-level discipline data for significant *positive or negative* variations that would indicate data quality issues and target training on the use of LAUSDMAX accordingly.

- 9.34 The Superintendent should direct LAUSD's Data and Accountability Office to identify schools with low levels of recorded alternatives to suspension, identify the cause of these low levels, and target training accordingly.
- 9.35 The Superintendent should direct LAUSD's School Operations to specify school-level administrative responsibilities regarding the entry of data to LAUSDMAX and consider the addition of data-entry responsibilities in the job descriptions of school staff.
- 9.36 The Superintendent should direct LAUSD's Data and Accountability Office to identify ways to share basic contact data with LASPD in order to improve data integrity and accuracy. Moving forward, LAUSD and LASPD should continue to evaluate avenues for information sharing.
- 9.37 The Chief of LASPD should develop and require annual training on campus law enforcement policies and procedures for all campus officers.
- 9.38 The Chief of LASPD should incorporate campus enforcement performance into monthly Performance Dialogues and daily roll-calls to ensure that campus officers have sufficient opportunity to raise any concerns and that supervisors have sufficient opportunity to identify any concerns.
- 9.39 The Chief of LASPD should continue to direct LASPD's Office of Strategy, Performance, and Accountability to develop ways to track informal law enforcement actions between officers and students (teachable moments) and consider ways to utilize this data to evaluate performance and improve campus-based law enforcement.⁶³

RECOMMENDATIONS Directed to both LAUSD and LASPD:

- 9.40 The Superintendent and the Chief of LASPD should identify more opportunities for collaboration with all levels of administrators and school staff to ensure a shared vision and consistent application of policies on campuses.
- 9.41 The Superintendent and the Chief of LASPD should consider the implementation of annual cross-training of school-site employees to ensure sufficient understanding of policies and distinctions between agency roles on campus.

⁶³ LASPD responds: "As of February 2014 the LASPD has begun updating the Computer Aided Dispatch to appropriately track and recapitulate data from criminal investigations of consensual contacts (e.g. Terry v. Ohio) to serve as a metric to more accurately track LASPD performance in situations that do not lead to an arrest or citation.

9.42 The Superintendent and Chief of LASPD should collaborate to establish a mechanism to monitor staff participation in trainings on their respective policies and procedures to ensure full participation by all pertinent staff.

REQUEST FOR RESPONSE

Recommendation Number	Responding Agency
9.1-9.6.1, 9.11, 9.12, 9.17, 9.18, 9.21-9.42	LAUSD
9.5-9.10, 9.19	LAUSD Operations
9.13-9.16 9.20, 9.21, 9.36-9.42	LASPD

ACRONYMS

LASPD	Los Angeles School Police Department
LAUSD	Los Angeles Unified School District
ESC	Educational Service Center
USDOE	United States Department of Education
ISIC	Intensive Support and Innovation Center (one of five Educational Support Centers)
UTLA	United Teachers of Los Angeles

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TRANSITION OF FOSTER YOUTH TO ADULTHOOD



**S. Robert Ambrose
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Co-Chairperson
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TRANSITION OF FOSTER YOUTH TO ADULthood

TOPIC OF INVESTIGATION

As a result of a change made by Assembly Bill-12 "The California Fostering Connections to Success Act", foster care youth can choose to remain in foster care until age 21.

Prior to Assembly Bill-12, Foster care youth reached legal adulthood at age 18. They can now choose to remain in foster care until age 21.

BACKGROUND

Assembly Bill-12 became effective on January 1, 2010. Youth may now remain in foster care after they become 18, if they so choose. In order to voluntarily remain in foster care from age 18 until age 21, a youth must meet one of the following five criteria:

1. Completion of high school or equivalent program (GED)
2. Enrollment in college, community college, or a vocational education program
3. Employment of at least 80 hours per month
4. Participation in a vocational training program designed to prepare for future employment
5. Medical determination of inability to perform any of the above

FINDINGS

According to the 2012 published report of the Los Angeles County Department of Children and Family Services (DCFS), a total of 1,920 youth in foster care were eligible to request and receive extended foster care under the criteria set out above.

Of the 1,920 youth who were eligible, 1,460 (76%) opted for extended foster care.

861 (59%) of the 1,460 youth who exercised their option for extended foster care completed high school or obtained their GED.

404 (27.2%) of the youth applied to and began attending college or a vocational school. (Source: DCFS Report dated March 19, 2012 titled "AB-12 Extending Foster Care Update Year-One-2012, pages 1 and 2").

The remaining youth found paid employment, joined the military, or left the system.

COMMENDATIONS

The extended foster care program appears to benefit those youth who choose to stay in foster care and use the support provided to complete their education or learn a vocational skill.

ACRONYMS

GED	Graduate Equivalency Degree
DCFS	Department of Children and Family Services

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WHY IS GRANDMA WORTH LESS?



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WHY IS GRANDMA WORTH LESS?

TOPIC OF INVESTIGATION

A disparity exists between foster care payments for relative and non-relative foster parents. It is a distinction lost on a child in need.

Why is Grandma, or any relative, not receiving equal compensation for the services they are providing in caring for kin whom they have accepted to raise, protect and educate?

BACKGROUND

In order to qualify to be foster parents and receive foster care payments, both non-relative and relative foster parents must meet the federal requirements. (See the 1997 "Adoption and Safe Families Act" (ASFA), Public Law 105-89). This law requires that any foster parent's home must meet safety requirements, and all persons living in the home must pass a criminal background check.

Pursuant to Title IV of the Social Security Act, Code of Federal Regulation at 45 CFR 1355 -1357, funding for foster care providers is received primarily from the Federal Government. Under this law, federal eligibility for a child's foster care support payment is based on the 1996 Department of Human Services Poverty Guidelines. These eighteen year old guidelines cap the income of the foster child's parents at 1996 income standards. They determine whether payments can be made to current foster care providers.

Whether or not the abused/abandoned/neglected (hereafter called abused) child's family income exceeds the 1996 Department of Human Services Poverty Guidelines, Los Angeles County Department of Children and Family Services (DCFS) pays the non-relative foster parent the full approved rate of state and federal funds for their foster care parenting services.

The State of California and Los Angeles County have a waiver (an exemption) from the Federal Government restrictions of Title IV of the Social Security Act cited above. (Source: DCFS website www.dcfs.co.la.ca.us, titled "Title IV-E" waiver).

The waiver states:

"Waiver Authority", "Section 474(a) (3) (e) and 45 CFR 1356, 60(c) (3), expanded services: to allow the State to make payment for services provided that are not normally covered under Part E of Title IV of the Act; and to allow the State to use Title IV-E Funds for these costs and services as described in the Terms and Conditions, Section 2.0".

This waiver allows a block grant of federal money to be used by the state and Los Angeles County, as allocated by DCFS, to fund their foster care programs of choice. The waiver quoted above covers "Payment for Services provided".

The non-use of waiver funds by DCFS for payment to relative foster parents was confirmed in discussions between the CGJ and the two non-profit organizations: The Alliance for Children's Rights and The Community Coalition. Testimony by the Alliance for Children's Rights in late 2013 was presented before the Blue Ribbon Commission which was appointed by the Los Angeles County Board of Supervisors. The purpose of the Blue Ribbon Commission was to hear from various concerned groups on problems regarding DCFS and foster care.

The placement of abused children by DCFS into foster care falls into two main categories: Group foster homes or foster homes of a relative or non-relative. Each category receives a different dollar amount for the care of the foster child.

Although this report will not address placement in group homes, it should be noted that the payment for a child placed in a DCFS approved group home can be as high as \$100,000 per year. When it is possible, placement of any of the children currently in a group home with a relative willing to accept the child, would save DCFS the payment of high group home rates.

The disparity between payments to relative and non-relative foster care providers is substantial. For example, when a 15 year old child is placed with a non-relative foster parent, whether or not the abused child's family income exceeds the 1996 Federal poverty guidelines, the non-relative foster parent receives from DCFS the full foster care rate of \$820 per month. (Source: DCFS report titled "FC Changes effective 7-1-13").

An abused child, whose family income exceeds the 1996 federal poverty guideline, and who is placed with a relative foster parent, in many cases a Grandmother and whose home has passed the ASFA

requirements, receives no payment from DCFS. The Grandmother may receive only \$351 per month through Cal Works (a state funded welfare program). This low welfare payment to Grandma, or any relative, often guarantees that the child will be raised in poverty. A relative foster parent should be paid the same rate as is paid to a non-relative parent.

The Alliance for Children's Rights, whose primary function is to assist relative foster parents, asserts that DCFS pays nothing to the relative foster parent where the abused child's family income exceeds the 1996 poverty guidelines and the relative's foster home passes all ASFA requirements. This same assertion of non-payment to relative foster parents is concurred by the Community Coalition, a non-profit organization whose organization works with relative foster parents.

DCFS has confirmed in a memorandum to the CGJ dated April 16, 2014, "if the biological parent [of the abused child] does not meet this standard [the 1996 Poverty Guidelines] the relative caregiver is not eligible to receive the foster care payment rate". DCFS provided an example as follows: "For example, two children were detained from their mother, who is employed as a customer service representative for a telephone company and mother was not eligible for welfare assistance. If the two children were placed with an ASFA approved relative caregiver, that caregiver would not receive the licensed foster care payment rate".

Based upon their experience, the non-profit organizations cited above believe, that children do better when they are placed with a relative. DCFS also states "...relatives are their preferred placement resource families...and as such shall be considered first for all children who are in need of Out-of-Home-Services..." (Pages 1 and 2, Procedural Guide, 0100-520.10, Evaluating a Prospective Caregiver).

If DCFS allocated its available waiver money, the payment disparity between relative and non-relative foster parents could be eliminated. There could be financial equality for all foster children. The current practice is singling out the children for an uncertain and precarious future.

FINDINGS

DCFS is not utilizing the waiver to make foster care payments to relative foster care parents, even though relative and non-relative foster care parents have met federal requirements and have been approved as foster parents. Their homes have passed ASFA requirements.

Given the waiver, there is no legal impediment prohibiting DCFS from paying the same amount of monthly support to a foster care parent, whether a relative or non-relative.

RECOMMENDATIONS

- 11.1 DCFS must exercise its authority and pay a relative foster parent the same rate as a non-relative.
- 11.2 DCFS must expand its efforts to place abused children currently in group homes with a relative foster caregiver.

REQUEST FOR RESPONSE

Recommendation Number	Responding Agency
11.1 and 11.2	Los Angeles County Department of Children and Family Services

ACRONYMS

ASFA	Adoption and Safe Families Act
DCFS	Department of Children and Family Services

COMMITTEE MEMBERS

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12 STEP PROGRAMS IN DETENTION FACILITIES



Char H. McCarthy Chairperson
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TWELVE STEP PROGRAMS IN DETENTION FACILITIES

TOPIC OF INVESTIGATION

A committee of the 2013-2014 Los Angeles County Civil Grand Jury (CGJ) was formed (Committee) to investigate the possibility of providing the necessary support to make daily Alcoholics Anonymous (AA) meetings available to inmates during their incarceration at Los Angeles County detention facilities.

BACKGROUND

The CGJ visited Los Angeles County adult jail and juvenile detention facilities. Many who are in these facilities have been arrested because of crimes related to substance abuse.

The availability of drug and alcohol rehabilitation in these facilities, if offered at all, is very limited. Only 7 to 17 percent of people who are incarcerated for alcohol/drug dependence or abuse receive treatment in jail.¹

Almost eighty percent of men arrested in California tested positive for an illicit substance at the time they were taken into custody, and fifty-four percent of all men incarcerated will be repeat offenders.²

The War on Drugs has been costly and ineffective largely because there has not been a high enough emphasis placed on treatment in jail and juvenile facilities. Five million of an estimated seven million (71.4 percent) of Americans who live under criminal justice supervision

¹ National Institute on Drug Abuse. Treating Offenders with Drug Problems: Integrating Public Health and Public Safety, 2009.

² "U.S. Prison System Needs Reform. Does Not Meet Intended Goals." Collegiate Times, 23 November 2012.

would benefit from drug treatment intervention, but only 7.6 percent actually receive treatment.³

Effectiveness-Studies have shown that inmates who participate in residential treatment programs while incarcerated have 9 to 18 percent lower recidivism rates and 15 to 35 percent lower drug relapse rates than their counterparts who receive no treatment while in jail.⁴

Alcoholics Anonymous (AA) celebrated its 75th anniversary in April, 2014, and has a proven track record in helping people with drug and alcohol addictions. AA is a voluntary Twelve Step drug and alcohol rehabilitation program. A description of the Twelve Steps can be found on its website at www.aa.org.

Other Twelve Step Programs, including Al-Anon and Alateen, follow the AA format. Al-Anon is a program for families of alcoholics, and Alateen offers support for teenagers who are affected by the disease of alcoholism. The website for Al-Anon and Alateen Family Groups is: www.aa.org; www.al-anon.alateen.org.

Los Angeles Hospitals and Institutions (H&I) (www.lahic.org) is an organization within Alcoholics Anonymous. Its purpose is to reach out to individuals who are in rehabilitation facilities and penal institutions to carry the message of AA. H&I volunteers visit inmates who are incarcerated for crimes related to drug and alcohol use, and present the benefits of participating in a Twelve Step Program. Individuals who voluntarily attend regular meetings and work the AA Program during their incarceration can continue their recovery when they are released from jail.

³ "Data Suggests Drug Treatment Can Lower U.S. Crime." Reuters, May 17, 2012.

⁴ The Council of State Governments, Reentry Policy Council. Report of the Re-Entry Policy Council: Charting the Safe and Successful Return of Prisoners to the Community, II-B12-3, New York: Council of State Governments, January 2005.

Adult Jail Facilities

FINDINGS

During tours of the jails in Los Angeles County, the CGJ observed the inmates participating in education programs sponsored by the Sheriff's Department. These programs include Education Based Incarceration and Maximizing Educational Reaching Individual Transformation (EBI/M.E.R.I.T.). They are popular with the inmates, and afford them the opportunity to receive various levels of education (GED, college courses, and vocational education) during their incarceration.

While visiting the Pitchess Detention Center in Castaic, California, the CGJ was given the opportunity to ask questions of the inmates. They were candid and forthcoming with their responses. When asked how many of them were incarcerated because of a drug related incident, most of them raised their hands. When questioned as to how many of them had been incarcerated more than once, the same hands were raised. When asked how many were attending daily AA meetings, not one hand went up.

Additional rehabilitation programs, in addition to the H&I programs currently available, may be necessary in the jail facilities.

Following the jail visit, the Committee met with representatives from the Sheriff's Department to inquire why AA meetings were not available in the jails. Their response was that because of AA's requirement of "anonymity", the inmates could not openly identify themselves as alcoholics or drug addicts. Consequently, they could not separate themselves from the other inmates in order to attend AA meetings. In reality, they may have already broken their anonymity when they raised their hands in a large group of inmates to answer the question, "Are you here because of a drug or alcohol related crime?"

A recent Los Angeles Times article indicates that the Sheriff's Department is planning to present a proposal for a "risk-based" release system to the Board of Supervisors. At the center of the new system would be a computer program that uses each inmate's criminal history to calculate the probability he or she will reoffend, and release those deemed lowest-risk first. (Los Angeles Times, "System Would Change How L.A. County Inmates Get Early Release", March 8, 2014.)

The article also states that in addition to making release decisions, the system will assist in assigning inmates to education and treatment programs while in jail. Inmates will get credit for voluntarily attending AA meetings, and these credits will be used to determine who is eligible for release or alternatives to jail (i.e., home confinement, rehabilitation, or sober living facilities). (Los Angeles Times, March 8, 2014).

A subsequent meeting was held with another high ranking member of the Sheriff's Department. The concept of having AA meetings available for the inmates was re-introduced. This staff member was not only receptive to the idea, but also endorsed it.

The Committee then met with the AA H&I Director of Corrections. He was also receptive to daily AA meetings, and subsequently worked in conjunction with the Sheriff's Department to help the inmates start their own meetings. Attendance at meetings will be voluntary, and will be held in pods (which house between 50 and 125 inmates, depending upon the facility).

The following letter from the H&I Director, Corrections, which appeared in the LA Hospitals and Institutions Newsletter in January, 2014, shows the progress that has been made with regard to setting up daily AA meetings in Los Angeles County Jails:

"H&I is working closely with EBI (Education Based Incarceration) in the LA County Jails to help inmates set up daily AA meetings. H&I will supply the meeting format (book study), literature, and any support needed to keep them running. These meetings will be run by the inmates, will allow them to participate in daily recovery and carry the message to newcomers in jail. Twin Towers pod 252 was the first to start a daily AA meeting in November. Twin Towers pods 242 and 241 followed. We have met with CRDF (Central Regional Detention Facility) and are currently helping facilitate daily meetings to start in four different pods. H&I will continue to work with EBI on the expansion of this program throughout the L.A. County Jail System to carry the message of Alcoholics Anonymous. This is very exciting.

(Name withheld for anonymity)
Director, Corrections"

Pod-by-Pod, the number of AA meetings continues to grow.

The Sheriff's Department has a process in place to grant jail clearance for H&I volunteers who participate in this program. In order to be allowed access to the jails, they must submit to rigorous clearance procedures, which include a background check and fingerprinting.

In addition to H&I, AA also has a program called "AA Bridging the Gap Program" (BTG). The premise of BTG is that one of the more critical steps in becoming sober is the step taken out of the jail and into the nearest AA meeting.

A new, soon-to-be discharged member (inmate) has an opportunity to contact AA. At this time, he or she is matched with an AA Temporary Contact in the community where they will be living. The responsibility of this AA Temporary Contact is to reach out to the newly released member within 24-48 hours of his or her discharge and arrange to take them to an AA meeting. The contact is also available to accompany them to as many as six more meetings.

Following the inmate's release, the Temporary Contact helps the individual become acquainted with AA members, obtain phone numbers, and perhaps find a sponsor and a home meeting.

COMMENDATION

Daily AA meetings at the jails have only been in place for a few months. The success of this program is remarkable, and is due to the cooperation between The Sheriff's Department and H&I.

RECOMMENDATIONS

- 12.1 Daily AA meetings at all jails in Los Angeles County should be made available.
- 12.2 The daily AA meetings which have been put into place at the jails should continue, and the number of meetings should be expanded to accommodate inmates who wish to attend.

Juvenile Facilities

FINDINGS

The Los Angeles County Probation Department (LACPD) operates nine camps for juveniles spread throughout Los Angeles County. The minors in these camps are required to attend daily educational classes.

The Committee inquired about the circumstances that resulted in the minors being placed in these facilities. They were told by the counselors that many young people who were in the camps were there because of gang related affiliation, prostitution, or drug related offenses.

In 2007, one in every nine children under the age of 18 years in the United States lived with at least one drug dependent or drug abusing parent. Parental substance dependence and abuse can have profound effects on children, including child abuse and neglect, injuries and deaths related to motor vehicle accidents, and increased odds that the children will become substance dependent or abusers themselves. Up-to-date estimates of the number of children living with substance-dependent or substance-abusing parents are needed for planning both adult treatment and prevention efforts and programs that support and protect affected children.⁵

The Committee asked the staff and counselors if the minors were offered AA, Alateen, or Al-Anon meetings at the facility. They stated that individual therapy was available for the young people. These meetings were not offered.

H&I has youth facility programs for AA, Al-Anon and Alateen. Volunteers are available to visit the camps on a weekly basis, and the members share their experience, strength and hope with the juveniles. Additionally, H&I will provide the format and necessary literature for the young people to set up and conduct their own daily Alateen meetings. As with AA meetings, participation in Alateen can continue when the juveniles are released from the camps.

LACPD has a rigorous clearance process for everyone who visits the halls and camps. At the time of publication of this report for juvenile facilities, approximately sixty applications from H&I, which include

⁵ "U.S. National Survey on Drug Use and Health. Children Living with Substance-Dependent or Substance-Abusing Parents." 2002-2007.

background checks, fingerprinting and other clearance procedures, are pending. A majority of the applicants have been cleared by the Sheriff's Department to visit the jails, but cannot get through the clearance procedure at LACPD. As a result of this backlog, H&I volunteers have not been able to visit the camps.

The CGJ Committee identified the need for rehabilitation programs in youth facilities. Programs are in place, and individuals are ready, willing, and qualified to reach out to these young people. Many H&I volunteers have been in the same circumstances as the minors they are trying to visit. When they are able to share their personal journey, it can be the inspiration that the young people need to begin to turn their lives around.

RECOMMENDATIONS

12.3 LACPD should confer with H&I to determine the cause of the backlog of applications.

REQUEST FOR RESPONSE

Recommendation Number	Responding Agency
12.1 and 12.2	Los Angeles County Sheriff's Department
12.3	Los Angeles County Probation Department

ACRONYMS

CGJ	2013-2014 Los Angeles County Civil Grand Jury
EBI/M.E.R.I.T.	Education Based Incarceration/ Maximizing Educational Reaching Individual Transformation
AA	Alcoholics Anonymous
H&I	Los Angeles Hospitals and Institutions
CRDF	Central Regional Detention Facility
BTG	AA Bridging the Gap Program
LACPD	Los Angeles County Probation Department

COMMITTEE MEMBERS

Char H. McCarthy	Chairperson
Thomas C. Davis	
Linda G. Loding	

STANDING COMMITTEE REPORTS



CALIFORNIA PENAL CODE MANDATED COMMITTEES



CITIZEN COMPLAINT COMMITTEE



**Jeffery N. Wallace
James P. Thomas
Linda G. Loding
John M. Anthony, Jr.
Thomas C. Davis
Joyce E. Harper
Darrel D. Kelty
Oscar Warren
Melode A. Yorimitsu**

**Chairperson
Co-Chairperson
Secretary**

CITIZENS COMPLAINT COMMITTEE

BACKGROUND

As required by state law, the Citizens Complaint Committee (CCC) is a standing committee of the Los Angeles County Civil Grand Jury. It is the means by which citizens of Los Angeles County can file a written complaint regarding the actions of local government entities or individuals. The primary function of the CCC is to receive, review and evaluate complaints. All complaints are confidential.

A Citizen Complaint Form and the Complaint Guidelines are attached and are also available on the website: www.grandjury.co.la.ca.us.

The method for processing a complaint to the Los Angeles County Civil Grand Jury is as follows:

1. A complaint is received.
2. The staff logs it in.
3. The complaint is assigned a unique file number.
4. An acknowledgment letter is sent to the complainant.
5. The complaint is referred to the CCC Chairperson.
6. The complaint is assigned to a CCC member for review.
7. The CCC meets to collectively review complaints.
8. The CCC discusses the complaint and suggested findings with the Los Angeles County Civil Grand Jury.
9. One of three actions is recommended:
 - a. No jurisdiction
 - b. No action
 - c. Referral
10. A response may be sent to the complainant.
11. The files are sealed and placed in storage.

FINDINGS

91 Complaints were processed and divided into categories, as follows:

CATEGORY OF COMPLAINTS	NUMBER
Misconduct of public officials within the county	17
Condition and management of jails within the county	11
Operations of city/county departments	5
Operations of special districts in the county	4
Issues regarding the records of city or joint powers agencies	3
State prison conditions	9
Issues under the Judicial Branch of Government	26
Other issues	16
Total Citizen Complaints reviewed	91

ACRONYMS

CCC Citizens Complaint Committee

COMMITTEE MEMBERS

Jeffery N. Wallace	Chairperson
James P. Thomas	Co-Chairperson
Linda G. Loding	Secretary
John M. Anthony, Jr.	
Thomas C. Davis	
Joyce E. Harper	
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Oscar Warren	
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CITIZEN COMPLAINT FORM

Please Review Attached Complaint Guidelines Before Completing this Form

PLEASE PRINT DATE: _____

1. Who: Your Name: _____

Address: _____

City, State, Zip, Code: _____

Telephone: () Extension: _____

2. What: Subject of Complaint. Briefly state the nature of complaint and the action of what *Los Angeles County* department, section, agency, or official(s) that you believe was illegal or improper. Use additional sheets if necessary.

3. When: Date(s) of incident: _____

4. Where: Names and addresses of other departments, agencies or officials involved in this complaint. Include dates and types of contact, i.e. phone, letter, personal. Use additional sheets if necessary.

5. Why/How: Attach pertinent documents and correspondence with dates.

Rev 01/17/2013 _____

Complaint Guidelines

Communications from the public can provide valuable information to the Civil Grand Jury. Any private citizen, government employee, or officer may submit a completed complaint form to request that the Civil Grand Jury conduct an investigation. This complaint must be in writing and is treated as confidential. Prior to submitting the Complaint Form to the Grand Jury office, please retain a copy for your records if needed. Receipt of all complaints will be acknowledged.

If the Civil Grand Jury determines that a matter is within the legally permissible scope of its investigative powers and would warrant further inquiry, additional information may be requested. If a matter does not fall within the Civil Grand Jury's investigative authority, or the jury determines not to investigate a complaint, no action will be taken and there will be no further contact from the Civil Grand Jury.

The findings of any investigation conducted by the Civil Grand Jury can be communicated only in a formal final report published at the conclusion of the Grand Jury's term, June 30th. Some complaints are not suitable for civil grand jury action. For example, the Civil Grand Jury has no jurisdiction over judicial performance, actions of the court, or cases that are pending in the courts. Grievances of this nature must be resolved through the established judicial appeal system. The Civil Grand Jury has no jurisdiction or authority to investigate federal or state agencies. Only causes of action occurring within the County of Los Angeles are eligible for review. The jurisdiction of the Civil Grand Jury includes the following:

- Consideration of evidence of misconduct against public officials within Los Angeles County.
- Inquiry into the condition and management of the jails within the county.
- Investigation and report on the operations, accounts, and records of the officers, departments or functions of the county including those operations, accounts, and records of any special legislative district or other district in the county created pursuant to state law for which the officers of the county are serving in their ex officio capacity as officers of the districts.
- Investigation of the books and records of any incorporated city or joint powers agency located in the county.

Mail complaint form to: Los Angeles County Civil Grand Jury
Clara Shortridge Foltz Criminal Justice Center
210 West Temple Street, Eleventh Floor, Room 11-506
Los Angeles, CA 90012

CONTINUITY COMMITTEE



Nancy M. Coleman
Darrel D. Kelty
James Carter
Char H. McCarthy
Robert J. Taub
James P. Thomas
Alicia F. Thompson

Chairperson
Secretary

CONTINUITY COMMITTEE

TOPIC

To fulfill its responsibilities, the Continuity Committee of the 2013-2014 Los Angeles County Civil Grand Jury performed the following functions:

1. Reviewed all responses to recommendations made by the 2012-2013 Los Angeles County Civil Grand Jury; and
2. Created an outline for the 2014-2015 Los Angeles Civil Grand Jury for tracking agency responses to recommendations made in this Final Report.

BACKGROUND

The function of the Continuity Committee is primarily archival and organizational, with a duty to:

1. Maintain legally mandated records; and
2. Pass on an orderly library and filing system of investigated agencies to each successive Civil Grand Jury.

There are 88 cities within the County of Los Angeles, all of which were included in the 2012-2013 Los Angeles County Civil Grand Jury's investigation titled "Fiscal Health, Governance, Financial Management and Compensation". Additionally, specific recommendations were made to city and county agencies.

The Continuity Committee maintained a record of the required responses from each of the cities and agencies:

1. A total of fifty-four (54) recommendations were made to individual city and county agencies.

2. A total of 17 categories of recommendations were presented to 88 cities. Some cities were in disagreement and others responded with explanations. A total of seven hundred thirty-two (732) recommendations required responses by cities within Los Angeles County.

At the expiration of the legislatively mandated 90-day period, the Continuity Committee followed-up with letters to the cities and public agencies which failed to respond within the allotted time-frame.

The responses to the recommendations were entered on a matrix and Summary Tables (which are attached hereto as 2012-2013 County and City Agencies Responses, 2012-2013 Recommendations Summary for the Cities, and Analysis of Cities' Responses), and the Los Angeles County Civil Grand Jury website, www.grandjury.co.la.ca.us.

COMMITTEE MEMBERS

Nancy M. Coleman	Chairperson
Darrel D. Kelty	Secretary
James Carter	
Char H. McCarthy	
Robert J. Taub	
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2012-2013 COUNTY AND CITY AGENCIES' RESPONSES					AGREE	DO NOT AGREE	IMPLEMENTED	WILL IMPLEMENT	WILL NOT IMPLEMENT	NO RESPONSE	WITH MODIFICATIONS	PARTIALLY IMPLEMENT	FURTHER STUDY NEEDED	NEED FUNDING	OTHER AGENCY RESPONSIBILITY	
Doc No.	TITLE OF REPORT	Agency Delivery Addresses	Recommendations	Brief 3 to 4 Keyword Description of Recommendation Responses												
INVESTIGATIVE COMMITTEES																
1	Dual Track	LA County Sheriff's Dept	1	Sheriff Dept must counter negative bias toward custody	X											
			2	Sheriff Dept must decide about MCJ	X			X					X			
			3	Sheriff Dept should keep time spent in custody to 2 yrs	X											
			4	Sheriff Dept increase training for custody leadership	X											
			5	Sheriff Dept-mentor & model proper behavior	X											
			6	Sheriff Dept-increase mental health in training	X			X								
			7	Increase mental health training specialize	X											
			8	Sheriff Dept use more custody assistants	X			X								
		Department of Mental Health	6	Dept of Mental Health -training dept wide	X											
		Board of Supervisors	2	BOS should decide about MCJ										X		X

2012-2013 COUNTY AND CITY AGENCIES' RESPONSES					AGREE	DO NOT AGREE	IMPLEMENTED	WILL IMPLEMENT	WILL NOT IMPLEMENT	NO RESPONSE	WITH MODIFICATIONS	PARTIALLY IMPLEMENT	FURTHER STUDY NEEDED	NEED FUNDING	OTHER AGENCY RESPONSIBILITY
Doc No.	TITLE OF REPORT	Agency Delivery Addresses	Recommendations	Brief 3 to 4 Keyword Description of Recommendation Responses											
INVESTIGATIVE COMMITTEES															
2	Skid Row Jails	City of Los Angeles	2.1	City of LA should regularly maintain Central Precinct.											X
			2.2	City of LA should purchase Portland Loos.											X
			2.3	City of LA should repair drinking fountain at Cen. Prec.											X
3	Probation	Probation Department	3.1	Probation should hire only from Bands 1 & 2	X										
			3.2	Probation should keep camp/hall staff in dealing w/AB109			X								
		Chief Information Officer	3.3	CIO should have joint task force for data entry	X			X							
4	Foster Care: DCFS Hot Line	DCFS Headquarters on Shatto in Los Angeles	4.1	Create a separate info Hotline	X								X		
			4.2	Create responses for Regional differences									X		
			4.3	Recognize and reward high performers	X										
			4.4	Reduce number of policies, procedures & practices	X			X							
			4.5	Management to become more directly involved				X		X					
			4.6	Handle AWOL with separate phone line	X			X							

2012-2013 COUNTY AND CITY AGENCIES' RESPONSES					AGREE	DO NOT AGREE	IMPLEMENTED	WILL IMPLEMENT	WILL NOT IMPLEMENT	NO RESPONSE	WITH MODIFICATIONS	PARTIALLY IMPLEMENT	FURTHER STUDY NEEDED	NEED FUNDING	OTHER AGENCY RESPONSIBILITY
Doc No.	TITLE OF REPORT	Agency Delivery Addresses	Recommendations	Brief 3 to 4 Keyword Description of Recommendation Responses											
INVESTIGATIVE COMMITTEES															
4	DCFS: Hot Line	DCFS	4.7	Reduce number of unwarranted referrals	X						X				
			4.8	Reduce CWS/CMS documentation scope	X			X							
			4.9	Agressively engage community	X										
			4.10	Expand pool of available applicants	X							X			
		Board of Supervisors	4.1	Create a separate info Hotline	X								X		
5	Foster Care: Foster Parent Training	DCFS	5.1	Upgrade, standardize foster parent training curriculum	X			X							
			5.2	Train master teacher cadre in DCFS Academy	X		X								
			5.3	Quickly implement foster parent training objectives	X		X								
			5.4	Emphasize foster parent input within multidisciplinary teams	X		X								
			5.5	Restructure electronic data network for usefulness	X		X								

2012-2013 COUNTY AND CITY AGENCIES' RESPONSES					AGREE	DO NOT AGREE	IMPLEMENTED	WILL IMPLEMENT	WILL NOT IMPLEMENT	NO RESPONSE	WITH MODIFICATIONS	PARTIALLY IMPLEMENT	FURTHER STUDY NEEDED	NEED FUNDING	OTHER AGENCY RESPONSIBILITY
Doc No.	TITLE OF REPORT	Agency Delivery Addresses	Recommendations	Brief 3 to 4 Keyword Description of Recommendation Responses											
INVESTIGATIVE COMMITTEES															
6	Foster Care: Youth Skills Training	DCFS	6.1	DCFS-assess youth for diploma and vocational training	X							X			
			6.2	DCFS-coordinator for YouthBuild schools	X		X								
			6.3	DCFS-enroll students in AEWC program	X			X							
			6.4	DCFS-training classes for case workers, parents etc.	X			X							
		LAUSD	6.5	LAUSD-evaluate construction skills training					X						
			6.6	LAUSD-expand AEWC locations and staff					X						
7	Board of Supervisors	Office 1st Supervisorial District	7.2	Continue to keep workers' computers upgraded			X								
			7.3	Reps of each meet to share information				X							

2012-2013 COUNTY AND CITY AGENCIES' RESPONSES					AGREE	DO NOT AGREE	IMPLEMENTED	WILL IMPLEMENT	WILL NOT IMPLEMENT	NO RESPONSE	WITH MODIFICATIONS	PARTIALLY IMPLEMENT	FURTHER STUDY NEEDED	NEED FUNDING	OTHER AGENCY RESPONSIBILITY
Doc No.	TITLE OF REPORT	Agency Delivery Addresses	Recommendations	Brief 3 to 4 Keyword Description of Recommendation Responses											
INVESTIGATIVE COMMITTEES															
7	Board of Supervisors	Office 2nd Supervisorial District	7.1	Parrot web form contents on submission				X							
			7.2	Continue to keep workers computers upgraded			X								
			7.3	Reps of each meet to share information				X							
		Office 3rd Supervisorial District	7.1	Parrot web form contents on submission				X							
			7.2	Continue to keep workers computers upgraded			X								
			7.3	Reps of each meet to share information				X							
		Office 4th Supervisorial District	7.1	Parrot web form contents on submission				X							
			7.2	Continue to keep workers computers upgraded				X							
			7.3	Reps of each meet to share information					X						
			7.4	Enter more requests into CRM					X						
		Office 5th Supervisorial District	7.1	Parrot web form contents on submission					X						
			7.2	Continue to keep workers computers upgraded					X						
			7.3	Reps of each meet to share information						X					

2012-2013 COUNTY AND CITY AGENCIES' RESPONSES					AGREE	DO NOT AGREE	IMPLEMENTED	WILL IMPLEMENT	WILL NOT IMPLEMENT	NO RESPONSE	WITH MODIFICATIONS	PARTIALLY IMPLEMENT	FURTHER STUDY NEEDED	NEED FUNDING	OTHER AGENCY RESPONSIBILITY
Doc No.	TITLE OF REPORT	Agency Delivery Addresses	Recommendations	Brief 3 to 4 Keyword Description of Recommendation Responses											
INVESTIGATIVE COMMITTEES															
9	Parks	Los Angeles County Department of Parks and Recreation	9.1	Operations manual at all city and county Parks	X			X							
			9.2	US flag should be displayed at Bethune Park and Ted Wakins	X		X								
			9.3	Greater security at Kenneth Hahn State Rec. Area	X		X								
		Los Angeles City Department of Recreation and Parks	9.1	Operations manual at all city and county Parks						X					
			9.2	US flag should be displayed at DeLongpre					X						
			9.4	Improve restrooms at Lincoln Park.			X								
10	Glendale Water & Power	City of Glendale	1	City should get independent opinion re Props. 218 & 26	X				X						
			2	City should hold special election re GWP rates					X						
			3	City should consider alternate sources of revenue					X						
11	El Segundo City	City of El Segundo	11.1	City should form a citizens committee for budget					X						
			11.2	City should annually audit Chevron utility use					X						

2012-2013 COUNTY AND CITY AGENCIES' RESPONSES					AGREE	DO NOT AGREE	IMPLEMENTED	WILL IMPLEMENT	WILL NOT IMPLEMENT	NO RESPONSE	WITH MODIFICATIONS	PARTIALLY IMPLEMENT	FURTHER STUDY NEEDED	NEED FUNDING	OTHER AGENCY RESPONSIBILITY
Doc No.	TITLE OF REPORT	Agency Delivery Addresses	Recommendations	Brief 3 to 4 Keyword Description of Recommendation Responses											
STANDING COMMITTEES															
15	Adult Detention Committee	Board of Supervisors	15.1	Monitor additional costs of AB 109 realignment			X								
			15.4	Replace Men's Central with state of art facility								X			
		District Attorney	15.2	Identify additional alternatives to incarceration	X		X								
		L.A. County Sheriff	15.3	Additional mental health training for deputies	X		X								
			15.5	Upgrade Court House surveillance systems	X								X		X
			15.7	East LA-add padded floor in sobering cell and phone line	X										X
			15.8	Edelman-fix outer doors to cells (5 Years broken!)	X										X
			15.9	El Monte-paint cells, retrofit doors and add video	X									X	X
			15.11	Mental Health-more mental health training	X			X							
			15.12	San Fernando-improve surveillance equip, paint cells	X									X	X
2012-2013 COUNTY AND CITY AGENCIES' RESPONSES														ITY	

Doc No.	TITLE	Agency Delivery Addresses	Recommendations	Brief 3 to 4 Keyword Description of Recommendation Responses													
STANDING COMMITTEES					AGREE	DO NOT AGREE	IMPLEMENTED	WILL IMPLEMENT	WILL NOT IMPLEMENT	NO RESPONSE	WITH MODIFICATIONS	PARTIALLY IMPLEMENT	FURTHER STUDY NEEDED	NEED FUNDING	OTHER AGENCY RESPONSIBILITY		
15	Adult Detention Committee	L.A. Police Department	15.13	Santa Clarita-upgrade and install surveillance	X										X		
			15.6	77th St Div-only use Sally Port for moving detainees	X							X					
						X											
			15.10	Hollywood-clean more often and repair flooring		X		X									
16	Juvenile Detention Committee	Department of Probation	16.1	Expand Advanced Path Academy credit recovery	X			X									
			16.2	Provide Vocational/Occupational training at all Camps	X			X									
			16.3	More rigorous assignment of Juveniles to Camps	X		X										
			16.4	Medical/educational needs available at assigned camp	X		X										
			16.5	Juveniles who attempt suicide assigned to psychiatric	X		X										
			16.7	Reduce staff on long term disabilities	X		X										
			16.8	Increase cameras to help investigate injury claims	X			X									
			16.9	Increase self defense and injury prevention training	X		X										
2012-2013 COUNTY AND CITY AGENCIES' RESPONSES																CITY	

Doc No.	TITLE	Agency Delivery Addresses	Recommendations	Brief 3 to 4 Keyword Description of Recommendation Responses	AGREE	DO NOT AGREE	IMPLEMENTED	WILL IMPLEMENT	WILL NOT IMPLEMENT	NO RESPONSE	WITH MODIFICATIONS	PARTIALLY IMPLEMENT	FURTHER STUDY NEEDED	NEED FUNDING	OTHER AGENCY RESPONSIBIL
STANDING COMMITTEES															
16	Juvenile Detention Committee	LACOE	17	Implement innovative reading programs	X		X								

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
1		Agoura Hills	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Governance Practices	1	adopt a strategic plan		X					
				2	develop and report on performance measures				X			
			Financial Management	5	require financial procedures annual review & 3yr update				X			
				8	competitive selection independent auditor every 5 yrs		X					
2		Alhambra	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund			X				
			Governance Practices	4	city councils conduct annual evaluations of executive		X					
				5	require financial procedures annual review & 3yr update		X					
			Financial Management	6	policies and procs for anonymously reporting fraud		X					
				8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
3		Arcadia	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Governance Practices	1	adopt a strategic plan		X					
				2	develop and report on performance measures		X					
			Financial Management	1	establish an audit committee for independent auditor				X			
				3	if auditor provides non-audit services ensure review		X					
				5	require financial procedures annual review & 3yr update		X					
				6	policies and procs for anonymously reporting fraud		X					
4		Artesia	Fiscal Health	8	competitive selection independent auditor every 5 yrs		X					
				1	adopt financial planning for balanced budgets			X				
				2	commit to operate in budget constraints			X				
				3	not use one time revenues for on-going expenses			X				
			Financial Management	8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND		
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses									
5		Avalon	Fiscal Health	1	adopt financial planning for balanced budgets			X						
				2	commit to operate in budget constraints			X						
				3	not use one time revenues for on-going expenses			X						
				4	have a rainy day fund			X						
			Governance Practices	1	adopt a strategic plan		X							
				2	develop and report on performance measures			X						
				3	develop specific annual goals for the city's executive		X							
			Governance Practices	3	if auditor provides non-audit services ensure review			X						
				5	require financial procedures annual review & 3yr update			X						
				6	policies and procs for anonymously reporting fraud			X						
6		Azusa	Fiscal Health	1	adopt financial planning for balanced budgets	X								
				2	commit to operate in budget constraints		X							
				3	not use one time revenues for on-going expenses		X							
				4	have a rainy day fund			X						
			Governance Practices	1	adopt a strategic plan							X		
				2	develop and report on performance measures							X		
			Financial Management	1	establish an audit committee for independent auditor	X								
				5	require financial procedures annual review & 3yr update	X								
				6	policies and procs for anonymously reporting fraud		X							
				8	competitive selection independent auditor every 5 yrs		X							

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
7		Baldwin Park	Fiscal Health	1	adopt financial planning for balanced budgets			X				
				2	commit to operate in budget constraints			X				
				3	not use one time revenues for on-going expenses			X				
				4	have a rainy day fund			X				
			Governance Practices	1	adopt a strategic plan			X				
				3	if auditor provides non-audit services ensure review		X					
			Financial Management	8	competitive selection independent auditor every 5 yrs			X				
8		Bell	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Governance Practices	1	adopt a strategic plan					X		
				2	develop and report on performance measures			X				
			Financial Management	1	establish an audit committee for independent auditor				X			
				7	internal control procedures for financial management		X					
				8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
9		Bell Gardens	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses			X				
				4	have a rainy day fund		X					
			Governance Practices	1	adopt a strategic plan			X				
				2	develop and report on performance measures			X				
			Financial Management	1	establish an audit committee for independent auditor				X			
				5	require financial procedures annual review & 3yr update		X					
				6	policies and procs for anonymously reporting fraud		X					
				8	competitive selection independent auditor every 5 yrs		X					
10		Bellflower	Fiscal Health	1	adopt financial planning for balanced budgets			X				
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	1	establish an audit committee for independent auditor				X			
				2	select the auditor through a competitive process		X					
				3	if auditor provides non-audit services ensure review				X			
				5	require financial procedures annual review & 3yr update			X				
				6	policies and procs for anonymously reporting fraud		X					
				8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
11		Beverly Hills	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	3	if auditor provides non-audit services ensure review		X					
				4	accounting pol and proc define duties of employees		X					
				8	competitive selection independent auditor every 5 yrs		X					
12		Bradbury	Fiscal Health	1	adopt financial planning for balanced budgets			X				
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Governance Practices	2	develop and report on performance measures			X				
				1	establish an audit committee for independent auditor			X				
			Financial Management	5	require financial procedures annual review & 3yr update		X					
				6	policies and procs for anonymously reporting fraud		X					
				8	competitive selection independent auditor every 5 yrs		X					
13		Burbank	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints			X				
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
13		Burbank	Financial Management	4	accounting pol and proc define duties of employees			X				
				5	require financial procedures annual review & 3yr update		X					
				6	policies and procs for anonymously reporting fraud			X				
				8	competitive selection independent auditor every 5 yrs		X					
14		Calabasas	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Governance Practices	1	adopt a strategic plan		X					
				2	develop and report on performance measures		X					
			Financial Management	1	establish an audit committee for independent auditor		X					
				8	competitive selection independent auditor every 5 yrs		X					
15		Carson	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Governance Practices	1	adopt a strategic plan						X	
				2	develop and report on performance measures			X				

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
15		Carson	Financial Management	1	establish an audit committee for independent auditor		X					
				3	if auditor provides non-audit services ensure review		X					
				4	accounting pol and proc define duties of employees		X					
				5	require financial procedures annual review & 3yr update						X	
				8	competitive selection independent auditor every 5 yrs		X					
16		Cerritos	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	1	establish an audit committee for independent auditor		X					
17		Claremont	Fiscal Health	8	competitive selection independent auditor every 5 yrs		X					
				1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	1	establish an audit committee for independent auditor			X				
				3	if auditor provides non-audit services ensure review		X					
				8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
18		Commerce	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Governance Practices	2	develop and report on performance measures						X	
				3	if auditor provides non-audit services ensure review	X						
			Financial Management	4	acctg policy and procedures define duties of employees		X					
				5	require financial procedures annual review & 3yr update			X				
				8	competitive selection independent auditor every 5 yrs		X					
19		Compton	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund			X				
			Governance Practices	1	adopt a strategic plan			X				
				2	develop and report on performance measures			X				
				3	develop specific annual goals for the city's executive		X					
				4	city councils conduct annual evaluations of executive			X				
			Financial Management	1	establish an audit committee for independent auditor		X					
				8	competitive selection independent auditor every 5 yrs			X				

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
20		Covina	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses				X			
				4	have a rainy day fund		X					
			Financial Management	6	policies and procs for anonymously reporting fraud			X				
				8	competitive selection independent auditor every 5 yrs		X					
21		Cudahy	Fiscal Health	1	adopt financial planning for balanced budgets			X				
				2	commit to operate in budget constraints			X				
				3	not use one time revenues for on-going expenses			X				
				4	have a rainy day fund		X					
			Governance Practices	1	adopt a strategic plan		X					
				2	develop and report on performance measures		X					
				3	develop specific annual goals for the city's executive		X					
				4	city councils conduct annual evaluations of executive		X					
				5	publish CAFR on city's website		X					
			Financial Management	1	establish an audit committee for independent auditor		X					
				4	accounting pol and proc define duties of employees		X					
				5	require financial procedures annual review & 3yr update			X				
				6	policies and procs for anonymously reporting fraud			X				
				7	internal control procedures for financial management			X				

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND		
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses									
22		Culver City	Fiscal Health	1	adopt financial planning for balanced budgets		X							
				2	commit to operate in budget constraints		X							
				3	not use one time revenues for on-going expenses		X							
				4	have a rainy day fund		X							
			Financial Management	8	competitive selection independent auditor every 5 yrs		X							
23		Diamond Bar	Fiscal Health	1	adopt financial planning for balanced budgets		X							
				2	commit to operate in budget constraints		X							
				3	not use one time revenues for on-going expenses				X					
				4	have a rainy day fund		X							
			Governance Practices	2	develop and report on performance measures							X		
				3	develop specific annual goals for the city's executive		X							
			Financial Management	1	establish an audit committee for independent auditor								X	
				3	if auditor provides non-audit services ensure review					X				
				5	require financial procedures annual review & 3yr update				X					
8	competitive selection independent auditor every 5 yrs			X										

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
24		Downey	Fiscal Health	1	adopt financial planning for balanced budgets			X				
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses			X				
				4	have a rainy day fund		X					
			Governance Practices	3	develop specific annual goals for the city's executive					X		
			Financial Management	8	competitive selection independent auditor every 5 yrs			X				
25		Duarte	Fiscal Health	1	adopt financial planning for balanced budgets					X		
				2	commit to operate in budget constraints					X		
				3	not use one time revenues for on-going expenses					X		
				4	have a rainy day fund					X		
			Financial Management	1	establish an audit committee for independent auditor					X		
				8	competitive selection independent auditor every 5 yrs					X		

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
26		El Monte	Fiscal Health	1	adopt financial planning for balanced budgets			X				
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund			X				
			Governance Practices	2	develop and report on performance measures			X				
				1	establish an audit committee for independent auditor		X					
			Financial Management	4	accounting pol and proc define duties of employees			X				
				5	require financial procedures annual review & 3yr update			X				
				6	policies and procs for anonymously reporting fraud		X				X	
				8	competitive selection independent auditor every 5 yrs		X					
27		El Segundo	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints				X			
				3	not use one time revenues for on-going expenses				X			
				4	have a rainy day fund		X					
			Financial Management	1	establish an audit committee for independent auditor				X			
				8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
28		Gardena	Fiscal Health	1	adopt financial planning for balanced budgets			X				
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Governance Practices	2	develop and report on performance measures			X				
				1	establish an audit committee for independent auditor			X				
			Financial Management	8	competitive selection independent auditor every 5 yrs		X					
29		Glendale	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses			X				
				4	have a rainy day fund		X					
			Financial Management	3	if auditor provides non-audit services ensure review		X					
				8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
30		Glendora	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	1	establish an audit committee for independent auditor				X			
				2	select the auditor through a competitive process		X					
				5	require financial procedures annual review & 3yr update			X				
				6	policies and procs for anonymously reporting fraud			X				
31		Hawaiian Gardens	Fiscal Health	8	competitive selection independent auditor every 5 yrs		X					
				1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses				X			
			Financial Management	4	have a rainy day fund		X					
				1	establish an audit committee for independent auditor			X				
				4	accounting pol and proc define duties of employees		X					
				5	require financial procedures annual review & 3yr update		X					
				8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
32		Hawthorne	Fiscal Health	1	adopt financial planning for balanced budgets			X				
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Governance Practices	1	adopt a strategic plan			X				
				2	select the auditor through a competitive process		X					
			Financial Management	5	require financial procedures annual review & 3yr update		X					
				8	competitive selection independent auditor every 5 yrs		X					
33		Hermosa Beach	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Governance Practices	1	adopt a strategic plan		X					
				2	develop and report on performance measures			X				
			Financial Management	1	establish an audit committee for independent auditor						X	
				8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
34		Hidden Hills	Fiscal Health	1	adopt financial planning for balanced budgets				X			
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses				X			
				4	have a rainy day fund		X					
			Governance Practices	1	adopt a strategic plan				X			
				2	develop and report on performance measures				X			
				3	develop specific annual goals for the city's executive				X			
				4	city councils conduct annual evaluations of executive				X			
			Financial Management	1	establish an audit committee for independent auditor		X					
				2	select the auditor through a competitive process				X			
				4	accounting pol and proc define duties of employees				X			
				5	require financial procedures annual review & 3yr update				X			
				8	competitive selection independent auditor every 5 yrs				X			
35		Huntington Park	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
35		Huntington Park	Governance Practices	1	adopt a strategic plan		X					
				2	develop and report on performance measures				X			
			Financial Management	1	establish an audit committee for independent auditor						X	
				3	if auditor provides non-audit services ensure review						X	
				6	policies and procs for anonymously reporting fraud		X					
				8	competitive selection independent auditor every 5 yrs		X					
36		Industry	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Governance Practices	1	adopt a strategic plan			X				
				2	develop and report on performance measures			X				
				3	develop specific annual goals for the city's executive		X					
				4	city councils conduct annual evaluations of executive		X					
				5	publish CAFR on city's website		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
36		Industry	Financial Management	1	establish an audit committee for independent auditor		X					
				2	select the auditor through a competitive process		X					
				4	accounting pol and proc define duties of employees		X					
				5	require financial procedures annual review & 3yr update		X					
				6	policies and procs for anonymously reporting fraud		X					
				7	internal control procedures for financial management		X					
37		Inglewood	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund			X				
			Governance Practices	1	adopt a strategic plan			X				
				2	develop and report on performance measures			X				
				3	develop specific annual goals for the city's executive				X			
			Financial Management	1	establish an audit committee for independent auditor				X			
				3	if auditor provides non-audit services ensure review			X				
				5	require financial procedures annual review & 3yr update		X					
				6	policies and procs for anonymously reporting fraud		X					
				7	internal control procedures for financial management		X					
				8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
38		Irwindale	Fiscal Health	1	adopt financial planning for balanced budgets			X				
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	1	establish an audit committee for independent auditor							
				2	select the auditor through a competitive process				X			
				6	policies and procs for anonymously reporting fraud			X				
				7	internal control procedures for financial management					X		
8	competitive selection independent auditor every 5 yrs		X									
39		La Canada Flintridge	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	2	select the auditor through a competitive process		X					
				5	require financial procedures annual review & 3yr update			X				
				8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
40		La Habra Heights	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Governance Practices	1	adopt a strategic plan						X	
				2	develop and report on performance measures				X			
			Financial Management	5	require financial procedures annual review & 3yr update			X				
				8	competitive selection independent auditor every 5 yrs		X					
41		La Mirada	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	1	establish an audit committee for independent auditor			X				
				2	select the auditor through a competitive process		X					
				5	require financial procedures annual review & 3yr update			X				
				6	policies and procs for anonymously reporting fraud		X					
				8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
42		La Puente	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	1	establish an audit committee for independent auditor						X	
				5	require financial procedures annual review & 3yr update						X	
				8	competitive selection independent auditor every 5 yrs		X					
43		La Verne	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	1	establish an audit committee for independent auditor		X					
				3	if auditor provides non-audit services ensure review		X					
				4	accounting pol and proc define duties of employees		X					
				8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
44		Lakewood	Fiscal Health	1	adopt financial planning for balanced budgets						X	
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	1	establish an audit committee for independent auditor						X	
				2	select the auditor through a competitive process						X	
				6	policies and procs for anonymously reporting fraud						X	
				8	competitive selection independent auditor every 5 yrs						X	
45		Lancaster	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints			X				
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund			X				
			Governance Practices	2	develop and report on performance measures		X					
				4	city councils conduct annual evaluations of executive		X					
			Financial Management	5	require financial procedures annual review & 3yr update			X				
				8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
46		Lawndale	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses					X		
				4	have a rainy day fund		X					
			Governance Practices	2	develop and report on performance measures			X				
				3	if auditor provides non-audit services ensure review				X			
			Financial Management	5	require financial procedures annual review & 3yr update		X					
				8	competitive selection independent auditor every 5 yrs		X					
47		Lomita	Fiscal Health	1	adopt financial planning for balanced budgets			X				
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Governance Practices	1	adopt a strategic plan		X					
				2	develop and report on performance measures		X					
			Financial Management	4	accounting policy and proc. define duties of employees			X				
				5	require financial procedures annual review & 3yr update		X					
				6	policies and procs for anonymously reporting fraud		X					
				7	internal control procedures for financial management					X		
				8	competitive selection independent auditor every 5 yrs							

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
48		Long Beach	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	8	competitive selection independent auditor every 5 yrs		X					
49		Los Angeles	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	5	require financial procedures annual review & 3yr update		X					
				8	competitive selection independent auditor every 5 yrs		X					
50		Lynwood	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	6	policies and procs for anonymously reporting fraud						X	
				8	competitive selection independent auditor every 5 yrs			X				

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
51		Malibu	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Governance Practices	1	adopt a strategic plan		X					
				2	develop and report on performance measures		X					
			Financial Management	2	select the auditor through a competitive process			X				
				8	competitive selection independent auditor every 5 yrs			X				
52		Manhattan Beach	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses					X		
				4	have a rainy day fund					X		
			Financial Management	1	establish an audit committee for independent auditor					X		
				4	accounting pol and proc define duties of employees		X					
				5	require financial procedures annual review & 3yr update			X				
				6	policies and procs for anonymously reporting fraud			X				
				8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
53		Maywood	Fiscal Health	1	adopt financial planning for balanced budgets			X				
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses			X				
				4	have a rainy day fund			X				
			Governance Practices	4	city councils conduct annual evaluations of executive		X					
				5	publish CAFR on city's website			X				
			Financial Management	1	establish an audit committee for independent auditor			X				
				8	competitive selection independent auditor every 5 yrs		X					
54		Monrovia	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	1	establish an audit committee for independent auditor	X						
				3	if auditor provides non-audit services ensure review			X				
				8	competitive selection independent auditor every 5 yrs			X				

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
55		Montebello	Fiscal Health	1	adopt financial planning for balanced budgets			X				
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses				X			
				4	have a rainy day fund		X					
			Governance Practices	2	develop and report on performance measures			X				
				3	if auditor provides non-audit services ensure review		X					
			Financial Management	6	policies and procs for anonymously reporting fraud			X				
				7	internal control procedures for financial management			X				
				8	competitive selection independent auditor every 5 yrs		X					
56		Monterey Park	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	1	establish an audit committee for independent auditor				X			
				8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
57		Norwalk	Fiscal Health	1	adopt financial planning for balanced budgets			X				
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses			X				
				4	have a rainy day fund		X					
			Governance Practices	3	develop specific annual goals for the city's executive		X					
				1	establish an audit committee for independent auditor				X			
			Financial Management	4	accounting pol and proc define duties of employees			X				
				5	require financial procedures annual review & 3yr update			X				
				6	policies and procs for anonymously reporting fraud			X				
				8	competitive selection independent auditor every 5 yrs			X				
58		Palmdale	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	3	if auditor provides non-audit services ensure review		X					
				8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
59		Palos Verdes Estates	Fiscal Health	1	adopt financial planning for balanced budgets					X		
				2	commit to operate in budget constraints					X		
				3	not use one time revenues for on-going expenses					X		
				4	have a rainy day fund					X		
			Governance Practices	1	adopt a strategic plan					X		
				3	develop specific annual goals for the city's executive		X					
				4	city councils conduct annual evaluations of executive		X					
			Financial Management	1	establish an audit committee for independent auditor				X			
				2	select the auditor through a competitive process		X					
				6	policies and procs for anonymously reporting fraud				X			
				8	competitive selection independent auditor every 5 yrs		X					
60		Paramount	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Governance Practices	2	develop and report on performance measures		X					
				4	city councils conduct annual evaluations of executive		X					
			Financial Management	1	establish an audit committee for independent auditor		X					
				3	if auditor provides non-audit services ensure review		X					
				8	competitive selection independent auditor every 5 yrs			X				

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
61		Pasadena	Fiscal Health	1	adopt financial planning for balanced budgets			X				
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	5	require financial procedures annual review & 3yr update		X					
				8	competitive selection independent auditor every 5 yrs		X					
62		Pico Rivera	Fiscal Health	1	adopt financial planning for balanced budgets			X				
				2	commit to operate in budget constraints			X				
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Governance Practices	1	adopt a strategic plan			X				
				8	competitive selection independent auditor every 5 yrs		X					
			Financial Management	1	establish an audit committee for independent auditor		X					
				8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
63		Pomona	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints			X				
				3	not use one time revenues for on-going expenses			X				
				4	have a rainy day fund		X					
			Financial Management	1	establish an audit committee for independent auditor				X			
				8	competitive selection independent auditor every 5 yrs		X					
64		Rancho Palos Verdes	Fiscal Health	1	adopt financial planning for balanced budgets			X				
				2	commit to operate in budget constraints			X				
				3	not use one time revenues for on-going expenses			X				
				4	have a rainy day fund		X					
			Financial Management	1	establish an audit committee for independent auditor		X					
				3	if auditor provides non-audit services ensure review		X					
				6	policies and procs for anonymously reporting fraud			X				
				8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
65		Redondo Beach	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	8	competitive selection independent auditor every 5 yrs		X					
66		Rolling Hills	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Governance Practices	1	adopt a strategic plan			X				
				2	develop and report on performance measures			X				
				4	city councils conduct annual evaluations of executive			X				
			Financial Management	1	establish an audit committee for independent auditor		X					
				3	if auditor provides non-audit services ensure review			X				
				6	policies and procs for anonymously reporting fraud		X					
				8	competitive selection independent auditor every 5 yrs			X				

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
67		Rolling Hills Estates	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Governance Practices	1	adopt a strategic plan						X	
				3	if auditor provides non-audit services ensure review		X					
			Financial Management	5	require financial procedures annual review & 3yr update		X					
				8	competitive selection independent auditor every 5 yrs						X	
68		Rosemead	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses			X				
				4	have a rainy day fund		X					
			Financial Management	1	establish an audit committee for independent auditor			X				
				5	require financial procedures annual review & 3yr update			X				
				6	policies and procs for anonymously reporting fraud			X				
				8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
69		San Dimas	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Governance Practices	1	adopt a strategic plan		X					
				2	develop and report on performance measures		X					
			Financial Management	2	select the auditor through a competitive process			X				
				8	competitive selection independent auditor every 5 yrs			X				
70		San Fernando	Fiscal Health	1	adopt financial planning for balanced budgets					X		
				2	commit to operate in budget constraints			X				
				3	not use one time revenues for on-going expenses				X			
				4	have a rainy day fund					X		
			Governance Practices	1	adopt a strategic plan					X		
				2	develop and report on performance measures					X		
				3	develop specific annual goals for the city's executive	X						
				4	city councils conduct annual evaluations of executive					X		
			Financial Management	1	establish an audit committee for independent auditor			X				
				5	require financial procedures annual review & 3yr update		X					
				6	policies and procs for anonymously reporting fraud			X				
				8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
71		San Gabriel	Fiscal Health	1	adopt financial planning for balanced budgets			X				
				2	commit to operate in budget constraints			X				
				3	not use one time revenues for on-going expenses			X				
				4	have a rainy day fund			X				
			Financial Management	1	establish an audit committee for independent auditor			X				
				3	if auditor provides non-audit services ensure review		X					
				6	policies and procs for anonymously reporting fraud			X				
				8	competitive selection independent auditor every 5 yrs		X					
72		San Marino	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Governance Practices	2	develop and report on performance measures		X					
				3	develop specific annual goals for the city's executive		X					
			Financial Management	1	establish an audit committee for independent auditor		X					
				2	select the auditor through a competitive process			X				
				6	policies and procs for anonymously reporting fraud				X			
				8	competitive selection independent auditor every 5 yrs			X				

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
73		Santa Clarita	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Governance Practices	2	develop and report on performance measures		X					
				1	establish an audit committee for independent auditor				X			
			Financial Management	5	require financial procedures annual review & 3yr update				X			
				8	competitive selection independent auditor every 5 yrs		X					
74		Santa Fe Springs	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Governance Practices	2	develop and report on performance measures		X					
				1	establish an audit committee for independent auditor		X					
			Financial Management	2	select the auditor through a competitive process						X	
				3	if auditor provides non-audit services ensure review		X					
				5	require financial procedures annual review & 3yr update		X					
				6	policies and procs for anonymously reporting fraud						X	
				8	competitive selection independent auditor every 5 yrs						X	

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
75		Santa Monica	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	1	establish an audit committee for independent auditor		X					
				3	if auditor provides non-audit services ensure review		X					
				4	accounting pol and proc define duties of employees		X					
				5	require financial procedures annual review & 3yr update		X					
				6	policies and procs for anonymously reporting fraud		X					
				8	competitive selection independent auditor every 5 yrs		X					
				1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
76		Sierra Madre	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	1	establish an audit committee for independent auditor				X			
				4	accounting pol and proc define duties of employees			X				
				6	policies and procs for anonymously reporting fraud						X	
				8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
77		Signal Hill	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	1	establish an audit committee for independent auditor						X	
				8	competitive selection independent auditor every 5 yrs			X				
78		South El Monte	Fiscal Health	1	adopt financial planning for balanced budgets	X						
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Governance Practices	1	adopt a strategic plan		X					
				2	develop and report on performance measures		X					
				3	develop specific annual goals for the city's executive		X					
			Financial Management	1	establish an audit committee for independent auditor			X				
				7	internal control procedures for financial management			X				
				8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
79		South Gate	Fiscal Health	1	adopt financial planning for balanced budgets			X				
				2	commit to operate in budget constraints			X				
				3	not use one time revenues for on-going expenses			X				
				4	have a rainy day fund			X				
			Financial Management	1	establish an audit committee for independent auditor			X				
				3	if auditor provides non-audit services ensure review			X				
				4	accounting pol and proc define duties of employees			X				
				5	require financial procedures annual review & 3yr update			X				
				8	competitive selection independent auditor every 5 yrs						X	
80		South Pasadena	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Governance Practices	2	develop and report on performance measures		X					
				3	develop specific annual goals for the city's executive		X					
			Financial Management	1	establish an audit committee for independent auditor				X			
				5	require financial procedures annual review & 3yr update		X					
				8	competitive selection independent auditor every 5 yrs			X				

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
81		Temple City	Fiscal Health	1	adopt financial planning for balanced budgets			X				
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	1	establish an audit committee for independent auditor		X					
				6	policies and procs for anonymously reporting fraud		X					
				8	competitive selection independent auditor every 5 yrs		X					
82		Torrance	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	8	competitive selection independent auditor every 5 yrs			X				
83		Vernon	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund			X				
			Financial Management	8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
84		Walnut	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	2	select the auditor through a competitive process		X					
				5	require financial procedures annual review & 3yr update		X					
				8	competitive selection independent auditor every 5 yrs		X					
85		West Covina	Fiscal Health	1	adopt financial planning for balanced budgets			X				
				2	commit to operate in budget constraints			X				
				3	not use one time revenues for on-going expenses			X				
				4	have a rainy day fund			X				
			Governance Practices	2	develop and report on performance measures			X				
			Financial Management	1	establish an audit committee for independent auditor				X			
				2	select the auditor through a competitive process				X			
				4	accounting pol and proc define duties of employees			X				
				5	require financial procedures annual review & 3yr update			X				
				6	policies and procs for anonymously reporting fraud			X				
				8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
86		West Hollywood	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	1	establish an audit committee for independent auditor			X				
				8	competitive selection independent auditor every 5 yrs				X			
87		Westlake Village	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	1	establish an audit committee for independent auditor		X					
				8	competitive selection independent auditor every 5 yrs		X					

2012-2013 RECOMMENDATIONS SUMMARY FOR THE CITIES						PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON RESPONSIVE	FURTHER STUDY	FAILED TO RESPOND
City No.		Agency Delivery Addresses	Recommendation Topic	Recommendation #	Brief 3 to 4 Keyword Description of Recommendation Responses							
88		Whittier	Fiscal Health	1	adopt financial planning for balanced budgets		X					
				2	commit to operate in budget constraints		X					
				3	not use one time revenues for on-going expenses		X					
				4	have a rainy day fund		X					
			Financial Management	1	establish an audit committee for independent auditor		X					
				2	select the auditor through a competitive process		X					
				4	accounting pol and proc define duties of employees		X					
				8	competitive selection independent auditor every 5 yrs		X					

ANALYSIS OF CITIES' RESPONSES *

FISCAL HEALTH

FH-1 Cities should adopt financial planning, revenue and expenditure policies to guide city officials to develop sustainable, balanced budgets.					
88 OF 88 CITIES RESPONDED					
PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON-RESPONSIVE	FURTHER STUDY
2 2%	59 67%	21 24%	2 2%	3 3%	1 1%

FH-2 Cities should develop a balanced budget and commit to operate within the budget constraints.					
88 OF 88 CITIES RESPONDED					
PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON-RESPONSIVE	FURTHER STUDY
0 0%	71 81%	14 16%	1 1%	2 2%	0 0%

FH-3 Cities should commit to not using one-time revenues to fund recurring or ongoing expenditures.					
88 OF 88 CITIES RESPONDED					
PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON-RESPONSIVE	FURTHER STUDY
0 0%	62 70%	14 16%	8 9%	4 5%	0 0%

FH-4 Cities should adopt a method and practice of saving into a reserve or "rainy-day" fund to supplement operating revenue in years of short fall.					
88 OF 88 CITIES RESPONDED					
PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON-RESPONSIVE	FURTHER STUDY
0 0%	70 80%	14 16%	0 0%	4 5%	0 0%

* all percentages are approximate due to rounding

ANALYSIS OF CITIES' RESPONSES *

GOVERNANCE PRACTICES

GP-1 Cities should develop and adopt a strategic plan that articulates the mission, vision, core values and priorities for the city.					
27 OF 27 CITIES RESPONDED					
PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON-RESPONSIVE	FURTHER STUDY
0 0%	12 44%	7 26%	1 4%	3 11%	4 15%

GP-2 Cities should develop and report on performance measures or indicators to evaluate outcomes. These performance measures should be quantified, focused on outcomes and information should be provided for several years to allow evaluation of progress over time.					
36 OF 36 CITIES RESPONDED					
PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON-RESPONSIVE	FURTHER STUDY
0 0%	13 36%	15 42%	4 11%	2 6%	2 6%

GP-3 City councils should develop specific annual goals for the city's executive.					
14 OF 14 CITIES RESPONDED					
PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON-RESPONSIVE	FURTHER STUDY
1 7%	10 71%	1 7%	1 7%	1 7%	0 0%

GP-4 City councils should conduct meaningful evaluations of the city's executive at least annually.					
11 OF 11 CITIES RESPONDED					
PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON-RESPONSIVE	FURTHER STUDY
0 0%	7 64%	2 18%	1 9%	1 9%	0 0%

GP-5 Cities should publish the financial reports (CAFR) on their city's website.					
3 OF 3 CITIES RESPONDED					
PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON-RESPONSIVE	FURTHER STUDY
0 0%	2 67%	1 33%	0 0%	0 0%	0 0%

*all percentages are approximate due to rounding

ANALYSIS OF CITIES' RESPONSES *

FINANCIAL MANAGEMENT

FM-1 Cities should formally establish an audit committee making it directly responsible for the work of an independent auditor.					
57 OF 57 CITIES RESPONDED					
PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON-RESPONSIVE	FURTHER STUDY
2 4%	18 32%	12 21%	15 26%	5 9%	5 9%

FM-2 Cities that do not currently select the auditor through a competitive process should do so.					
18 OF 18 CITIES RESPONDED					
PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON-RESPONSIVE	FURTHER STUDY
0 0%	11 61%	3 17%	3 17%	0 0%	1 6%

FM-3 Cities that allow the auditor to provide non-audit services should ensure appropriate review and approval of those services.					
24 OF 24 CITIES RESPONDED					
PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON-RESPONSIVE	FURTHER STUDY
2 8%	14 58%	4 17%	3 13%	0 0%	1 4%

FM-4 Cities should review and update accounting policies and procedures to ensure they are appropriately detailed and define the specific authority and responsibility of employees.					
18 OF 18 CITES RESPONDED					
PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON-RESPONSIVE	FURTHER STUDY
0 0%	10 56%	7 39%	1 6%	0 0%	0 0%

* all percentages are approximate due to rounding

ANALYSIS OF CITIES' RESPONSES *

FINANCIAL MANAGEMENT

FM-5 Cities should establish a policy requiring financial policies and procedures to be reviewed annually and updated at least once every three years.					
41 OF 41 CITIES RESPONDED					
PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON-RESPONSIVE	FURTHER STUDY
1 2%	18 44%	16 39%	4 10%	0 0%	2 5%

FM-6 Cities should review and update policies and procedures for reporting fraud, abuse and questionable practices including a practical mechanism, such as a fraud hot line, to permit the confidential, anonymous reporting of concerns.					
35 OF 35 CITIES RESPONDED					
PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON-RESPONSIVE	FURTHER STUDY
0 0%	14 40%	14 40%	2 6%	1 3%	4 11%

FM-7 Cities should periodically review and update internal control procedures over financial management.					
8 OF 8 CITIES RESPONDED					
PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON-RESPONSIVE	FURTHER STUDY
0 0%	2 25%	3 38%	0 0%	2 25%	1 13%

FM-8 Cities should undertake a full-scale competitive process every 5 years for the selection of an independent external auditor.					
88 OF 88 CITIES RESPONDED					
PENDING	IMPLEMENTED	TO BE IMPLEMENTED	WILL NOT IMPLEMENT	NON-RESPONSIVE	FURTHER STUDY
1 1%	65 74%	15 17%	3 3%	1 1%	3 3%

* all percentages are approximate due to rounding

DETENTION COMMITTEE



**S. Robert Ambrose
Valencia R. Shelton
Linda G. Loding
John M. Anthony, Jr.
Sylvia F. Brown
Henry Buffett
James Carter
Carolyn Cobb
Thomas C. Davis
Joyce E. Harper
Robert J. Taub
LeRoy R. Titus
Oscar Warren**

**Chairperson
Co-Chairperson
Secretary**

DETENTION COMMITTEE

ADULT FACILITIES

TOPIC

Pursuant to California Penal Code Section 919(b), inspections of jail facilities are to be conducted by duly sworn members of the county's Civil Grand Jury. California Penal Code Section 919(b) also states that the Civil Grand Jury shall inquire into the condition and management of the public prisons (referred to herein as "jails") within the county.

BACKGROUND

There are 126 jails within Los Angeles County. The 2013-2014 Los Angeles County Civil Grand Jury (CGJ) inspected 80 of the 126 facilities. Included in the 80 inspections were all of the jails not inspected by the 2012-2013 Los Angeles County Civil Grand Jury, or by the preceding Los Angeles County Civil Grand Jury. The only jail which has not been inspected within the last three years is Avalon Jail on Catalina Island, a single cell facility run by the Los Angeles County Sheriff's Department.

The Detention Committee consisted of 14 members of the CGJ. The members of the Detention Committee were divided into inspection groups (Detention Teams), with two to four persons per team. Additionally, all 23 members of the CGJ toured some of the larger facilities.

The Detention Committee conducted unannounced inspections of jail facilities. Detention teams examined daily operations, conditions and cleanliness of each jail, the holding cells, and the facility grounds. The CGJ also ascertained whether the physical needs of the inmates were being met.

The entire CGJ inspected the following jails: Twin Towers Correctional Facility (Twin Towers) and Men's Central Jail (Men's Central), both in downtown Los Angeles; Century Regional Detention Facility (CRDF) located in Lynwood; and the Peter J. Pitchess Detention Center (Pitchess Detention Center) located near Castaic in the northern region of the county.

Detention Committee members used a checklist of inspection criteria to determine if the facility met the standards of California Code of Regulations Title 15, Article 1, Section 1006, et seq. The inspection included standards for jails and jail personnel regarding booking and detention of juveniles (under age 18) and adults. This is pursuant to California Code of Regulations Title 15, Article 8, and Section 100, et seq.

In adult jails, detained juveniles are required to be processed separately from adult arrestees. The Detention Teams inquired about food, drinks and other needs of detained juveniles and adults. Depending upon the crime, within six hours of arrest detained juveniles may be released to family or guardians, or transferred to a juvenile hall.

Twin Towers, Men's Central, Peter J. Pitchess Detention Center, and Century Regional Detention Facility were visited by the entire CGJ as and are set out separately for discussion because of their large physical size and large holding facilities.

TWIN TOWERS CORRECTIONAL FACILITY
450 Bauchet St.
Los Angeles, CA 90012

BACKGROUND

Twin Towers is a unique complex built on ten acres of land. The two adjoining buildings contain approximately 1.5 million square feet and have a rated capacity of 2,244 inmates, with a population of 3,434 on August 6, 2013, the date of our inspection.

Twin Towers was constructed to house both maximum security inmates and a large portion of the county's mentally ill inmates, a number of whom are awaiting trial.

The Medical Services Building provides housing for inmates with various levels of medical and acute mental health needs. The only female inmates at Twin Towers are those who require medical and mental health services. Both male and female inmates requiring intensive hospitalization services are transported to Los Angeles County + USC Medical Center.

Staffing at this facility consists of approximately 500 positions, including sworn and non-sworn sheriff personnel and professional clinicians.

FINDINGS

The December 3, 2013, Report of Board of State and Community Corrections, with reported inspection date of May 7, 2013, reported that the population of inmates at Twin Towers was 53% over capacity.

With the passage of Assembly Bill 109 (AB 109), which was introduced to reduce state prison overcrowding, California requires that non-violent, non-serious and non-sex offenders serve their sentence in county jail instead of prison. Consequently, county jails are now required to house additional high risk offenders. The CGJ learned from the Sheriff's staff that the influx of these inmates exacerbates the overcrowding which already existed in county jails.

Additionally, the sheriff's staff at Twin Towers reported a high rate of recidivism.

RECOMMENDATIONS

- 15.1 The Los Angeles County Sheriff's Department needs to relocate inmates from Twin Towers to facilities with lower populations which can accept additional inmates.

**MEN'S CENTRAL JAIL
441 Bauchet St.
Los Angeles, CA 90012**

BACKGROUND

Men's Central reached its 50th year in 2013, and is the oldest county jail in California. The jail has a holding capacity of 5, 108 inmates and operates at about 90% of capacity (capacity per 12-3-13 Report of Board of State and Community Corrections). This allows for vacant cells to be available for separation of inmates who are unable to co-exist with other prisoners.

Men's Central was built with linear rows of cells, with a central station platform from which sheriff deputies monitor the inmates. The viewing angle into some of the cells is limited, and is a safety concern for the deputies who manage the jail.

The Detention Team observed that this aged facility has a bleak atmosphere which promotes a feeling of hopelessness. Men's Central is recognized as antiquated, and there have been ongoing discussions

between the Sheriff's Department and the Los Angeles County Board of Supervisors about replacing it with a modern facility.

Through newspaper and other media reports, the public is increasingly aware of alleged deputy assaults and other wrongdoings. Since 2010, there has been an ongoing federal investigation of misconduct by some deputies at this jail, which has uncovered alleged acts against inmates. Several current and former deputies have been criminally charged in federal court with wrongdoings against inmates. Los Angeles Times, "18 Arrests in Jail Probe", December 10, 2013.

A federal lawsuit filed against the Sheriff's Department (Tyler Willis vs. County of Los Angeles, CV 10-7390), claimed that excessive force was used against inmates. The federal jury determined that, in addition to the department's general liability for damages, the Sheriff was held personally liable for the conduct of the deputies.

FINDINGS

During the tour of Men's Central, the CGJ observed that the cells were cramped. Due to these conditions the inmates can be disruptive.

The design flaws of this aged building prohibit full observation of the cells and inmates by deputies. The existing facility falls far below the standards of modern jail design.

Excessive force by deputies is a problem at Men's Central. The use of force was confirmed by the Willis federal jury verdict. (Tyler Willis vs. County of Los Angeles, CV 10-7390).

The CGJ believes, based upon their observation, that Men's Central Jail is a monument to incarceration as punishment and there is little expectation for rehabilitation.

RECOMMENDATIONS

- 15.2 The Los Angeles County Board of Supervisors needs to approve the Sheriff's funding request for replacement of Men's Central, or approve funding to move inmates to facilities that provide opportunities for rehabilitation.
- 15.3 Retrain the Sheriff's deputies and their commanding officers on the proper use of force.

**PETER J. PITCHESS DETENTION CENTER
29340-29350-29360-29370 The Old Road
Castaic, CA 91384**

BACKGROUND

This sprawling facility is set on 2,620 acres in the northern county area near Castaic, and is divided into four separate jails. They are the North, East, and South Facilities and the North County Correctional Facility.

The North Facility is classified as a maximum security jail. It has a rated capacity of 768 inmates and is primarily used to handle overflow from the other facilities.

The East Facility was originally constructed as a minimum security jail. It was retrofitted to a maximum security level with a rated capacity of 926 inmates.

The South Facility has a rated capacity of 846 inmates and is a medium security jail. It offers vocational programs, including masonry and carpentry. Some inmates work on crews at the Los Angeles County Fire Department Fire Suppression Training Camp.

The North County Correctional Facility is a maximum security jail and has a rated capacity of 2,208 inmates. This facility offers vocational training in printing, culinary arts, and the manufacturing of clothing.

FINDINGS

The Sheriff's Department is proud of its Education Based Incarceration (EBI) and the Maximizing Educational Reaching Individual Transformation (M.E.R.I.T.) programs at Pitchess Detention Center.

Inmates with good conduct volunteer, and upon selection, can enroll in classes in Life Skills Training, Anger Management, Drug Education, and General Education Training. Inmates who successfully complete their general education classes receive a Graduate Equivalency Degree (GED) from the Los Angeles County Office of Education. After successfully completing the EBI/M.E.R.I.T. programs, the graduates may conduct classes for other inmates. Volunteer facilitators and mentors from community based organizations are recruited by the Sheriff's Department to assist in the training programs.

RECOMMENDATIONS

- 15.4 Continue the EBI/M.E.R.I.T. and vocational life skills training.
- 15.5 Offer the EBI/M.E.R.I.T. and vocational life skills training at all major Sheriff Jail facilities.

COMMENDATION

The Sheriff's Department is to be commended for the success it has achieved in its education and life skills programs. These programs focus on rehabilitation rather than punishment. The CGJ was impressed by the inmates' high level of involvement and commitment to the EBI/M.E.R.I.T. programs.

**CENTURY REGIONAL DETENTION FACILITY
11705 South Alameda St.
Lynwood, CA 90262**

BACKGROUND

This facility, formerly a men's jail, is now exclusively used for women. This jail has a rated capacity of 1,588. It was built with individual cells located above a common area dayroom, which appears bright with natural light. The women gather during the day in this common area for meals, training, and recreation, while being monitored by deputies from the observation station.

FINDINGS

The Sheriff's Department offers EBI/M.E.R.I.T. programs at this facility. In addition, various classes, including sewing, crafts, and culinary arts are available for inmates. The skills learned may lead to future employment. Meals are prepared on site for the inmates. They are also prepared, packaged, and delivered on a contractual basis to other jails.

RECOMMENDATION

- 15.6 Expand the catering services to outside groups, including courts and other municipal and government agencies.

**SOUTH DISTRICT GOVERNOR GEORGE DEUKEMEJIAN
COURTHOUSE
275 MAGNOLIA AVE.
LONG BEACH, CA 90802**

BACKGROUND

On November 4, 2013, a Detention Team inspected the jail portion of this facility. This is a newly constructed courthouse with jail facilities which house adults and minors separately. During the inspection, the team noted a number of safety concerns. A report was presented to the CGJ, and letters were sent to Sheriff Baca, Los Angeles County Sheriff's Department and Chief Powers, Los Angeles County Probation Department stating our concerns and recommendations.

FINDINGS

Safety concerns, as outlined in the following letters, were noted.

RECOMMENDATIONS

- 15.7 Copies of the letters with recommendations and a response from Sheriff Baca are attached.



**County of Los Angeles
CIVIL GRAND JURY**

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210 WEST TEMPLE STREET • ELEVENTH FLOOR • ROOM 11-506 • LOS ANGELES, CALIFORNIA 90012
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<http://www.grandjury.co.la.ca.us/>

December 18, 2013

Leroy D. Baca, Sheriff
Los Angeles County Sheriff's Department
4700 Ramona Blvd.
Monterey Park, CA 91754-2169

Dear Sheriff Baca:

The Detention Committee is a Standing Committee of the Los Angeles County Civil Grand Jury (CGJ) responsible for inspecting selected jail facilities throughout Los Angeles County. The findings of the Detention Committee will be listed in the Civil Grand Jury Final Report which will be published in late June 2014. Although the list of concerns will be included in the Final Report, we feel there is an immediate need for you to review and address the Findings and Recommendations observed by the Civil Grand Jury Detention Committee. The CGJ is concerned about conditions at the adult and juvenile jail sections, located in the newly constructed George Deukmejian Superior Court located at 275 Magnolia Avenue, Long Beach.

SHERIFF'S – Adult Jail Section

FINDING

The door handles on the inmate side leading to the interview room are removable and could become weapons.

RECOMMENDATION

Remove the inside door handles.

FINDING

The First Aid and Suicide kits are not easily accessible.

RECOMMENDATION

Mount the First Aid and Suicide kits in an accessible area.

FINDING

The entrance to the courtrooms by deputies is by hand print pads. The system does not always work.

DETENTION COMMITTEE

RECOMMENDATION

Provide Deputies with keys to courtrooms.

PROBATION-JUVENILE JAIL SECTION

FINDING

The door handles on the inmate side leading to the interview area are removable and could become weapons.

RECOMMENDATION

Remove the inside door handles.

FINDING

Probation staff does not have keys to the juvenile detention areas.

RECOMMENDATION

Provide keys to probation staff.

FINDING

Probation staff cannot communicate with Sheriff Deputies in emergency situations.

RECOMMENDATION

Provide two-way radios to probation staff.

FINDING

Mandatory written information for juveniles is currently taped to the cell glass, which limits visibility of juveniles within the cells.

RECOMMENDATION

Provide a suitable area away from cell windows for all mandatory information.

FINDING

The Detention Team found there were substantial elevator delays which adversely affects the movement of adults or juveniles to different courts. The elevator system is "call by voice command," which did not always work.

RECOMMENDATION

Provide a back-up key system for deputies to use to operate the elevators.

FINDING:

Toilet/plumbing system in cells is being compromised. Inmates are flushing plastic food wrappers down the toilet which causes back-ups and overflows into the cells.

RECOMMENDATION

Install grinders into the plumbing system in the cells.

DETENTION COMMITTEE

CONCERNS RAISED BY STAFF AT LONG BEACH COURTHOUSE

FINDING

Sheriff and probation staff have posted handwritten directional and instructional signage throughout the respective sections. This signage is taped to walls.

RECOMMENDATION

Install permanent directional and instructional signage in sheriff and probation areas.

FINDING

The Command Center has two way glass which permits inmates to know when they are being observed.

RECOMMENDATION

Install one way glass in the Command Center.

FINDING

The Detention Team found graffiti in the Juvenile area.

RECOMMENDATION

Remove the graffiti.

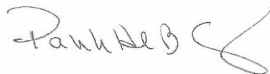
COMMENDATION

We would like to commend the sheriff and probation department staff at this facility for the level of professionalism, cooperation and knowledge demonstrated during the inspection.

Sincerely,



Robert Ambrose, Chairperson, Detention Committee
2013-2014 Los Angeles County Civil Grand Jury



Paulette B. Lang, Foreperson
2013-2014 Los Angeles County Civil Grand Jury

cc: Jerry Powers, Chief Probation Officer



LEROY D. BACA, SHERIFF

County of Los Angeles
Sheriff's Department Headquarters
4700 Ramona Boulevard
Monterey Park, California 91754-2169



January 6, 2014

Robert Ambrose, Chairperson
Paulette B. Lang, Foreperson
Detention Committee
County of Los Angeles Civil Grand Jury
210 West Temple Street, 11th Floor, Room 106
Los Angeles, California 90012

Dear Mr. Ambrose and Ms. Lang:

Thank you for your letter dated December 18, 2013, regarding the findings and recommendations for the Governor George Deukmejian Courthouse. I appreciate the time and effort involved in your inspection and subsequent recommendations. I am writing to you regarding your concerns.

Preliminarily, it will be helpful to keep in mind that the Governor George Deukmejian Courthouse is a joint, private and public venture, due to the fact that the Los Angeles County Superior Court and the Los Angeles County Sheriff's Department (Department) are providing services for the public in a building which is entirely owned by a private entity, the Long Beach Judicial Partners (LBJP). In light of this, please consider that when a concern is identified, a solution is necessarily more complex than it might be in a publicly owned building. When an issue concerns the building itself and the solution involves a modification to the building, the Court and Department must notify the property owner (LBJP) and seek their cooperation in implementing the solution. This process requires a collaborative effort among several entities including the Superior Court of Los Angeles County, the Administrative Office of the Court, the Department, Long Beach Judicial Partners, and Johnson Controls, the company which services the maintenance contract.

In order to expedite this process, the above entities have met in bi-weekly facility review meetings to seek solutions to issues which have been identified since the courthouse's opening, and ensure that they are addressed in a timely fashion. Some of the recommendations by the Grand Jury have in fact been on the agenda for these meetings for some time.

A Tradition of Service

Mr. Robert Ambrose
Ms. Paulette B. Lang

-2-

January 6, 2014

A detailed itemized response follows:

SHERIFF'S - Adult Jail Section

Finding #1 – The door handles on the inmate side leading to the interview room are removable and could become weapons.

Recommendation – Remove the inside door handles.

Response – This item was previously submitted to the facility review committee and the removal of the handles is pending.

Finding #2 – The First Aid and Suicide kits are not easily accessible.

Recommendation – Mount the First Aid and Suicide kits in an accessible area.

Response – First Aid and Suicide Prevention kits are available in each lockup. A request to have First Aid and Suicide Prevention kits mounted in an easily accessible manner has been submitted through the facility review committee.

Finding #3 – The entrance to the courtrooms by deputies is by handprint pads. The system does not always work.

Recommendation – Provide deputies with keys to courtrooms.

Response – Access by deputy personnel in and out of the lockups to the courtrooms is via key card control rather than handprint pads. These doors provide a secondary level of security for the lockups located on each floor of the courthouse. The key card access has proved to be cumbersome to operate, but still works. A request to provide door keys to deputy personnel was previously submitted through the facility review committee meetings. The purchase of locks and keys is pending with the Superior Court.

PROBATION - Juvenile Jail Section

Finding #4 – Probation staff cannot communicate with Sheriff's deputies in emergency situations.

Recommendation – Provide two-way radios to Probation staff.

Mr. Robert Ambrose
Ms. Paulette B. Lang

-3-

January 6, 2014

Response – In the event of an emergency, the Probation staff can reach the Sheriff's Department immediately by phone and summon any assistance which might be needed. The two Departments have operated side-by-side and independently for many years and have never had two-way radio communication, and an issue has never arisen. Additionally, the new courthouse has both routine and emergency call buttons which were not in place in the former location, so there are even more communication options available than previously existed.

Finding #5 – The Detention Team found there were substantial elevator delays which adversely affects the movement of adults or juveniles to different courts. The elevator system is "call by voice command," which did not always work.

Recommendation – Provide a backup key system for deputies to use to operate the elevators.

Response – An interim measure which modified the elevators to provide partial manual control and thereby reduce delays in inmate movement was put in place. A recommendation to completely re-program the elevator system to provide full manual control was previously submitted through the facility review committee. An Enhanced Facilities Systems Operator Training for deputy personnel is currently underway. The training was implemented to enhance the ability of deputy personnel to effectively operate the elevator and other building systems, thereby reducing delays in inmate movement. The proposal for full manual elevator control is on hold pending an effectiveness review of this training.

Finding #6 – Sheriff and Probation staffs have posted handwritten directional and instructional signage throughout the respective sections. This signage is taped to walls.

Recommendation – Install permanent directional and instructional signage in Sheriff and Probation areas.

Response – There are no handwritten signs in Sheriff's areas. There are several temporary signs in computer-printed format directing attorneys on the lower level of the six-pack elevators to the visiting area. These signs were generated when it became clear that sufficient directional signs were lacking in this area. A request for permanent signs has been submitted through the facility review committee.

Finding #7 – The Command Center has two-way glass which permits inmates to know when they are being observed.

Recommendation – Install one-way glass in the Command Center.

DETENTION COMMITTEE

Mr. Robert Ambrose
Ms. Paulette B. Lang

-4-

January 6, 2014

Response – A request for installation of one-way glass in the jail's main control area (Command Center) has been submitted through the facility review committee.

I hope these responses serve to address your concerns and are an indication of how much we appreciate your taking the time to bring them to our attention. Thank you very much for your assistance in these matters.

Sincerely,



LEROY D. BACA
SHERIFF



**County of Los Angeles
CIVIL GRAND JURY**

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<http://www.grandjury.co.la.ca.us/>

December 18, 2013

Jerry Powers, Chief Probation Officer
Los Angeles County Probation Department
9150 East Imperial Highway
Downey, CA 90242

Dear Chief Powers:

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SHERIFF'S – Adult Jail Section

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FINDING

Mandatory written information for juveniles is currently taped to the cell glass, which limits visibility of juveniles within the cells.

RECOMMENDATION

Provide a suitable area away from cell windows for all mandatory information.

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The Detention Team found there were substantial elevator delays which adversely affects the movement of adults or juveniles to different courts. The elevator system is "call by voice command," which did not always work.

RECOMMENDATION

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FINDING:

Toilet/plumbing system in cells is being compromised. Inmates are flushing plastic food wrappers down the toilet which causes back-ups and overflows into the cells.

RECOMMENDATION

Install grinders into the plumbing system in the cells.

DETENTION COMMITTEE

CONCERNS RAISED BY STAFF AT LONG BEACH COURTHOUSE

FINDING

Sheriff and probation staff have posted handwritten directional and instructional signage throughout the respective sections. This signage is taped to walls.

RECOMMENDATION

Install permanent directional and instructional signage in sheriff and probation areas.

FINDING

The Command Center has two way glass which permits inmates to know when they are being observed.

RECOMMENDATION

Install one way glass in the Command Center.

FINDING

The Detention Team found graffiti in the Juvenile area.

RECOMMENDATION

Remove the graffiti.

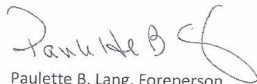
COMMENDATION

We would like to commend the sheriff and probation department staff at this facility for the level of professionalism, cooperation and knowledge demonstrated during the inspection.

Sincerely,



Robert Ambrose, Chairperson, Detention Committee
2013-2014 Los Angeles County Civil Grand Jury



Paulette B. Lang, Foreperson
2013-2014 Los Angeles County Civil Grand Jury

cc: Leroy D. Baca, Sheriff

SUMMARY OF LOS ANGELES
POLICE DEPARTMENTS/STATIONS
JAILS INSPECTED

POLICE DEPARTMENT/STATION JAILS

NAME ADDRESS PHONE NUMBER OF FACILITY	INSPECTION RESULTS	COMMENTS
77th Street Station (Regional Headquarters) 7600 South Broadway Los Angeles, CA 90003 213-473-4851	Station is the main booking resource for LAPD South Division. Large, well lit, facility with up-to-date surveillance cameras throughout. All areas clean. Food is cooked onsite by staff. Jail is run by well informed civilian staff. Manuals and safety equipment are current.	
Alhambra Police Department 211 South 1st St. Alhambra, CA 91801 626-570-5151	This jail is a very modern, naturally lit facility. State of the art surveillance cameras for monitoring individual cells. A wide hallway separates 2 rows of cells with inmates visible behind glass.	
Arcadia Police Department 250 W. Huntington Drive Arcadia, CA 91723 626-574-5150	NOT VISITED	
Azusa Police Department 725 N. Alameda Ave. Azusa, CA 91702 626-812-3200	Clean facility. Minors are separated from adult arrestees. Policies and procedures are followed. Translation services are available.	
Baldwin Park Police Department 14403 E. Pacific Ave. Baldwin Park , CA 91706 626-960-4011	Privately run by contractor. Newer, clean, and well-run facility. "Pay to stay" is offered to offenders who received jail time.	

POLICE DEPARTMENT/STATION JAILS

NAME ADDRESS PHONE NUMBER OF FACILITY	INSPECTION RESULTS	COMMENTS
Bell Gardens Police Department 7100 Garfield Ave. Bell Gardens, CA 90201 562-806-7600	Excellent run and clean facility. Pro- fessional staff. Minors handled separately from adults.	
Beverly Hills Police Department 464 N. Rexford Dr. Beverly Hills, CA 90210 310-550-4951	Well run and very clean facility. Rules followed, professional staff is well trained. A "pay to stay" program is offered.	
Burbank Police Department 200 N. Third St. Burbank, CA 91502 818-238-3217	Excellent facility and staff. Rules followed. Contract vendor meals brought in for inmates. Cells clean. Efficiently run facility offering a "pay to stay" program.	
Central Area Station 251 E. 6th St. Los Angeles, CA 90014 213-485-6588	Old building.	Building needs to be upgraded or a new building constructed
Claremont Police Department 570 W. Bonita Ave. Claremont, CA 91711 909-399-5411	Facility is clean. Remodeled kitchen. Jail holds 12 arrestees. Staff does the laundry for the facility, saving \$700/mo.	
Covina Police Department 444 N. Citrus Ave. Covina, CA 91723 626-858-4413	Professional Custody Assistants run jail. One suicide in the last year. Minors separated from adults. Cells clean.	Station personnel requested additional lighting in jail portion of facility.

POLICE DEPARTMENT/STATION JAILS

NAME ADDRESS PHONE NUMBER OF FACILITY	INSPECTION RESULTS	COMMENTS
Culver City Police Department 4040 Duquesne Ave. Culver City, CA 90232 310-837-1221	NOT VISITED	
Devonshire Station 10250 Etiwanda Ave. Northridge, CA 91325 818-832-0633	NOT VISITED	
Downey Police Department 10911 Brookshire Ave. Downey, CA 91502 562-861-0771	NOT VISITED	
El Monte Police Department 11333 Valley Blvd. El Monte, CA 91731 626-580-2110	Excellent facility. Known gang members kept separately. Professional staff. Manuals Available. Has own kitchen for meals for arrestees.	Staff personnel requested a larger facility.
El Segundo Police Department 348 Main St. El Segundo, CA 90245	The facility is clean and very small. It has a capacity for 17 arrestees. Minors taken to Los Padrinos if detained longer than 6 hours.	Staff personnel requested a larger facility and additional staff.
Foothill (Pacoima) Station 12760 Osborn St. Pacoima, CA 91331 818-756-8865	NOT VISITED	
Gardena Police Department 1718 162nd St. Gardena, CA 90247 310-217-9632	This is a very small facility with limited office space. Trustees maintain the grounds, building, and wash the patrol cars.	

POLICE DEPARTMENTS/STATION JAILS

NAME ADDRESS PHONE NUMBER OF FACILITY	INSPECTION RESULTS	COMMENTS
Glendale Police Department 131 N. Isabel St. Glendale, CA 91206 818-548-4840	Third largest jail in LA County, and third busiest, due to Glendale's "no tolerance" policy for violators. Facility holds 96 inmates. "Pay to stay" program offered.	
Glendora Police Department 150 S. Glendora Ave. Glendora, CA 91741 626-914-8250	Facility is small and well maintained. Professional staff. Minors processed separately from adults. Cells clean. Food available for arrestees.	
Harbor Area Station 221 Bayview Ave. Wilmington, CA 90744 310-522-2042	NOT VISITED	
Hawthorne Police Department 12501 Hawthorne Blvd. Hawthorne, CA 90250 310-675-4443	New facility in excellent condition. The jail, offices and grounds are maintained by the trustees. A "pay to stay" program offered.	
Hermosa Beach Police Department 540 Pier Ave. Hermosa Beach, CA 90254 310-318-0300	NOT VISITED	
Hollenbeck Station 2111 E. 1st St. Los Angeles, CA 90033 323-342-4100	New building in excellent condition. Equipped with the latest computer and surveillance systems. The layout of the building allows for a better workflow. Space is used efficiently.	

POLICE DEPARTMENT/STATION JAILS

NAME ADDRESS PHONE NUMBER OF FACILITY	INSPECTION RESULTS	COMMENTS
Hollywood Station 1358 Wilcox Ave. Los Angeles, CA 90028 213-485-2510	Minors processed separately from adults and if held over 6 hours taken to Eastlake. Has a detox unit for DUI arrestees.	Station personnel requested upgrades (paint, lighting, etc.) to facility.
Huntington Park Police Department 6542 Miles Ave. Huntington Park, CA 90255 323-584-6254	Clean station. Professional staff. Minors kept separately from adults. Food available for arrestees.	
Inglewood Police Department 1 Manchester Blvd. Inglewood, CA 90301 310-412-5200	NOT VISITED	
Irwindale Police Department 5050 N. Irwindale Ave. Irwindale, CA 91706 626-430-2244	This facility houses no inmates. Contracts with Baldwin Park and Glendora for processing arrestees. Staff consists of 4 officers and 3 clerical.	Facility basically used for storage only and should be closed.
La Verne Police Department 2061 Third St. La Verne, CA 91750 909-596-1913	This jail is antiquated and cramped, but clean and orderly. All areas of the jail are monitored by surveillance cameras. Trustees work throughout the facility.	
Long Beach Police Department 400 W. Broadway Long Beach, CA 90802 562-570-7260	Very good facility. Clean, neat, and orderly. Very professional staff. Food brought in from LA County. Minors separated from adults. Women's section is maintained better than men's.	Station personnel requested additional staff. Men's section needs painting.

POLICE DEPARTMENT/STATION JAILS

NAME ADDRESS PHONE NUMBER OF FACILITY	INSPECTION RESULTS	COMMENTS
Manhattan Beach Police Department 420 15th St. Manhattan Beach, CA 90266 310-802-5140	One of cleanest police facilities inspected. Excellent, professional staff. Glass cells make observation of inmates easier.	
Mission Hills Station 11121 N. Sepulveda Blvd. Mission Hills, CA 91345 818-838-9800	NOT VISITED	
Monrovia Police Department 140 E. Lime Ave. Monrovia, CA 91016 626-256-8000	Excellent facility. Professional staff rotate jail duties quarterly to prevent burnout. Policies and procedures followed.	Station personnel requested a dedicated phone line to access language translators.
Montebello Police Department 1600 Beverly Blvd. Montebello, CA 90640 323-887-1313	Offers "pay to stay" program. The jail operation is privately contracted and the contract was being renegotiated at the time of our visit.	
Monterey Park Police Department 320 W. Newmark Ave. Monterey Park, CA 91754 626-307-1266	Excellent maintained facility. Cameras throughout to monitor arrestees. Food obtained from LA County by contract. Well run facility.	

POLICE DEPARTMENT/STATION JAILS

NAME ADDRESS PHONE NUMBER OF FACILITY	INSPECTION RESULTS	COMMENTS
Newton Area Station 3400 S. Central Ave. Los Angeles, CA 90011 323-846-6547	The general condition of the facility, cells, and office space is good. Minors not detained longer than 5 hours. Minors kept separately from adults.	Station personnel requested additional staff and cameras in holding area.
North Hollywood Station 11640 Burbank Blvd. North Hollywood, CA 91601 818-756-8822	Very good facility. Minors brought in through separate entrance. Minors taken to Sylmar if detained longer than 6 hours.	
Northeast (LA/Eagle Rock) Station 3353 San Fernando Rd. Los Angeles, CA 90065 213-485-2566	NOT VISITED	
Olympic Station (Korea Town) 1130 S. Vermont Ave. Los Angeles, CA 90006 213-382-9102	NOT VISITED	
Pacific Area Station 13212 Culver Blvd. Los Angeles, CA 90066 310-482-6334	NOT VISITED	
Palos Verdes Police Department 340 Palos Verde Dr. Palos Verdes, CA 90274 310-378-4211	A very well maintained, older facility. Minors usually released to parents or guardians. Food catered from Orange County. Drunk tank not utilized.	Remove door of unused "drunk tank".

POLICE DEPARTMENT/STATION JAILS

NAME ADDRESS PHONE NUMBER OF FACILITY	INSPECTION RESULTS	COMMENTS
Parker Center Station 150 N. Los Angeles St. Los Angeles, CA 90012 213-485-2510	CLOSED	
Pasadena Police Department 207 N. Garfield Ave. Pasadena, CA 91101 626-744-4545	Cameras throughout this clean facility. Professional staff.	
Pomona Police Department 490 W. Mission Blvd. Pomona, CA 91776 9019-622-1241	NOT VISITED	
Rampart Station 1401 W. 6th St. Los Angeles, CA 90017 213-484-3400	The facility is in excellent condition. The floor plan and layout is conducive to conducting police business. Reception Desk Officer was rude.	Station personnel requested bottled water for arrestees. Officer at reception desk needs training in courtesy.
Redondo Beach Police Department 401 Diamond St. Redondo Beach, CA 90277 310-379-2477	NOT VISITED	
San Fernando Station 910 First St. San Fernando, CA 91340 818-898-1267	NOT VISITED	
San Gabriel Police Department 625 Del Mar Ave. San Gabriel, CA 91776 626-308-2828	Professional staff. Vending machines are utilized for drinks and food for arrestees. Graffiti on cell bars.	Remove graffiti on jail cell bars.

POLICE DEPARTMENT/STATION JAILS

NAME ADDRESS PHONE NUMBER OF FACILITY	INSPECTION RESULTS	COMMENTS
San Marino Police Department 2200 Huntington Dr. San Marino, CA 91107 626-300-0720	Two cells in facility. Arrestees taken to Alhambra Police Department.	Recommend that this facility be closed due to low number of arrests.
Santa Monica Police Department 1685 Main St. Santa Monica, CA 90401 310-458-8491	Excellent facility and staff. Very clean throughout. Rules followed. Staff works with Veterans Administration to assist veterans upon release.	
Sierra Madre Police Department 242 Sierra Madre, CA 91024 Sierra Madre, CA 91024 626-355-1414	NOT VISITED	
Signal Hill Police Department 1800 E. Hill St. Signal Hill, CA 90806 562-989-7200	This state-of-the-art facility opened on January 24, 2013. The station personnel is proactive in hiring a diverse staff.	
South Gate Police Department 8620 California Ave. South Gate, CA 90280 323-563-5436	Excellent facility. Very clean. Rules followed by staff. Food available for arrestees. Minors kept separately from adults.	
South Pasadena Police Department 1422 Mission St. South Pasadena, CA 91030 626-403-7270	Small, clean station. Courteous staff. Meals prepared by staff onsite. Minors held separately from adults. Manuals and safety equipment are current.	

POLICE DEPARTMENT/STATION JAILS

NAME ADDRESS PHONE NUMBER OF FACILITY	INSPECTION RESULTS	COMMENTS
Southeast Station (108th St. Station) 145 W. 108th St. Los Angeles, CA 90061 213-972-7828	See report in Adult Facilities section of this report.	
Topanga Police Department 12501 Schoenborn St. Canoga Park, CA 91304 818-778-4800	Excellent station. Professional staff. Follows the rules for minors arrested. Minors detained longer than 6 hours are transferred to Nidorf Juvenile Hall.	
Torrance Police Department 5019 3300 Civic Center Dr. Torrance, CA 90503 310-328-3456	The general appearance of the facility is good. It offers a "pay to stay" program for inmates. Professional staff follows the rules.	
Van Nuys Station 6240 Sylmar Ave. Van Nuys, CA 91401 818-374-9502	Large facility. Holds up to 300 arrestees. Clean and professionally run jail. Minors kept separately from adults for processing. Reception Desk Officer was rude.	Reception desk officer needs courtesy training.
Vernon Police Department 4305 S. Santa Fe Ave. Vernon, CA 90058 323-587-5171	NOT VISITED	

POLICE DEPARTMENT/STATION JAILS

NAME ADDRESS PHONE NUMBER OF FACILITY	INSPECTION RESULTS	COMMENTS
West Covina Police Department 1444 W. Garvey Ave. West Covina, CA 91790 626-939-8500	NOT VISITED	
West Los Angeles Station 16603 Butler Ave. Los Angeles, CA 90025 310-442-0702	NOT VISITED	
West Valley (Reseda) Station 19020 Vanowen St. Reseda, CA 91335 818-374-7611	Very clean. Dedicated staff. Minors held & processed in separate area from adults. "Fast food" provided if needed. Minors sent to Nidorf Juvenile Hall if detained longer than 6 hours.	
Whittier Police Department 13200 Penn St. Whittier, CA 90602 562-567-9200	Whittier houses Santa Fe Springs arrestees. Private contractor, G45 Services, runs jail. Offers "pay to stay" program.	
Wilshire Station 4861 W. Venice Blvd. Los Angeles, CA 90019 213-473-0746	Minors taken to juvenile hall if detained more than 6 hours. Many languages spoken in station. Drab station. The jail portion of this facility closed 2 years ago.	Station personnel requested renovation of station.

SUMMARY OF LOS ANGELES COUNTY
SHERIFF'S DEPARTMENT
FACILITIES INSPECTED

SHERIFF DEPARTMENT FACILITIES

NAME ADDRESS PHONE NUMBER OF FACILITY	INSPECTION RESULTS	COMMENTS
Alhambra Courthouse Jail 150 W. Commonwealth Ave. Alhambra, CA 91801 626-308-5311	This site holds up to 200 inmates. Well maintained facility. Staff well versed in policies and procedures. Minors kept separate from adults and taken to Eastlake Juvenile Hall.	Station personnel requested additional staff for high number of arrestees.
Altadena Station 780 E. Altadena Dr. Altadena, CA 91001 626-798-1131	NOT VISITED	
Antelope Valley Court (North District) 42011 4th St. West Lancaster, CA 91731 661-974-7200	A newer facility. There are 27 court-rooms, eleven are criminal and the 3 rd floor is civil. Arrestees are given their prescription medications at 5 a.m. at Twin Towers, Men's Central, or CRDF, and are transported to Antelope Valley Court. There is no medical staff at Antelope Valley Court to dispense prescribed medications as needed.	Need medical staff to dispense arrestees' after-noon prescription medication.
Avalon Station 215 Sumner Ave. Avalon, CA 90704 310-510-0174	NOT VISITED	
Bellflower Courthouse Jail 10025 Flower St. Bellflower, CA 90706 562-804-8053	NOT VISITED	
Beverly Hills Courthouse Jail 9355 Burton Way Beverly Hills, CA 90210 310-288-1310	NOT VISITED	

SHERIFF DEPARTMENT FACILITIES

NAME ADDRESS PHONE NUMBER OF FACILITY	INSPECTION RESULTS	COMMENTS
Burbank Courthouse Jail (N. Central District) 300 Olive Ave. Burbank, CA 91502 818-577-3482	NOT VISITED	
Carson Station 21356 S. Avalon Blvd. Carson, CA 90745 310-830-1123	Professional staff adheres to procedures and policies. They utilize 8 trustees to help maintain the premises. Mattresses are in poor condition.	Mattresses need to be replaced.
Central Arraignment Courthouse Jail 429 Bauchet St. Los Angeles, CA 90012 213-261-0711	Arraignment Court for AB109 releasees. Cameras throughout the jail facility to limit gang problems. Nurse on site. Obsolete PCs and worn furniture.	Need better furniture for staff and need more deputies. Information Technology needs updating.
Century Regional Detention Facility (CRDF) 11705 S. Alameda St. Lynwood, CA 90262 323-568-4800	See information in Adult Facilities section of this report.	Personnel requested additional deputies.
Cerritos Station 18135 Bloomfield Ave. Cerritos, CA 90703 562-860-0044	Excellent facility with clean cells. Well trained professional staff. Minors processed separately from adults. Procedure manuals are current.	
Compton Courthouse Jail (South Central District) 200 W. Compton Blvd. Compton, CA 90220 310-762-9100	First inspection delayed due to safety risks expressed by sheriffs. During second visit, observed satellite lockups on each floor. Arrestees are kept on the floor of the court where their case is heard. Minors are kept separately from adults. Paint peeling.	Needs painting and station personnel requested additional deputies.

SHERIFF DEPARTMENT FACILITIES

NAME ADDRESS PHONE NUMBER OF FACILITY	INSPECTION RESULTS	COMMENTS
Compton Sheriff Station 301 South Willowbrook Ave. Compton, CA 90220 310-605-6500	Small station, no arrestees detained here. They are taken to Century Station.	
Crescenta Valley Station 4554 N. Briggs Ave. La Crescenta, CA 91214 818-248-3464	Small station with high staff morale. Trustees help clean and maintain the cells and station. Food brought in from Century Station for arrestees. Minors kept separately from adults.	Station personnel requested more jail personnel in this well run facility.
Criminal Courts (Clara Shortridge Foltz) 210 W. Temple St. Los Angeles, CA 90012 213-974-6581	NOT VISITED	
Downey Courthouse Jail 7500 Imperial Highway Downey, CA 90242 562-803-7044	NOT VISITED	
East Los Angeles Courthouse Jail 4848 E. Civic Center Way East Los Angeles, CA 90022 323-780-2017	Capacity is 20+ inmates. Minors not brought to this facility. Operation manuals available. One suicide in 2013.	Station personnel requested more suicide kits.
East Los Angeles Station 5019 E. Third St. East Los Angeles, CA 90022 323-264-4151	New, clean station with professional staff. Food brought in for arrestees. Minors kept separately from adults.	
Edelman's Children's Dependency Court 201 Centre Plaza Dr. Monterey Park, CA 91754 323-526-6657	NOT VISITED	

SHERIFF DEPARTMENT FACILITIES

NAME ADDRESS PHONE NUMBER OF FACILITY	INSPECTION RESULTS	COMMENTS
El Monte (Rio Hondo) Courthouse Jail 11234 E. Valley Blvd. El Monte, CA 91731 626-575-4116	NOT VISITED	
Glendale Courthouse Jail 600 E. Broadway Ave. Glendale, CA 91206 818-500-3524	This outdated facility holds only adults for up to six hours. No overnight stays. The jail section is small and cramped.	Jail needs updating.
Industry Station 150 N. Hudson Ave. City of Industry, CA 91744 626-330-3322	Clean station. Staff courteous and professional and follows rules on minors. Snacks and water provided for all arrestees.	Station personnel requested additional staff.
Inglewood Courthouse Jail One Regent St. Inglewood CA 91744 310-419-5132	Staff is very professional and helpful to minors coming into the facility. Court and holding cells are old.	Major renovation or a new building needed.
LAC+USC Jail Ward 1200 N. State St. Los Angeles, CA 90033 323-409-4563 323-409-2800	NOT VISITED	
Lakewood Sheriff Station 5130 N. Clark Ave. Lakewood, CA 90712 562-623-3500	Excellent station. All policies and procedures followed. Cells are clean. Minors kept separately from adults.	
Lancaster Station 501 W. Lancaster Blvd. Lancaster, CA 93534 661-948-8466	Facility has 24 cells and 2 "hard" cells for mentally ill arrestees. Trustees clean the facility and assist in distributing meals to the arrestees.	

SHERIFF DEPARTMENT FACILITIES

NAME ADDRESS PHONE NUMBER OF FACILITY	INSPECTION RESULTS	COMMENTS
LAX Courthouse Jail 11701 S. La Cienega Blvd. Los Angeles, CA 90045 310-727-6020	Building is 10-12 years old and needs some maintenance. Minors are taken to Probation Department facility if detained beyond six hours. Food is obtained from Century Station for arrestees.	Floor coating in cells is peeling and needs refurbishing.
Lomita Station 26123 Narbonne Ave. Lomita, CA 90717 310-539-1661	Seven cells that hold 4 inmates each. Minors kept separately from adults and are provided snacks. Minors sent to Los Padrinos if not released to parents or guardians. Gang members kept in separate cells for safety of other arrestees.	
Long Beach Courthouse Jail 415 W. Ocean Blvd. Long Beach, CA 90802 562-590-3622	See Adult Facilities section of this report.	
Lost Hills (Malibu Station) 27050 Agoura Rd. Agoura Rd., CA 91301 818-878-1808	An excellent station with very clean cells. Staff well trained and proud of the station. All procedures and policies followed.	
Marina Del Rey Station 13851 Fiji Way Marina Del Rey, CA 90292 310-482-6000	NOT VISITED	
Men's Central Jail 441 Bauchet St. Los Angeles, CA 90012 213-974-0103	See Adult Facilities section of this report.	
Mental Health Courthouse Jail 1150 S. San Fernando Rd. Los Angeles, CA 90065 323-226-2944	NOT VISITED	

SHERIFF DEPARTMENT FACILITIES

NAME ADDRESS PHONE NUMBER OF FACILITY	INSPECTION RESULTS	COMMENTS
Metropolitan Traffic Courthouse Jail 1945 S. Hill St. Los Angeles, CA 90007 213-744-4101	NOT VISITED	
Mira Loma Detention 45100 N. 60th St. West Lancaster, CA 93536 661-524-2799	FACILITY CLOSED DUE TO BUDGET CUTS	
Norwalk Courthouse Jail 12720 Norwalk Blvd. Norwalk, CA 90650 562-807-7285	NOT VISITED	
Norwalk Sheriff Station 12335 Civic Center Dr. Norwalk, CA 90650 562-863-8711	Clean station with professional staff. All rules and regulations followed. Food for arrestees obtained from Century Station.	Station personnel requested additional staff.
Palmdale Station 750 E. Avenue "Q" Palmdale, CA 93550 661-272-2400	An excellent and well run station. Clean in all areas. Staff speaks several languages. Minors are kept separately from adults.	
Pasadena Courthouse Jail 300 E. Walnut St. Pasadena, CA 91101 626-356-5689	Capacity is 200 adults and minors. Facility is clean and cells need painting Minors are kept separately from adults.	Station personnel requested additional deputies. Needs painting in cell areas.
Pico Rivera Station 6631 Passons Blvd. Pico Rivera, CA 90660 562-949-2421	NOT VISITED	
Pitchess Detention Center East Facility 29310 The Old Road Castaic, CA 91384 661-295-8812	See Adult Facilities section of this report.	

SHERIFF DEPARTMENT FACILITIES

NAME ADDRESS PHONE NUMBER OF FACILITY	INSPECTION RESULTS	COMMENTS
Pitchess Detention Center North Facility 29320 The Old Road Castaic, CA 91384 661-295-8092	See Adult Facilities section of this report.	
Pitchess Detention Center South Facility 29330 The Old Road Castaic, CA 91384 662-295-8822	See Adult Facilities section of this report.	
Pitchess North County Correctional Facility 29340 The Old Road Castaic, CA 91384 661-295-7969	See Adult Facilities section of this report.	
Pomona Courthouse Jail 400 W. Mission Blvd. Pomona, CA 91766 909-802-9944	NOT VISITED	
San Dimas Station 270 S. Walnut Ave. San Dimas, CA 921773 909-450-2700	Station impressive in overall appearance. All policies and procedures followed by professional staff. Meals provided to arrestees. Minors kept separately from adults. Cameras and alarms in need of repair. Upper bunks are too high.	Station personnel requests additional staff. Repair cameras and alarms. Remove upper bunks as they present a suicide risk.
San Fernando Court-North Valley District 900 Third St. San Fernando, CA 91340 818-898-2403	NOT VISITED	
Santa Clarita Courthouse Jail 23747 W. Valencia Blvd. Valencia, CA 91355 661-255-7439	NOT VISITED	

SHERIFF DEPARTMENT FACILITIES

NAME ADDRESS PHONE NUMBER OF FACILITY	INSPECTION RESULTS	COMMENTS
Santa Clarita Valley Station 23740 W. Magic Mountain Parkway Valencia, CA 91355 661-255-1121	NOT VISITED	
South Los Angeles Sheriff Station 13210 W. Imperial Highway Los Angeles, CA 90012 323-820-6700	Excellent facility. Minor and adult arrestees kept separately. Voice activated speakers in cells. Station kitchen provides food for arrestees. Trustees maintain facility.	Staff personnel requested additional storage area for supplies.
Temple City Station 8838 Las Tunas Dr. Temple City, CA 91780 626-285-7171	Clean station and cells. Professional staff. Rules for minors followed. Three meals a day provided for arrestees. Trustees help maintain facility.	
Torrance Courthouse Jail 825 Maple Ave. Torrance, CA 90503 310-222-1785	NOT VISITED	
Twin Towers Correctional Facility (Twin Towers) 450 Bauchet St. Los Angeles, CA 90012 213-893-5050	See Adult Facilities section of this report.	

SHERIFF DEPARTMENT FACILITIES

NAME ADDRESS PHONE NUMBER OF FACILITY	INSPECTION RESULTS	COMMENTS
Van Nuys (West) Court (Northwest District) 14400 Erwin Street Mall Van Nuys, CA 91401 818-374-2511	Large holding area. Snacks for minors provided by vendor. Jurisdiction issue: Sheriff controls court rooms & LAPD controls hallways and other public areas in the courthouse. Sheriff can't use LAPD station next door. Must drive arrestees to Lost Hills station one hour away.	Sheriff Dept. and LAPD must compromise on the use of this facility to eliminate unnecessary expense and time in transporting arrestees.
Walnut/Diamond Bar Station 21695 E. Valley Blvd. Walnut, CA 91790 909-595-2264	Very clean, well run facility. Minors kept separately . All policies and procedures followed by staff.	
West Covina Courthouse Jail 1427 West Covina Parkway West Covina, CA 91790 626-813-3242	NOT VISITED	
West Hollywood Station 780 N. San Vicente Blvd. West Hollywood, CA 90089 310-855-8850	Clean, well managed station run by professional staff. All policies and procedures followed.	
Whittier Courthouse Jail 7339 S. Painter Ave. Whittier, CA 90602 562-567-9200	COURT CLOSED JULY 2013	

DETENTION COMMITTEE

JUVENILE FACILITIES

JUVENILE HALLS

TOPIC OF INVESTIGATION

The 2013-2014 Los Angeles County Civil Grand Jury (CGJ) has the responsibility, pursuant to Penal Code Section 919(b) and California Code of Regulations Title 15, Section 1100, et. seq., to inspect juvenile halls and camps which are operated by the Probation Department within Los Angeles County.

BACKGROUND

The Probation Department operates three juvenile halls: Barry J. Nidorf, Los Padrinos and Central (Eastlake). Each juvenile hall houses minors who are awaiting adjudication of their court cases or assignment to a camp or other facility. The length of time spent in a juvenile hall ranges from one day to several months. Time spent in the hall depends on the number of court appearances, final disposition of the case and availability of a camp or other facility for placement.

Upon intake at a juvenile hall, an assessment is made to determine the physical and mental condition of the minors. Any necessary medical treatment is provided. The Intake and Detention Control Office evaluates the minors and their criminal charges in order to recommend to the court either to release them to their parents or guardians, or further detention.

The Detention Committee inspected each juvenile hall for the following:

1. Adequate condition of lock-up cells
2. Dormitory accommodation and conditions
3. Adequacy of food preparation and service
4. Suitable medical and mental health services
5. Appropriate educational programs
6. Appropriate physical exercise programs
7. Availability of religious counseling and services
8. Fairness of discipline procedures
9. Family visitation procedures
10. Attorney consultation procedures

11. Availability and location of safety equipment
12. Sanitation, fire and evacuation plans
13. Adequate staffing ratios
14. Continuous training of staff

**BARRY J. NIDORF JUVENILE HALL
16350 Filbert St.
Sylmar, CA 91342**

BACKGROUND

Barry J. Nidorf is a juvenile detention facility located in Sylmar, with a rated population capacity of 590. There were 320 juveniles in residence on the date the Detention Team visited and inspected this facility.

This facility holds minors who are classified as high-risk offenders who have special needs and those with alternate sexual orientation. Additionally, minors who are tried and convicted as adults because of the severity of their crimes are housed here.

FINDINGS

We observed amicable dialogue and cordial social interactions between Barry J. Nidorf staff members and resident minors in housing areas and school classrooms. The hall has a Behavior Management Program which rewards minors for positive behavior and activity. The staff is pleased with the participation level and the positive feedback from minors engaged in the program. There are numerous activities, essay writing contests and competitions with rewards to recognize individual achievements. The Assistant Superintendent is proud of the reduction in confrontations since the implementation of the Behavior Management Program.

See the investigative report on maintenance issues and living conditions at juvenile halls.

COMMENDATION

The CGJ wants to commend the staff on their excellent methods for rehabilitation at this facility.

**LOS PADRINOS JUVENILE HALL
7285 Quill Dr.
Downey, CA 90242**

BACKGROUND

Los Padrinos Juvenile Hall is a large facility comprised of 11 buildings and has a rated capacity of 592 minors. It currently houses 474 minors.

The ratio of staff to minors is approximately 1 to 9. A registered nurse is available 24 hours a day, and a doctor is on the premises 8 hours a day. If a doctor is not on duty, and the medical necessity requires more than nursing services, minors are transported to LAC+USC Medical Center.

FINDINGS

The facility was found to be in ill repair. There were missing tiles in the ceilings and floors, mold in the showers, no hot water and no toilets or sinks in the Special Housing Unit (SHU). Minors in the SHU must knock on the cell door to receive the staff's attention in order to use the restroom. If the staff doesn't respond timely, the minors may have no choice but to relieve themselves in their cells.

The poor physical condition of Los Padrinos Juvenile Hall prompted the CGJ to take immediate action. As a result of the CGJ's actions to address the deplorable conditions, funding was made available and improvements have been made.

A CGJ Investigative Committee was formed to address the maintenance and conditions of the juvenile halls.

See the investigative report on maintenance issues and living conditions at juvenile halls.

RECOMMENDATIONS

15.8 Ongoing maintenance needs to continue.

15.9 Officers in the SHU must follow the regulation to patrol every 15 minutes.

**CENTRAL JUVENILE HALL (EASTLAKE)
1605 Eastlake Ave.
Los Angeles, CA 90033**

BACKGROUND

Eastlake Juvenile Hall is an older facility with a capacity of 622 minors, both male and female. The minors are housed in barracks and dorms. There are cells in the SHU for those minors who have not followed facility rules.

FINDINGS

The entire CGJ visited Eastlake Juvenile Hall and found it to be old and in poor condition. Tiles were loose or missing from the ceilings and there was mold in the showers. The barracks where the minors sleep had peeling paint. In addition, the top bunks were a safety hazard and can enable a suicide attempt.

Some of the interview rooms had no windows, or the windows were covered, making observation of the minors impossible. Additionally, the SHU cells were dingy.

Food safety was a concern because the CGJ observed some prepared food was left unrefrigerated.

Some of the staff appeared overly stern and unprofessional in their interactions with the minors. This harsh treatment may hinder efforts at rehabilitation, especially if this is the minor's first experience in incarceration.

RECOMMENDATIONS

- 15.10 The Los Angeles County Board of Supervisors must continue to provide the necessary funds to insure that Eastlake is upgraded or replaced.
- 15.11 The staff at Eastlake must be held accountable for their treatment of the minors, and must be trained to treat all the minors with courtesy and respect.

See the investigative report on maintenance issues and living conditions at juvenile halls.

JUVENILE CAMPS

There are nine camps for juveniles spread throughout Los Angeles County. Probation camps offer recreational and educational opportunities not available in urban settings.

CHALLENGER MEMORIAL YOUTH CENTER (CHALLENGER)

**Contains Camps: Jarvis, McNair, Onizuka, Resnick,
Scobee and Smith
5300 W. Avenue I
Lancaster, CA 93536**

BACKGROUND

The Challenger Memorial Youth Center (Challenger), located in the high desert near Lancaster, is the county's largest juvenile camp. It is under the Probation Department's jurisdiction. Challenger consists of six camps, each named after an astronaut who died in the Challenger Space Shuttle disaster (Francis R. Scobee, Michael J. Smith, Ronald McNair, Ellison Onizuka, Judith Resnick, and Greg Jarvis). Five camps are currently open; Camp Resnick is now closed. The main school at Challenger is named for the school teacher Christa McAuliffe, who was the seventh person to perish in the 1986 space shuttle Challenger disaster.

The CGJ visited the following camps: Jarvis, McNair, Scobee, Smith, and Onizuka.

FINDINGS

The Challenger camps are under a federal mandate resulting from a lawsuit settled in 2010. This lawsuit mandated that the Probation Department provide the minors with appropriate education and support.

Education for the minors at Challenger is now provided by teachers from the Los Angeles County Office of Education. After each minor's skills are assessed, remedial instruction is available as needed. The minors often had poor school attendance before coming to the camp. The Probation Department is providing a program which enables them

to recover missing credits needed to gain a high school diploma or GED.

Additionally, vocational training is offered to the minors in culinary arts, woodworking, construction, plumbing, and landscaping.

RECOMMENDATION

15.12 The Probation Department needs to continue and expand rehabilitation programs at the Challenger camps.

AFFLERBAUGH CAMP (CAMP AFFLERBAUGH) 6631 N. Stephen Ranch Rd. La Verne, CA 91750

BACKGROUND

At the time of the inspection, Camp Afflerbaugh had 77 minors and could accept up to 94. This camp is located adjacent to Camp Paige.

Higher risk youth are assigned to Camp Afflerbaugh and the camp offers, in addition to normal school curriculum, an opportunity to learn different skills. One popular class is instruction in building remote controlled cars.

COMMENDATION

The Acting Supervisor of Camp Afflerbaugh has been described by the Detention Team as an amazing role model for the minors. He demonstrated an excellent rapport with the minors under his supervision and they responded positively.

PAIGE FIRE CAMP (CAMP PAIGE)
6631 North Stephens Ranch Road
La Verne, CA 91750

BACKGROUND

This fire camp is located in the foothills of the San Gabriel Mountains. The minors assigned to Camp Paige must be physically fit to do forestry work. The camp had 78 minors residing in the camp at the time of inspection, with a rated capacity of 85. Minors assigned to Camp Paige are considered very low flight risks.

FINDING

This is a very efficiently run camp. The interactions between the Acting Supervisor and the youth in the camp were friendly and caring.

RECOMMENDATION

15.13 The environment at Camp Paige should be replicated at other camps. The education programs are excellent, and the camp personnel provide support for rehabilitation of the minors.

COMMENDATION

The Detention Team found the Acting Supervisor to be a great role model for the minors.

CAMP GLENN ROCKEY (CAMP ROCKEY)
1900 N. Sycamore Canyon Rd.
San Dimas, CA 91773

BACKGROUND

Camp Rockey is located in the foothills of the San Gabriel Mountains. It is an older facility, constructed in 1931 when the area was rural. It now has housing developments adjacent to its property. It housed 51 minors on the date of inspection.

FINDINGS

Camp Rockey has three mental health technicians and a registered nurse available for the minors. Elementary through high school is provided by teachers from the Los Angeles County Office of Education.

The staff requested more personnel to best serve the minors.

The Detention Team saw some graffiti on the buildings.

RECOMMENDATIONS

15.14 Provide additional staff to the camp.

15.15 The graffiti needs to be removed from the buildings.

COMMENDATION

The Detention Team stated the Acting Supervisor of the facility is an excellent role model for the minors in his charge.

**CAMP KILPATRICK
433 S. Encinal Canyon Rd.
Malibu, CA 90265**

BACKGROUND

Camp Kilpatrick is located in the rural area of the Santa Monica Mountains and is adjacent to Camp Miller. The camp houses 79 minors, ages 16 to 18.

FINDINGS

This camp emphasizes sports activities. There are organized teams including football, basketball, and soccer. The teams compete with community high schools on a regular basis. Transportation is provided from the camp, as all competitive games with the community high schools are off-site.

Camp Kilpatrick appears to be a beneficial environment for rehabilitation of minors.

The ratio of staff to minors is 1 to 10. The staff recruits players from other juvenile halls and camps in the belief that the minors will benefit from the sporting activities promoted at Camp Kilpatrick.

The staff informed the Detention Team that there are plans to close this camp. The camp was closed in March 2014.

RECOMMENDATION

15.16 Move the sports activities to another camp.

COMMENDATION

The facility is well organized and the staff is to be commended for promoting the Probation Department's mission to rehabilitate the youth in its charge.

CAMP MILLER
433 S. Encinal Canyon Rd.
Malibu, CA 90265

BACKGROUND

On October 18, 2013, the camp housed 74 minors with a rated capacity of 80. There are 18 staff members, including a registered nurse available to the minors during the day, and a night staff of eight. The camp is adjacent to Camp Kilpatrick.

FINDINGS

This camp is well maintained and houses minors ages, 14 and 15. They attend classes in English, Science, and Math. There is some vocational training in woodworking provided by the staff. Special Education classes are available as needed. General education classes allow the minors to work toward a GED. Tutoring is offered to individual students. The minors appeared relaxed and friendly.

RECOMMENDATION

- 15.17 Continue with the great programs taught by the personnel at Camp Miller.

**MENDENHALL JUVENILE CAMP
42230 Lake Hughes Road
Lake Hughes, CA 93532**

This camp has a rated capacity of 115 low risk youth. The camp is located in the Northern County area of Los Angeles and has an open high desert environment. The area is subject to brush fires.

FINDINGS

On May 31, 2013, the Castaic brush fire occurred in the Lake Hughes area near Mendenhall Juvenile Camp where, according to news reports, several homes were lost to the fire. The youth in the camp were safely evacuated long before the fire reached the camp facility. All of the structures were saved by the Los Angeles County Fire Department and other responding fire agencies. Some of the camp buildings were scorched.

The play and basketball court areas were in need of resurfacing.

RECOMMENDATIONS

- 15.18 Repair and repaint the portion of the buildings scorched by the fire.
- 15.19 Resurface the play areas of the camp.

COMMENDATION

The CGJ commends the Mendenhall Camp's staff for their efficient and orderly evacuation of the minors and staff during the fire.

**MUNZ JUVENILE CAMP
42220 N. Lake Hughes Rd.
Lake Hughes, CA 93532**

BACKGROUND

This facility has a rated capacity of 85 low risk minors. The minors from Mendenhall Camp attend Los Angeles County Office of Education classes at Munz Juvenile Camp. This camp provides drug counseling and anger management classes.

FINDINGS

The Munz buildings were also scorched during the Castaic fire. The play and basketball courts need resurfacing.

RECOMMENDATION

15.20 Repair and repaint the scorched area of the camp.

15.21 Resurface the play areas.

COMMENDATION

The CGJ commends the staff of the Munz Camp for the efficient and orderly evacuation of the minors and staff during the Castaic Fire.

**SCOTT GIRLS CAMP
28700 N. Bouquet Canyon Rd.
Santa Clarita, CA 91350**

BACKGROUND

This facility has a rated capacity of 60 high risk female minors. The minors are separated according to special needs, mental disabilities, alternate sexual lifestyle, and other needs. The Department of Mental Health staff ensures proper assessment of each minor's needs.

FINDING

While inspecting this high risk camp, Univision, a television network, was filming a documentary on a Los Angeles County Office of Education school program called "Road to Success".

COMMENDATION

This camp is very clean and efficiently operated by an experienced professional staff. The education curriculum and rehabilitation program for the minors is excellent.

**SCUDDER GIRLS CAMP
28750 N. Bouquet Canyon Rd.
Santa Clarita, CA 91350**

BACKGROUND

This camp has a rated capacity of 65 low risk female minors. It is adjacent to Scott Girls Camp; each camp is operated separately. Those minors, who become high risk, are transferred to Scott Girls Camp.

FINDING

At the time of inspection of this low risk camp, Univision was also filming "Road to Success".

COMMENDATION

This camp is very clean and efficiently operated by an experienced professional staff. The education curriculum and rehabilitation program is excellent.

OVERALL FINDINGS AND RECOMMENTATIONS PROBATION CAMPS AND HALLS

FINDINGS

The probation camps are efficiently operated by professional staff whose primary interest is rehabilitation. During our visit, the interaction between minors and staff was exemplary.

Some camps are located a distance away from major urban environments. This rural setting appears to contribute to the wellbeing of the minors in the camps. Minors spoke freely to the Detention Team about the opportunities afforded them. They appeared to be comfortable in their classrooms, dormitories, and large outdoor recreation areas.

The CGJ found that the SHU cells housing minors for punishment are oppressive and severe. Some minors boast about their detention time in the SHU since it is a term used in adult prisons.

RECOMMENDATIONS

15.22 Probation Department to request funding from the Los Angeles County Board of Supervisors for the building of smaller juvenile halls focusing on rehabilitation rather than incarceration and punitive solutions.

15.23 Probation Department to hire professional staff with bachelors or advanced degrees in disciplines conducive to the rehabilitation of youth.

15.24 Probation Department to conduct a review of the procedures for punishment in the SHU to insure fair, consistent, and uniform treatment of all minors in the facility.

15.25 The CGJ recommends that the Probation Department consider changing the name of the SHU detention cells since it is a term used in adult prisons. A change of name may prevent minors from boasting of their detention time in the SHU.

SUMMARY OF LA COUNTY JUVENILE
CAMPS AND HALLS INSPECTED

**PROBATION DEPARTMENT JUVENILE
CAMPS AND HALLS**

Name Address Phone # of Facility	INVESTIGATION RESULTS	COMMENTS
COURTHOUSES		
Alfred McCourtney Juvenile Justice Center 1040 W. Avenue J Lancaster, CA 93534 661-949-6503	This is a Juvenile Justice Center. Minors are ordered to a camp or released to their parents or guardians. No minors are held overnight.	
LA-Kenyon-Juvenile Justice Center 7625 S. Central Ave. Los Angeles, CA 90001 323-586-6103	CLOSED MAY 2013	
HALLS/CENTERS		
Barry J. Nidorf Hall (Sylmar Juvenile) 16350 Filbert St. Sylmar, CA 91342 818-364-2011	See the investigative report on maintenance issues and living conditions at juvenile halls.	
Central (Eastlake) Juvenile Hall 1605 Eastlake Ave. Los Angeles, CA 90033 323-226-8611	See the investigative report on maintenance issues and living conditions at juvenile halls.	
Los Padrinos Juvenile Hall 7285 Quill Dr. Downey, CA 90242 562-940-8631	See the investigative report on maintenance issues and living conditions at juvenile halls.	

**PROBATION DEPARTMENT JUVENILE
CAMPS AND HALLS**

Name Address Phone # of Facility	INVESTIGATION RESULTS	COMMENTS
CAMPS		
Afflerbaugh 6631 N. Stephens Ranch Rd. La Verne, CA 91750 909-593-4937	Physically, this camp is a mirror image of Camp Paige. It is not a fire camp. It has the Special Housing Unit (SHU) for both camps. The Acting Supervisor is a role model to the minors. There are basketball tournaments for the minors.	Camp personnel requested an additional washing machine.
Challenger-Jarvis 5300 W. Avenue "I" Lancaster, CA 93536 661-940-4144	This camp houses 209 minors and offers classes in the culinary arts, landscaping, and silk screening. In addition, the minors attend Building Skill classes for behavioral management.	Camp personnel requested replacement of video camera located in the dorm. They also need sports uniforms, exercise mats, art and craft supplies, games, puzzles, and writing journals.
Challenger- McNair 5300 W. Avenue "I" Lancaster, CA 93536 661-940-4146	This camp houses 45 minors, offers daily physical education, and provides religious services.	
Challenger-Onizuka 5300 W. Avenue "I" Lancaster, CA 93536 661-940-4144	There are 61 minors in this camp, 68% of whom are on psychotropic medications. Students attend classes 8 hours a day. Vocational training is offered to the minors. Well run camp.	

**PROBATION DEPARTMENT JUVENILE
CAMPS AND HALLS**

Name Address Phone # of Facility	INVESTIGATION RESULTS	COMMENTS
Challenger-Resnick 5300 W. Avenue "I" Lancaster, CA 93536 661-940-4144	CLOSED	
Challenger-Scobee 5300 W. Avenue "I" Lancaster, CA 93536	NOT PRESENTLY USED	
Challenger-Smith 5300 W. Avenue "I" Lancaster, CA 93536	NOT PRESENTLY USED	
Gonzales 1301 N. Las Virgenes Rd. Calabasas, CA 91302 818-222-1192	CLOSED	
Holton 12653 N. Little Tujunga Canyon Rd. San Fernando, CA 91352 818-896-0571	CLOSED	
Kilpatrick 427 S. Encinal Canyon Rd. Malibu, CA 90265 818-889-1353	This is a medium risk camp. It houses 79 minors ages, 16-18. It is adjacent to Camp Miller. Most minors participate in soccer and football programs. Their football teams play community high school teams. The buildings are shabby and neglected. The camp was closed in March 2014.	Continue the sports programs at another camp.

**PROBATION DEPARTMENT JUVENILE
CAMPS AND HALLS**

Name Address Phone # of Facility	INVESTIGATION RESULTS	COMMENTS
Mendenhall 42230 Lake Hughes Rd. Lake Hughes, CA 93532 661-724-1213	This facility houses 115 low risk minors. Catered food supplied. Camp run entirely by probation officers who have college degrees.	Camp personnel requests additional staff.
Miller 433 S. Encinal Canyon Rd. Malibu, CA 90265 818-889-0260	This camp houses 74 low risk minors. It is very clean and has new boilers for hot water. All minors are housed in one dorm.	Camp personnel requests additional staff.
Munz 42220 N. Lake Hughes Rd. Lake Hughes, CA 93532 661-724-1211	This camp houses 74 low risk minors, with a capacity for 85. The camp provides drug rehab and anger management classes.	
Paige (Fire Camp) 6601 N. Stephen Ranch Rd. La Verne, CA 91750 909-593-4921	This is a fire camp and the minors must be low risk and physically fit to do forestry work. The Acting Supervisor is a role model for the minors.	
Rockey (Glenn) 1900 N. Sycamore Canyon Rd. San Dimas, CA 91773 909-599-2391	This camp has over 50 minors, ages 13 to 18. The SHU for Paige, Afflerbaugh, and Rockey Glenn is at this camp. The Acting Supervisor is a role model for the minors.	Camp personnel requests additional staff. Graffiti on the wall needs to be removed.

**PROBATION DEPARTMENT JUVENILE
CAMPS AND HALLS**

Name Address Phone # of Facility	INVESTIGATION RESULTS	COMMENTS
Routh (Fire Camp) 12500 Big Tujunga Canyon Rd. Tujunga, CA 91042 818-352-4407	CLOSED	
Scott (Girls Camp) 28700 N. Bouquet Canyon Rd. Santa Clarita, CA 91350 661-296-8500	This camp has a rated capacity of 60 high risk minors. They are housed according to needs, mental disabilities, sexual lifestyle, and other issues. A nurse, doctor, and mental health specialists are on staff. Discipline issues are handled by a program called "Talking It Out". School curriculum was nominated for an award and includes culinary arts and film school programs.	
Scudder (Girls Camp) 28750 N. Bouquet Canyon Rd. Santa Clarita, CA 91350 661-296-8811	Although operated independently, this camp is next door to Scott Girls Camp. Minors are considered low risk. A nurse, doctor, and a mental health specialist are available. Culinary arts and college classes are offered. An Individual Education Plan is developed for each student.	

REQUEST FOR RESPONSE

Recommendation Number	Responding Agencies
15.7 (Letter dated 12/18/13) 15.8 through 15.25	Los Angeles County Probation Department
15.2	Los Angeles County Board of Supervisors
15.1, 15.3 through 15.6	Los Angeles County Sheriff's Department

ACRONYMS

CGJ	2013-2014 Los Angeles County Civil Grand Jury
AB109	Assembly Bill 109
NCCF	North County Correctional Facility
EBI	Education Based Incarceration
M.E.R.I.T.	Maximizing Educational Reaching Individual Transformation
GED	Graduate Equivalency Degree
SHU	Special Housing Unit

COMMITTEE MEMBERS

S. Robert Ambrose	Chairperson
Valencia R. Shelton	Co-Chairperson
Sylvia F. Brown	Co-Chairperson
Linda G. Loding	Secretary
John A. Anthony, Jr.	
Henry Buffett	
James Carter	
Carolyn Cobb	
Thomas C. Davis	
Joyce E. Harper	
Robert J. Taub	
LeRoy R. Titus	
Oscar Warren	

INTERNAL COMMITTEE REPORTS



AUDIT COMMITTEE



Nancy M. Coleman	Chairperson
Stephanie A. Alexander	
Robert J. Taub	
James P. Thomas	
Alicia F. Thompson	
Jeffery N. Wallace	

AUDIT COMMITTEE

INTRODUCTION

Under California Penal Code Sections 925, 925(a), and 926(a) through (d), the Civil Grand Jury is empowered to investigate the fiscal and performance activities of the county, cities, and special districts of the County of Los Angeles. The Civil Grand Jury has the authority to engage outside consultants and audit firms to assist in the investigations. For this purpose, the Civil Grand Jury may retain an outside firm which is able to respond quickly and efficiently to its needs.

BACKGROUND

The Audit Committee of the 2013-2014 Los Angeles County Civil Grand Jury (CGJ) was responsible for developing and monitoring contracts to be entered into for outside assistance to the CGJ. A list of consultants which have been approved for use by the CGJ was obtained from the Los Angeles County Auditor-Controller's Office. The list contained reviews of past audit studies from contract consultants. The files were reviewed by the CGJ in order to develop a selection of qualified firms to interview.

The Audit Committee was also responsible for managing and controlling audits. These duties included preparation of the contract in cooperation with the Legal Advisor of Los Angeles County Counsel (County Counsel), monitoring audit progress and approval of billings.

The selection of qualified firms for contract consideration was made, interviews were held and examples of goals and objectives for inclusion in the proposal were reviewed. Final sign-off on the audit contracts was obtained by the CGJ, County Counsel and the Supervising Judge of the Los Angeles County Superior Court.

AUDIT COMMITTEE

The CGJ awarded four audit contracts for investigations. The results of these investigations are included in the 2013-2014 Civil Grand Jury Final Report.

ACRONYMS

CGJ 2013-2014 Los Angeles County Civil Grand Jury

COMMITTEE MEMBERS

Nancy M. Coleman	Chairperson
Stephanie A. Alexander	
Robert J. Taub	
James P. Thomas	
Alicia F. Thompson	
Jeffery N. Wallace	

EDIT COMMITTEE



Char H. McCarthy
James P. Thomas
Stephanie A. Alexander
Thomas C. Davis
Linda G. Loding

Chairperson
Co-Chairperson

EDIT COMMITTEE

INTRODUCTION

California Penal Code Section 933(a) requires that the Civil Grand Jury prepare a Final Report for presentation to the Supervising Judge of the Los Angeles County Superior Court. Prior to publication, all reports are submitted for editing and must be approved by a vote of the Civil Grand Jury. Each report is then submitted to the Civil Grand Jury Foreperson, Legal Advisor to the Los Angeles County Civil Grand Jury and the Supervising Judge. The 2013-2014 Civil Grand Jury Final Report (Final Report) summarizes the results of the activities, inquiries, audits, and investigations conducted by the current Civil Grand Jury.

BACKGROUND

Each committee of the 2013-2014 Los Angeles County Civil Grand Jury (CGJ) was charged with submitting a report to the Edit Committee for review, prior to being voted upon by the CGJ and included in the Final Report.

Investigations were completed and reports were written by the respective committees. Each report was submitted for editing and preparation for publication. The Edit Committee's responsibility was to suggest changes to make the Final Report clear, comprehensive and concise. To this end, the Edit Committee was charged with standardizing the format and layout of the Final Report.

A file was created for each Investigative, Special, and Standing Committee containing the format and headings for each report. If an Investigative Committee utilized the services of an outside auditor for investigations, the format was also provided to the auditor. As a result, the margins, font, and headings for each document were consistent, and did not require re-formatting prior to publication.

EDIT COMMITTEE

The Edit Committee worked closely with committee chairpersons and the Publication Committee to ensure that writing and submission timelines were met.

ACRONYMS

CGJ 2013-2014 Los Angeles County Civil Grand Jury

COMMITTEE MEMBERS

Char H. McCarthy	Chairperson
James P. Thomas	Co-Chairperson
Stephanie A. Alexander	
Thomas C. Davis	
Linda G. Loding	

IT COMMITTEE



Alicia F. Thompson Chairperson
James Carter
Robert J. Taub
LeRoy Titus
Oscar Warren

IT COMMITTEE

INTRODUCTION

The importance of the Information Technology (IT) Committee will continue to grow with the expansion of reliance on computers and internet usage for conducting research. The primary function of the IT Committee is to provide computer support for the 2013-2014 Los Angeles County Civil Grand Jury (CGJ). This responsibility includes assisting with the maintenance of the database and the integrity of files that are created and accessed by the members.

BACKGROUND

A standardized process was developed and shared with the CGJ. An electronic folder was provided for all CGJ members in the Shared Documents Drive as a storage place for documents that they created. Folders for the Standing and Investigative Committees for storage and retrieval of their documents were created. This process minimized "lost" documents and eliminated documents from being placed on the Desktop. The Shared Documents Drive was backed-up at regular intervals to ensure that the work of the CGJ was protected.

A disproportionate number of CGJ members were proficient in several computer functions. The IT Committee developed a "self-assessment" tool to evaluate the level of computer proficiency of the CGJ members. This was useful in identifying their training needs. The results from the assessment led to providing a list of instructions.

1. Utilizing the Shared Documents Drive
2. Creating and using folders
3. Creating documents within the respective committee folders
4. Using an existing template
5. Formatting documents

ACRONYMS

IT	Information Technology
CGJ	2013–2014 Los Angeles County Civil Grand Jury

COMMITTEE MEMBERS

Alicia F. Thompson	Chairperson
James Carter	
Robert J. Taub	
LeRoy R. Titus	
Oscar Warren	

PUBLICATION COMMITTEE



Carolyn Cobb

Sylvia F. Brown

Stephanie A. Alexander

Henry Buffett

Char H. McCarthy

Alicia F. Thompson

Chairperson

Co-Chairperson

PUBLICATION COMMITTEE

INTRODUCTION

The Civil Grand Jury is mandated to publish a final report at the end of its term of office. Investigative, Special and Standing Committee Reports may include investigative findings, background data, conclusions, commendations and recommendations. Each committee's submission must be approved by the Civil Grand Jury.

BACKGROUND

The 2013-2014 Los Angeles County Civil Grand Jury Final Report (Final Report) was released at the conclusion of its term. Copies were delivered to county officials and agencies, municipal officials, and interested parties, as well as any departments which were subject to an investigation.

The 2013-2014 Los Angeles County Civil Grand Jury (CGJ) began its tenure without a publisher under contract. It was necessary to review and approve the list of specifications and requirements for the physical aspects of the Final Report. These include general appearance, style of binding, cover materials, and number of pages. A Request for Proposal was issued, and a publisher was selected.

The Publication and Edit Committees worked together to develop a production schedule with a timeline for review of all documents relating to the Final Report. The timeline also included deadlines for approval by the Legal Advisor to the Los Angeles County Civil Grand Jury and the Supervising Judge of the Los Angeles County Superior Court.

The Publication Committee's responsibilities included:

1. Color of report cover and dividers

2. Determination of format and print font
3. Uniform appearance of submissions
4. Coordination with the publisher

Approximately 750 copies of the Final Report were distributed. The distribution included the County Board of Supervisors, Superior Court Judges, the District Attorney, the Public Defender, Los Angeles City and County Attorneys, Los Angeles City Council, and Probation Department. Other recipients were the Sheriff's Department, police chiefs and mayors for cities throughout Los Angeles County, special districts and public interest groups. The Final Report is published on the internet to provide access to the general public.

ACRONYMS

CGJ 2013-2014 Los Angeles County Civil Grand Jury

COMMITTEE MEMBERS

Carolyn Cobb	Chairperson
Sylvia F. Brown	Co-Chairperson
Stephanie A. Alexander	
Henry Buffett	
Char H. McCarthy	
Alicia F. Thompson	

SOCIAL COMMITTEE



Darrel D. Kelty **Chairperson**
Stephanie A. Alexander
James Carter
Valencia R. Shelton

SOCIAL COMMITTEE

INTRODUCTION

The Social Committee was a standing committee of the 2013-2014 Los Angeles County Civil Grand Jury (CGJ).

BACKGROUND

When the CGJ convened in July of 2013, five members joined the Social Committee. The committee collected funds to provide for coffee, tea, bottled water and other supplies. As the result of a poll which was conducted, a birthday celebration was held each month. Additionally, in December, a holiday lunch was enjoyed at an historic restaurant. In June, a farewell lunch was held as the last social event of the year.

ACRONYMS

CGJ 2013–2014 Los Angeles County Civil Grand Jury

COMMITTEE MEMBERS

Darrel D. Kelty	Chairperson
Stephanie A. Alexander	
James Carter	
Valencia R. Shelton	

SPEAKERS AND TOURS COMMITTEE



**LeRoy R. Titus
Valencia R. Shelton
Melode A. Yorimitsu
Sylvia F. Brown
Henry Buffett
Carolyn Cobb
Robert J. Taub**

**Chairperson
Co-Chairperson
Secretary**

SPEAKERS AND TOURS COMMITTEE

INTRODUCTION

The Speakers and Tours Committee of the 2013-2014 Los Angeles County Civil Grand Jury (CGJ) was responsible for inviting prominent public officials to meet with the CGJ to address challenging issues in Los Angeles County. The committee also arranged for tours of local government facilities in order to assess operations, physical structure, staffing, and budgetary issues.

BACKGROUND

The exposure to speakers and tours of adult jails, juvenile facilities, and other government agencies provided the CGJ with information to determine areas of investigation.

Following is a list of 2013-2014 Speakers and Tours.

CGJ SPEAKERS AND TOURS

DATE	SPEAKER OR TOUR	TITLE/AGENCY
7/18/2013	Craig Hathaway	Deputy/LASD
7/24/2013	Robert Campbell & Robert Smythe	County Auditors
7/30/2013	Pitchess Detention Center	LASD
7/31/2013	Bill Fujioka	CEO/L.A. County
7/31/2013	Leroy Baca	Sheriff/LASD
8/5/2013	Gordon Trask	Counsel/L.A. County
8/6/2013	Twin Towers	LASD
8/12/2013	Beverly Hills Jail	City of Beverly Hills

SPEAKERS AND TOURS COMMITTEE

8/22/2013	Phillip Browning	Director/DCFS
8/27/2013	Century Regional Detention Facility	LASD
9/3/2013	Men's Central Jail	LASD
9/4/2013	Dr. John Deasey	Superintendent/LAUSD
9/11/2013	Cynthia Banks	Ombudsman
9/17/2013	County Sheriff's Academy	LASD
9/19/2013	Steven Zipperman	Chief/LASPD
9/24/2013	County/USC Medical Center	County Hospital
9/26/2013	Jackie Lacey	District Attorney
10/3/2013	Marvin Southard	Director/DMH
10/8/2013	Central Juvenile Hall	Probation Department
10/9/2013	Eric Parra	Chief/LASD Custody Division
10/15/2013	Los Padrinos Juvenile Hall	Probation Department
10/17/2013	Don Knabe	Supervisor/L.A. County BOS
10/22/2013	Stephanie Maxberry	Ombudsman
10/24/2013	Toni Gardner	Field Representative BSCC
10/29/2013	Hertzberg/Davis Forensic Center	LAPD and LASD
10/30/2013	Jonathan Fielding	Director/DPH
10/30/2013	Michael Feuer	Los Angeles City Attorney
10/31/2013	Michael Antonovich	Supervisor/L.A. County BOS
11/5/2013	Coroner	L. A. County
11/6/2013	Challenger Memorial Camp	Probation Department
11/19/2013	Board of Supervisors	L. A. County
11/20/2013	Jerry Powers	Chief/Probation Department
11/21/2013	Dr. Steven Golightly	Director/DCSS
11/25/2013	Charlie Beck	Chief/LAPD
12/11/2013	Dr. Mitchell Katz	Director/DHS
12/12/2013	Ron Nichols	Director/DWP
1/7/2014	Homeboy Industries	Father Greg Boyle
3/18/2014	John Scott	Interim Sheriff/LASD

COMMENDATIONS

The committee commends the speakers for providing information and additional supporting documentation upon the CGJ's request.

The CGJ also commends the tour facilitators for their courtesy and responsiveness to our questions and concerns.

ACRONYMS

CGJ	Civil Grand Jury
LASD	Los Angeles Sheriff Department
CEO	Chief Executive Officer
L.A.	Los Angeles
DCFS	Department of Children and Family Services
LAUSD	Los Angeles Unified School District
LASPD	Los Angeles School Police Department
DMH	Department of Mental Health
BOS	Board of Supervisors
BSCC	Board of State and Community Corrections
LAPD	Los Angeles Police Department
DPH	Department of Public Health
DCSS	Department of Child Support Services
DWP	Department of Water and Power
DHS	Department of Health Services

COMMITTEE MEMBERS

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Henry Buffett	
Carolyn Cobb	
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GLOSSARY OF TERMS



GLOSSARY

AA	Alcoholics Anonymous
AB109	Assembly Bill 109
ACA	Affordable Care Act
ACE	Architecture, Construction, and Engineering
APS	Adult Probation System
ARRA	American Recovery and Reinvestment Act
ASFA	Adoption and Safe Families Act
BOE	Board of Equalization
BOS	Los Angeles County Board of Supervisors
BSCC	Board of State and Community Services
BSFF	Best Start Families Framework
BTG	Bridging the Gap
CAA	California Assessors' Association
CBT	Cognitive Behavioral Therapy
CCJCC	Countywide Criminal Justice Coordination Committee
CDCR	California Department of Corrections and Rehabilitation
CEO	Chief Executive Officer
CGJ	2013–2014 Los Angeles County Civil Grand Jury
COS	Change in Ownership Statement (COS-R&T Code Section 481)
CRDF	Central Regional Detention Facility
CTE	Career/Technical Education
CWMDM	Countywide Master Data Management System
DCFS	Department of Children and Family Services
DCSS	Department of Child Support Services
DHS	Department of Health Services
DMH	Department of Mental Health
DPH	Department of Public Health
DPO	Deputy Probation Officer
DWP	Department of Water and Power
EBI	Education Based Incarceration
EHR	Electronic Health Records
EMPI	Enterprise Master Person Index
ESC	Education Service Center
Exec9	Executive Directive No. 9
FY	Fiscal Year
GED	Graduate Equivalency Degree
H&I	Hospitals and Institutions
HIE	Health Information Exchange
HIO	Health Information Organization

ISAB	Information Systems Advisory Body
ISIC	Intensive Support and Innovation Center (one of five Educational Support Centers)
IT	Information Technology
JHIS	Jail Health Information System (Sheriff's Department)
L3	Listening, Learning, and Leading
LA	Los Angeles
LACOE	Los Angeles County Office of Education
LACPD	Los Angeles County Probation Department
LANES	Los Angeles Network for Enhanced Services
LAPD	Los Angeles Police Department
LASD	Los Angeles Sheriff Department
LASPD	Los Angeles School Police Department
LAUSD	Los Angeles Unified School District
LBUSD	Long Beach Unified School District
LEOP	Legal Entity Ownership Program
LLC	Limited Liability Corporation
LLP	Limited Liability Partnership
LRM	Litigation Risk Management
M.E.R.I.T	Maximizing Education Reaching Individual Transformation
MPI	Master Person Index
NCCF	North County Correctional Center
ORCHID	Online Real Time Centralized Health
PCOR	Preliminary Change in Ownership Report (COS-R&T Code Section 481)
PCT	Parole Compliance Team
PD	Probation Department
PEMRS	Probation Department's Electronic Medical Record System
PFU	Provisional Financing Uses
PSPs	Post Released Supervised Persons
SHU	Special Housing Unit
STEM	Science, Technology, Engineering, Mathematics
UC/CA STATE	University of California/California State
USDOE	United States Department of Education
UTLA	United Teachers of Los Angeles