TABLE OF CONTENTS

REPORTS

PREVIOUSLY PUBLISHED 2005-2006 REPORTS

STATE OF CALIFORNIA
EL DORADO COUNTY
POST OFFICE BOX 472
PLACERVILLE, CA 95667

GRAND JURY

Telephone (530) 621-7477
e-mail: grand.jury@co.el-dorado.ca.us
FAX: 530-295-0763

June 26, 2006

Honorable Douglas C. Phimister
Presiding Judge
Superior Court, Department 7
2850 Fairlane Court
Placerville, CA 95667

Honorable Judge Phimister,

Enclosed is the 2005-2006 El Dorado County Grand Jury Year End report. The reports which are included do not reflect the total number of complaints or inquiries that we responded to during our term. We logged sixty complaints in our files. Many of these were resolved at the inquiry stage and did not warrant inclusion in the final report.

In addition to the exhaustive research needed to resolve a complaint to mutual satisfaction, we were able to meet with numerous County officials as well as members of Special Districts. Everyone we met with was helpful and willing to assist us in reaching a reasonable conclusion.

The members of the 2005-2006 have had a stimulating year and learned a great deal about how Government works. There were times when the task at hand seemed overwhelming, however, the members of the Grand Jury took each task in stride and produced unbiased, quality work.

We would like to take this opportunity to thank you for your leadership, support, and trust during the past twelve months. The members of the Grand Jury took their responsibility seriously and worked hard to provide a more responsive Government to the citizens of El Dorado County.

It has been my pleasure to serve as Foreman Pro-Tem and in the final months as Foreman.

Respectfully submitted,

Donald R. Brooks
Foreman

The Superior Court

State of California
County of El Dorado
2850 Fairlane Court, Department 7
Placerville, California 95667
(530) 621-7412

Chambers of
Douglas C. Phimister
Judge

June 7, 2006

Dear Grand Jury Members:

As Supervising Judge of the 2005/2006 Grand Jury and on behalf of the El Dorado County Superior Court, I want to express my thanks to all of you for your hard work and dedication to the Grand Jury. Your report, including the Final Report, which I have reviewed and approved, shows the long hours you have put into making this a successful Grand Jury.

One of the primary functions of the Grand Jury is to help our county government and special districts operate more efficiently. In fulfilling this function, you have included suggestions and recommendation for better government in your report. Equally as important, your report also informs your fellow citizens of areas where our county government and special districts are already well organized and efficient.

The Grand Jury functions only through citizens like you who are willing to devote time and energy to this important work. Your hard work has helped fulfill the Grand Jury's goal of better government for all of the citizens of El Dorado County.

I want to personally thank Mr. Douglas Clough and Mr. Donald R. Brooks, the Forepersons of the 2005/2006 Grand Jury. Both Douglas and Donald have done an excellent job in leading and organizing all the members of the Grand Jury. It is a very time-consuming but rewarding position.

Each of you has served El Dorado County and your fellow citizens well, and I congratulate you on your 2005/2006 Grand Jury service.

Very truly yours,

DOUGLAS C. PHIMISTER
Judge of the Superior Court

DCP:hw

GRAND JURY MEMBERS 2005-2006

Doug Clough, Foreman 07/01/05 - 05/11/06
Donald R. Brooks, Foreman 05/12/06 - 06/30/06

Iris K. Capriola
Rita Clayton
Peri Curry
Mary Ann Dante
Fran DelGizzi
Van Dossey
Fredrick (Fritz) Engel
Michael J. Johnson
Floyd Knapp
Lorrainne McLaughlin
Michael Powell
Ivonne Ramos Richardson
Teresa Stapleton
Loren Theodore
Rene (Ray) Van Asten
Harlan J. Yelland

Former Members:

Michael Crowley
Karen Eller
Colleen Young 07/01/05 – 03/31/06

Grand Jury Recording Secretary as of 04/01/06:

Colleen Young

NOTICE TO RESPONDENTS

Penal Code Section 933.05. **Responses to findings**

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

(1) The respondent agrees with the finding.

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

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

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

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

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

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

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

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

(e) During an investigation, the grand jury shall meet with the subject of that investigation regarding the investigation, unless the court, either on its own determination or upon request of the foreperson of the grand jury, determines that such a meeting would be detrimental.

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

COMMENDATION REPORT
INFORMATION AND TECHNOLOGY DEPARTMENT
GJ05-059

The Information Technologies (IT) Department was investigated by the 2003/2004 Grand Jury and also the 2004/2005 Grand Jury. Findings and recommendations were somewhat similar in both reports.

In September, 2005, El Dorado County hired a new IT Director, Ms. Jacqueline Nilius, to lead that department. Her background included both public and private management experience with Orange County and IBM. Shortly after being hired, Ms. Nilius began meeting with the Grand Jury IT Committee to address issues and follow up on recommendations raised in the aforementioned reports.

She put practices in place to correct deficiencies, and made presentations to the Board of Supervisors to apprise them of her business plans. She made structural changes in job responsibilities and reporting relationships, resulting in a more cohesive work environment.

The results of her efforts have created a much more positive work experience for staff, and a direction and focus that was lacking in the past.

Special mention should be made of the department's ongoing cooperative spirit in assisting the Grand Jury Committees in publication challenges and media selection. Each time we experienced a problem, IT quickly responded to our requests.

Therefore, the 2005/2006 Grand Jury would like to commend the IT Department for their attention to detail in addressing problems cited in prior Final Reports.

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REPORTS & RESPONSE REVIEW
GRAND JURY INTERNAL REPORT
GJ05-056

Reason for Report

The 2005-06 Grand Jury created the Reports & Response Review Committee to follow up on past responses from the Board of Supervisors. In some of the past responses, the term, "The recommendation has not yet been implemented, but will be implemented in the future," or, "The recommendation requires further analysis" was used. These responses do not follow the penal code mandated format of responding. The Jury contacted the Office of the Chief Administrator and requested meetings to review past reports to encourage County Departments to place timeframes on responses, as prescribed by the penal code. The following past reports were reviewed:

FY 2003-2004 Report

- Regarding the expansion of the current Animal Control facility in South Lake Tahoe, the report now states that the expansion and correction to any infraction cited by the Grand Jury is anticipated to be completed in the fall of 2007. A total of six recommendations failing to comply with the penal code requirements were cited.
- The General Services Department will evaluate options for window upgrades and a selection will be implemented by fall of 2006.
- The Material Recovery Facility responded to two (2) Findings and Recommendations. These were addressed and have been implemented. No follow-up is necessary at this time.

FY 2004-2005 Report

- South Lake Tahoe Mental Health facility responded to four (4) Findings and Recommend-ations. Roof and gutters, as well as heat and air circulation, have been addressed and implemented. ADA compliant problems of the building will be addressed by moving this department to new facilities. Anticipated move is to be completed by fall of 2008.

Other responses are being studied. The Grand Jury in cooperation with the Chief Administrative Office has initiated a follow-up procedure to track responses that require a timeframe for implementation.

Commendation

The Grand Jury wishes to thank the Board of Supervisors and the CAO for their help in initiating this Reports & Response Review tracking system. Future Grand Juries will continue to track the necessary responses to insure the proper responses as per the penal code.

EL DORADO COUNTY BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL
Meeting of
June 13, 2006

COPY

AGENDA TITLE: Status report on recommendations made by the Grand Jury in its 2003-04 Final, 2004-05 Final, and 2005-06 Mid-Session reports

DEPARTMENT: Chief Administrative Office	**DEPT SIGNOFF:**	**CAO USE ONLY:**
CONTACT: Laura S. Gill		D-12g
DATE: 6/5/06 **PHONE:** 5592		

DEPARTMENT SUMMARY AND REQUESTED BOARD ACTION:

The Chief Administrative Officer recommending the Board of Supervisors receive and file the attached status report on recommendations made by the Grand Jury in its 2003-04 Final, 2004-05 Final, and 2005-06 Mid-Session reports

CAO RECOMMENDATIONS: Recommend receive/file. Laura S. Gill 6/5/06

Financial impact? ( ) Yes (x) No	Funding Source: ( ) Gen Fund ( ) Other
BUDGET SUMMARY:	Other:
Total Est. Cost	**CAO Office Use Only:**
Funding	4/5's Vote Required ( ) Yes ( ) No
Budgeted	Change in Policy ( ) Yes ( ) No
New Funding	New Personnel ( ) Yes ( ) No
Savings	CONCURRENCES:
Other	Risk Management
Total Funding	County Counsel
Change in Net County Cost	Other

***Explain**

BOARD ACTIONS:

Vote: Unanimous _____ **Or**	**I hereby certify that this is a true and correct copy of an action taken and entered into the minutes of the Board of Supervisors**
Ayes:	**Date:** _____
Noes:	**Attest: Cindy Keck, Board of Supervisors Clerk**
Abstentions:	**By:** _____
Absent:	

Rev. 6/04 ISKW001 Agenda

El Dorado County
Chief Administrative Office
Interoffice Memorandum

DATE: June 5, 2006

TO: Board of Supervisors

FROM: Laura S. Gill, Chief Administrative Officer Laura S. Gill

SUBJECT: Status report on recommendations made by the Grand Jury in its 2003-04 Final, 2004-05 Final, and 2005-06 Mid-Session reports

Recommendation:
I recommend that the Board of Supervisors receive and file the attached status report on recommendations made by the Grand Jury in its 2003-04 Final, 2004-05 Final, and 2005-06 Mid-Session reports.

Reason for Recommendation:
On December 13, 2006, I provided the Board of Supervisors with a report on the status of implementation of recommendations made by the Grand Jury in its 2004-05 final report. At that time I informed the Board that I would report quarterly on the status of any pending items relating to published Grand Jury reports, as required by Board of Supervisors Policy A-11- "Responding to Grand Jury Reports".

The enclosed report addresses remaining items from the 2003-04 Final, 2004-05 Final, and 2005-06 Mid-Session reports that were unresolved as of March 14, 2005. A copy of the report and this memorandum has been provided to the Grand Jury.

Fiscal Impact: None.

Action to be Taken Following Approval:
The Board Clerk will file the report.

2003-2004 FINAL REPORT

COUNTY PUBLIC BUILDINGS

Animal Control, South Lake Tahoe

Recommendation 1
Erect a retaining wall with a drainage system at the rear of the building to curtail the damage from snow and ice runoff.

Original response to Recommendation 1: The recommendation requires further analysis. Staff within the Facilities Design section of General Services is in the process of preparing a design to significantly retrofit the existing facility to better meet the current needs of the facility. $800,000 has been committed to this process, which is scheduled to begin in the Spring of 2005, and be completed by the Fall. Construction of a new retaining wall will be considered in the design.

Status as of June 1, 2006: The recommendation has not yet been implemented, but will be implemented in the future. The retaining wall with proper drainage has been incorporated as an element in the new building design. Staff anticipates completion of the wall and drainage improvements by Fall 2007.

Recommendation 2
The parking lot and driveway directly in front of the Animal Control Building should be graded or modified to eliminate excess snow, ice and water accumulation. This would also provide additional parking and easier access.

Original response to Recommendation 2: The recommendation requires further analysis. Please see the above response to Recommendation 1. This Recommendation will be considered in the retrofit design.

Status as of June 1, 2006: The recommendation has not yet been implemented, but will be implemented in the future. Modifications to the driveway and parking have been incorporated as elements in the new design. Staff anticipates the driveway and parking lot improvements to be complete by Fall 2007.

Recommendation 3
Access to and from the parking lot and the building should be handicap accessible.

Original response to recommendation 3: The recommendation has not yet been implemented, but will be implemented in the future. The plans for the renovations scheduled for 2005 will incorporate handicap parking and access to and from the building.

Status as of June 1, 2006: The recommendation has not yet been implemented, but will be implemented in the future. Elements of the new design include ADA (handicap) access and

are incorporated in the current design. Staff anticipates completion of ADA improvements by Fall 2007.

Recommendation 4
Access to the public restroom should be redirected from the main staff office.

Original response to Recommendation 4: The recommendation has not yet been implemented, but will be implemented in the future. The plans for the renovations scheduled for 2005 will incorporate the relocation of the public restroom adjacent to the public area.

Status as of June 1, 2006: The recommendation has not yet been implemented, but will be implemented in the future. The plans have incorporated the necessary changes to the restroom to accommodate the Public. Staff anticipates completion of this facility in the Fall of 2007.

Recommendation 5
Provide additional space for animal exercise.

Original response to Recommendation 5: The recommendation requires further analysis. The addition of a roof in the exercise area to enhance use of the area during the winter months will be considered in the plans for the 2005 renovations. However, the addition of a roof in this area will be subject to the amount of additional land coverage allowed under TRPA regulations.

Status as of June 1, 2006: The recommendation has not yet been implemented, but will be implemented in the future. The plans have incorporated a covered roof exercise area. Staff anticipates completion of the facility in the Fall of 2007.

Recommendation 6
Provide additional ventilation for the animal runs to dry more quickly.

Original response to Recommendation 6: The recommendation requires further analysis. This Recommendation will be considered in the retrofit design. Increased ventilation is likely to be one of the improvements incorporated into the design plan for the 2005 renovations.

Status as of June 1, 2006: The recommendation has not yet been implemented, but will be implemented in the future. The plans have incorporated additional ventilation within the new facility. Staff anticipates completion of the facility by the fall of 2007.

Assessor's Office, South Lake Tahoe

Recommendation 1
Double pane windows should replace the single pane windows.

Original response to Recommendation 1: The recommendation requires further analysis. The building is old and constructed of materials that are currently not available. The costs associated with retrofitting and replacing the windows in this building are unreasonable. The County is currently looking into selling this structure and constructing a new building within the

Basin to house this function of County Government. General Services will work with the Assessor's office to install a window barrier or other suitable measures to resolve the issue of excessive heat loss and ice formations on the inside of the windows by January 31, 2005. In addition, General Services will check the heating system to make sure it is functioning properly and make any necessary corrections by October 1, 2004.

Status as of June 1, 2006: The recommendation has not yet been implemented, but will be implemented in the future. Upgrades to the windows will be provided to the Assessor's Office. This may or may not include total window replacement. There are several options available that could improve thermal efficiency of the existing windows. Staff has researched a variety of options and anticipates modifications to the windows by fall of 2006. Staff will continue to monitor the heating system to assure system is functioning properly.

2004-2005 FINAL REPORT

PUBLIC BUILDINGS AND PROPERTY

Mental Health Buildings-South Lake Tahoe

Recommendation 1b

Relocate this department to a facility adequate to serve the clientele, to create a safe work environment for the employees and to meet ADA requirements.

Original response to Recommendation 1b.: The recommendation has not yet been implemented, but will be implemented in the future. Staff within General Services have met with representatives from Mental Health and both departments agree that the current space meets the needs of this program, but would be greatly enhanced with improvements to the floorplan. The findings do not identify specific safety issues and the Department of General Services is not aware of outstanding safety concerns. All floors of this facility do not require ADA access. The clientele that need ADA access are served on the main floor together with the basement that now has a wheel chair lift. Although clientele do occasionally meet on the third floor, all meeting functions can occur on the main floor. Access to the third floor is not required of the clientele. In an effort to better serve the clientele of this program, Mental Health wishes to combine the functions of this program with others under the same Department, currently located at the Silver Dollar Building. Under this plan both functions would move to another facility of proper configuration and size to better meet the program needs. General Services will begin a search with the goal of relocating this function within the next 24-36 months.

Status as of June 1, 2006: The recommendation has not yet been implemented, but will be implemented in the future. The Department of General Services is currently reviewing multiple properties in the basin in anticipation of the pending relocation. Counsel has completed a review of the existing lease and have noted concerns relating to an early termination. General Services will continue negotiations with current owner in anticipation of vacating the facility. Nothing additional to report on this matter. Relocation of this function is anticipated within the next 12-24 months.

2005-2006 MID SESSION REPORT

MENTAL HEALTH AUDIT REPORT

Recommendation 2.2
Direct the multi-departmental Interagency Governing Council Wraparound management team to meet regularly such as quarterly for the purpose of overseeing the Wraparound program including setting annual program goals and objectives, determining funding and resource allocations at least once a year as part of the County budget process, establishing operational guidelines, receiving and reviewing regularly produced management reports on program outcomes and cost effectiveness, and making adjustments to program operations when needed.

Original response to Recommendation 2.2: The recommendation has not yet been implemented, but will be implemented in the future. The interagency advisory council will meet quarterly to recommend goals and objectives for the program, funding priorities and operational guidelines, and to monitor budgetary and program performance reports. Quarterly meetings will be initiated in beginning in March, 2006. The minutes of the council's meetings will be submitted to the Chief Administrative Officer.

Status as of June 1, 2006: The recommendation has been implemented. Minutes of the March and April 2006 Interagency Advisory Council meetings have been submitted to the Chief Administrative Officer.

Recommendation 2.4
Direct the multi-departmental Interagency Governing Council Wraparound management team to prepare annual summary evaluations of program and cost effectiveness for their own review and transmission to the Board of Supervisors, to include documentation of: program compliance with State law; the team's meeting records; achievement of program goals; staff training records; accessibility of the program to the target population; and, program satisfaction by participating families.

Original response to Recommendation 2.4: The recommendation has not yet been implemented, but will be implemented in the future. Annual summary evaluations will be prepared with the compilation of required data. Progress will be reported to the Interagency Advisory Council at quarterly meetings effective immediately. Since FY 2006-07 is the first fiscal year in which all of the required data will be compiled, the first full annual summary evaluation report will be submitted to the Interagency Advisory Council and the Board of Supervisors upon completion of FY 2006-07, during the first quarter of FY 2007-08.

Status as of June 1, 2006: The recommendation has not yet been implemented, but will be implemented in the future. The recommendation will be fully implemented within the timeframe indicated in the original response.

Recommendation 2.5
Direct the inter-departmental Wraparound management team to amend the County Wraparound Plan to include procedures and protocols for admitting and providing services to non-revenue generating children in the program who are not assigned to authorized service allocation slots.

Original response to Recommendation2.5: The recommendation has not yet been implemented, but will be implemented in the future. The Wraparound Plan will be amended by no later than September, 2006 to address this and other needed changes.

Status as of June 1, 2006: The recommendation has not yet been implemented, but will be implemented in the future. The recommendation will be fully implemented within the timeframe indicated in the original response.

Recommendation 2.6
Direct the Wraparound inter-departmental management team to amend the program plan to include a definition of program "cost savings to be reinvested in children's services" and to establish procedures for how decisions will be made regarding expenditure of such funds.

Original response to Recommendation 2.6: The recommendation has not yet been implemented, but will be implemented in the future. The Wraparound Plan will be amended by no later than September, 2006 to address this and other needed changes.

Status as of June 1, 2006: The recommendation has not yet been implemented, but will be implemented in the future. The recommendation will be fully implemented within the timeframe indicated in the original response.

Recommendation 3.1
Direct the inter-departmental Wraparound management team and Chief Administrative Officer to review the Wraparound program FY 2005-06 revenue and expenditure budget, its assumptions about the number of children to be served, slots to be filled, actual number of "slotted" and non-revenue generating children served and actual revenues and expenditures year-to-date and report back to the Board within six weeks on whether adjustments should be made to make the budget more realistic.

Original response to Recommendation 3.1: The recommendation has not yet been implemented, but will be implemented in the future. This recommendation will be implemented within the indicated timeframe, within six weeks of the date of this response.

Status as of June 1, 2006: The recommendation has been implemented. A budget revision based on actual costs and projections for the remainder of the fiscal year was approved by the Board of Supervisors on February 28, 2006. Wraparound revenues and expenditures are included in the FY 2006-07 budget. The CAO is receiving program information via Interagency Advisory Council meeting minutes.

Recommendation 3.2
Direct the inter-departmental Wraparound management team and Chief Administrative Officer to prepare a budget plan each year based on the actual revenues and expenditures for the previous year and documented assumptions about the number of children to be served, both slotted and discretionary non revenue generating, and the nature of services to be provided in the budget year.

Original response to Recommendation3.2: The recommendation has not yet been implemented, but will be implemented in the future. Implementation of this recommendation will be incorporated into the regular budget process, beginning with the FY 2006-07 budget process.

Status as of June 1, 2006: The recommendation has been implemented. The Wraparound budget and program information are included in the County's FY 2006-07 proposed budget.

Recommendation 3.3
Direct the inter-departmental Wraparound management team to at least quarterly monitor actual program revenues and expenditures and number of children served for comparison to the budget.

Original response to Recommendation 3.3: The recommendation has not yet been implemented, but will be implemented in the future. The interagency advisory council will conduct this monitoring activity at its quarterly meetings.

Status as of June 1, 2006: The recommendation has been implemented. This monitoring activity has begun. The regular meetings of the management team began in March, 2006.

Recommendation 3.4
Direct the Chief Administrative Officer to separately present the Wraparound program budget each year in the proposed Department of Mental Health budget document presented to the Board of Supervisors and to include planned and previous year actual numbers of slotted and discretionary non-revenue generating children program participants, hours of staff service provided, contractor service hours and expenditures for unique external goods and services.

Original response to Recommendation 3.4: The recommendation has not yet been implemented, but will be implemented in the future. Appropriate data will be provided to the Chief Administrative Officer as part of the regular budget process.

Status as of June 1, 2006: The recommendation has been implemented. The Wraparound budget and program information are included in the County's FY 2006-07 proposed budget. However, the Human Services Department is the fiscal agent for the program, so the budget plan is presented as part of the Human Services Department's budget rather than Mental Health's.

Recommendation 3.5
Direct the inter-departmental Wraparound management team and Chief Administrative Officer to develop an expenditure plan for the approximately $173,244 Wraparound program fund balance and transmit the plan to the Board of Supervisors for review.

Original response to Recommendation 3.5: The recommendation has not yet been implemented, but will be implemented in the future. Proposed and planned activities will be brought forward both in the process described in Recommendation 3.1 and in the regular budget process.

Status as of June 1, 2006: The recommendation has been implemented. A review/expenditure plan has been developed as part of the FY 2006-07 budget process.

Recommendation 4.1
Direct the inter-departmental Wraparound management team to include in its annual program evaluation provided to the Board of Supervisors: statistics on the number of children referred to and considered for the program; the number and backgrounds of those admitted to the program and assigned to service allocation slots; and, the number and backgrounds of those receiving services with Wraparound funding but not assigned to service allocation slots.

Original response to Recommendation 4.1: The recommendation has not yet been implemented, but will be implemented in the future. This information will be provided during the process described in Recommendation 2.4.

Status as of June 1, 2006: The recommendation has not yet been implemented, but will be implemented in the future. The recommendation will be implemented as indicated.

Recommendation 4.2
Direct the inter-departmental Wraparound management team to prepare written procedures regarding eligibility and services offered to children receiving services with Wraparound funding but not assigned to service allocation slots.

Original response to Recommendation 4.2: The recommendation has not yet been implemented, but will be implemented in the future. The Wraparound Plan will be amended by no later than September, 2006 to address this and other needed changes.

Status as of June 1, 2006: The recommendation has not yet been implemented, but will be implemented in the future. The recommendation will be implemented as indicated.

Recommendation 4.3
Direct the inter-departmental Wraparound management team to prepare annual estimates of staff and contractor availability for the program and to use this as a base line when service plans are prepared to ensure that there is greater consistency between service plans and service provider availability.

Original response to Recommendation 4.3: The recommendation has not yet been implemented, but will be implemented in the future. More specific planning will occur during the regular County budget process to ensure consistency of services and appropriate use of resources.

Status as of June 1, 2006: The recommendation has been implemented. The department has begun tracking service hours for the contracted service providers. FY 2006-07 will be the first year for which service hour details can be captured for reporting purposes. Progress has been reported to the Interagency Advisory Council and available information is being used in the budget process.

Status of Pending Grand Jury Recommendations

2003-04 Final Report

Subject	Rec #	Description	Original Response	Status at 6/1/06	Follow-Up
County Public Buildings:					
SLT Animal Control	1	Erect retaining wall	Not yet been implemented but will be in future	Will be included in new design	YES - completion of facility
SLT Animal Control	2	Grade parking lot and driveway	Not yet been implemented but will be in future	same as number 1	same as number 1
SLT Animal Control	3	Provide handicap accessibility	Not yet been implemented but will be in future	same as number 1	same as number 1
SLT Animal Control	4	Redirect access to public restroom	Not yet been implemented but will be in future	same as number 1	same as number 1
SLT Animal Control	5	Provide additional space for animal exercise	Requires further analysis	same as number 1	same as number 1
SLT Animal Control	6	Provide additional ventilation	Requires further analysis	same as number 1	same as number 1
SLT Assessor's Office	1	Replace single paned windows with double paned windows	Requires further analysis	Not yet been implemented but will be in future	YES - window upgrades by fall '06

2004-05 Final Report

Subject	Rec #	Description	Original Response	Status at 6/1/06	Follow-Up
County Public Buildings:					
SLT Mental Health	1b	Relocate function to ADA compliant facility	Not yet been implemented but will be in future	Not yet been implemented but will be in future	YES-relocation within 1-2 years

2005-06 Mid Session Report #1

Subject	Rec #	Description	Original Response	Status at 3/1/06	Follow-Up
Mental Health Audit Report:					
Wraparound Program	2.2	Direct IGC to meet regularly	Not yet been implemented but will be in future	Has been implemented	None
Wraparound Program	2.4	Direct IGC to prepare annual summary evaluations of program and cost effectiveness	Not yet been implemented but will be in future	Not yet been implemented but will be in future	YES-first report due in 1st quarter of FY 2007-08
Wraparound Program	2.5	Direct Wraparound management team to amend Wraparound plan to improve procedures and protocols	Not yet been implemented but will be in future	Not yet been implemented but will be in future	YES-plan to be amended by Sep. 2006
Wraparound Program	2.6	Direct Wraparound management team to amend Wraparound plan to define "cost savings to be reinvested in children's services"	Not yet been implemented but will be in future	Not yet been implemented but will be in future	YES-plan to be amended by Sep. 2006
Wraparound Program	3.1	Direct Wraparound management team and CAO to review FY 2005-06 budget and adjust as necessary	Not yet been implemented but will be in future	Has been implemented	None

2003-04 Final Report					
Subject	**Rec #**	**Description**	**Original Response**	**Status at 6/1/06**	**Follow-Up**
Wraparound Program	3.2	Direct Wraparound management team and CAO to prepare budget plan each year	Not yet been implemented but will be in future	Has been implemented	None
Wraparound Program	3.3	Direct Wraparound management team to monitor program revenues and expenditures quarterly	Not yet been implemented but will be in future	Has been implemented	None
Wraparound Program	3.4	Direct CAO to present Wraparound program budget separately in the proposed budget document	Not yet been implemented but will be in future	Has been implemented	None
Wraparound Program	3.5	Direct CAO and Wraparound management team to develop plan for fund balance	Not yet been implemented but will be in future	Has been implemented	None
Wraparound Program	4.1	Direct Wraparound mangement team to include specified informaiton in annual report to BOS	Not yet been implemented but will be in future	Not yet been implemented but will be in future	YES-first report due in 1st quarter of FY 2007-08
Wraparound Program	4.2	Direct Wraparound management team to prepare written procedures	Not yet been implemented but will be in future	Not yet been implemented but will be in future	YES-plan to be amended by Sep. 2006
Wraparound Program	4.3	Direct Wraparound management team to prepare annual estimates of staff and contractor time to be used as baseline	Not yet been implemented but will be in future	Has been implemented	None

EL DORADO IRRIGATION DISTRICT
HIRING PROCESS
GJ 05-029

Reason for the Report

The 2005/2006 Grand Jury received a complaint regarding the hiring, by the El Dorado Irrigation District (EID), of a high level employee with an alleged criminal background. This matter was reported locally in the newspaper.

Background

EID had a procedure in place requiring prospective employees to fill out an application. This procedure was not followed in this case.

Scope of the Investigation

People Interviewed

- None

Documents Reviewed

- Copies of newspaper articles
- Employment agreements between the employee and EID
- Job description of affected employee's position
- Current employment packet for new applicants to EID
- Letter from EID Counsel

Facts

1. In January 2004, an agreement was entered into by EID and the employee to perform the duties of Human Resources Director.
2. In June 2005 the employee's alleged criminal past came to light and he was placed on administrative leave while the matter was investigated by EID.
3. In June 2005, the employee and EID entered into a new agreement for the employee to resign as Human Resources Director and to assume the duties of Assistant to the General Manager.
    - The new duties were to perform organizational analysis and other duties as assigned by the General Manager
    - The employee has no supervisory duties and no district employees report to him

Findings/Recommendations

1F. Finding: By EID's own admission, in a letter dated November 7, 2005, they failed to follow their own procedure for a completed employment application in the hiring of the employee in question.

> **1R. Recommendation:** Training of department managers to ensure compliance with established procedures.

2F. Finding: New procedures have been put in place for a completed employment application, as well as a full background check, on all new employees. Applicants must also sign a Certification of Information/Release when filing an application for employment.

> **2R1. Recommendation:** Clearly establish a central repository in Human Resources for all employment applications filed with EID
>
> **2R2. Recommendation:** Periodic review of all applications to ensure procedures are followed by all department managers.

A response is required by the El Dorado Irrigation District within sixty (60) days. See Table of Contents, *"Notice to Respondents."*

EL DORADO IRRIGATION DISTRICT
EXECUTIVE WELLNESS PROGRAM
GJ05-028

Reason for the Report

On October 24, 2005 the Grand Jury received a complaint concerning the implementation of the Executive Wellness Program (EWP), also known as the Management Wellness Program of the El Dorado Irrigation District (EID).

Scope of the Investigation

People Interviewed:

- General Manager of EID
- Employee of EID

Documents Reviewed:

- E-mails:
  - July 12, 2004 from Human Resources Director to EID Board of Directors and Department Heads
  - July 12, 2004 from Human Resources Director to EID Board of Directors
  - July 19, 2004 from Human Resources Director to Payroll Clerk
  - July 28, 2004 from employee to EID Counsel
- EID Website
- Memorandum from employee to EID General Manager, May 10, 2004
- Letter from CPA to Human Resources Director, August 2, 2004
- Letter from EID General Manager to Grand Jury, December 23, 2005
- Letter from EID General Manager to Grand Jury, February 28, 2006
- Government Code Section 53200

Background

A health insurance plan for EID employees was in effect from 1980 with revisions made in 1983 and 1994. Prior to July 2004 the Board of Directors received "cash-in-lieu" benefits for medical expenses.

The EWP, also known as Management Wellness Program, was implemented on July 1, 2004. It provides benefits up to $5,000 annually for medical, dental, vision and healthcare costs and expenses incurred that are not covered by an insurance plan. This applies only to the Board of Directors, General Manager, General Counsel, Department Heads, Assistant Department Heads, their spouses and their dependents.

An additional $250 (an all employee benefit) is provided, if the eligible EWP member belongs to a health club.

Also, paid administrative leave for the management group was increased to 80 hours (from an unknown base) in addition to vacation and holiday time.

This EWP was initiated by and under the authority of the General Manager and the then Human Resources Director.

Facts:

1. The General Manager and the Director of Human Resources made an executive decision to initiate this EWP.

2. An e-mail notice sent on July 12, 2004, stated that the EWP was retroactively implemented on July 1, 2004. Reimbursements under the Program are subject to Section 105 of the Internal Revenue Code.

3. No written notice was given to the Board of Directors and no discussions were held with the Board before this announcement.

4. The Grand Jury requested copies of minutes regarding this program and was informed by the General Manager that no minutes existed.

5. No written records exist regarding the criteria or codification of the EWP.

6. In response to an inquiry of the EID Human Resources Director, a certified public accountant (CPA), in a letter dated August 2, 2004, stated the following:

   > "I researched the discrimination rules for 'self funded' insurance plans. Section 105 of the IRC states a self-insured health plan may not discriminate in favor of certain individuals and must satisfy certain 'nondiscriminatory rules' which include covering 70% of the total employees or make at least 70% of employees eligible to participate, provided 80% if those eligible actually participate; or cover a classification of employees that the IRS finds does not discriminate in favor of 'highly compensated individuals.' For purposes of applying for these tests, the El Dorado Irrigation District's proposed plan did not qualify under these rules. Consequently any benefits payable to any individuals under the proposed plan would be deemed discriminatory and therefore taxed to the individuals. Research of current revenue rulings and other associated regulations failed to yield an allowable exception to the above law."

7. When the EWP policy was initiated no source of funding was identified.

8. During the same time frame, employees were asked to give up raises for 2 years and rate payers were billed for rate increases in both January, 2005 and January, 2006.

9. The General Manager had the authority to approve expenditures of up to $50,000 annually without Board approval.

10. The maximum cost of the EWP was estimated not to exceed $60,000.

Findings/Recommendations:

1F. Finding: The EID General Manager violated district administrative procedures that has a $50,000 limitation by implementing a benefit program exceeding approved expenditure guidelines.

> **1Ra. Recommendation:** The EWP should be formally brought before the Board of Directors for public hearing and vote.
>
> **1Rb. Recommendation:** In the future, all employee benefit plans, including management's, should be presented before the Board of Directors for public hearing and vote.
>
> **1Rc. Recommendation:** Suspend the $5,000 EWP benefit until an independent audit determines the legality under IRS guidelines.

2F. Finding: The criteria utilized for benefit coverage under the EWP is very broad in terms of eligibility, dependents and coverage.

> **2Ra. Recommendation**: Define specific criteria for those activities eligible for reimbursement.
>
> **2Rb. Recommendation:** Specifically define what constitutes a dependent.

3F. Finding: No requirement exists for certification of a medical condition and related expenses not covered by an insurance plan.

> **3R. Recommendation**: Certification should be required from a physician for reimbursement of expenses eligible under the EWP.

4F. Finding: The practice of giving Board of Directors "cash-in-lieu" benefits prior to 07-01-2004 appears to be illegal.

> **4R. Recommendation:** An audit must be conducted by an independent agency to determine the legality of the "cash-in-lieu" program.

A response is required by the El Dorado Irrigation District within sixty (60) days. See Table of Contents, *"Notice to Respondents."*

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EL DORADO COUNTY COMMISSION ON AGING
GJ05-022

Reason for the Report

The El Dorado County Grand Jury received a complaint regarding a meeting of the Commission on Aging, on November 18, 2004, wherein a violation of *The Brown Act* is alleged to have occurred.

Scope of the Investigation

People Interviewed

- Commission on Aging Members

Documents Reviewed

- Meeting Agenda for November 18, 2004
- Meeting Minutes for November 18, 2004
- California Government Code Sections 54950-54963
  - *The Brown Act*
- Meeting Minutes and Agendas for random months
  - *November 2004*
  - *August 2005*
  - *September 2005*
  - *October 2005*
  - *November 2005*

Background

The Commission on Aging is an advisory body to the Department of Human Services and the El Dorado County Board of Supervisors, regarding programs administered by the Department of Human Services.

The Commission on Aging meets monthly to conduct business. Agendas are posted to inform the public of the time, place, and subject matter. Minutes of the meeting are published.

During the meeting of November 18, 2004 a member of the Commission suggested that they adjourn to closed session. According to testimony they did adjourn to a closed session and excluded members of the public.

The Agenda did not include that a closed session was planned at that particular meeting. The Minutes reflect that a closed session was held; however, no synopsis of the discussion was posted.

Testimony also indicates that the Commission routinely asks members of the public in attendance to identify themselves and whom they represent.

As a sanctioned Commission of El Dorado County, the Commission on Aging is covered by **California Government Code Sections 54950-54963**. These sections are known as *The Brown Act* and cover what is allowed and how meetings must be conducted, and to insure full public disclosure.

The following sections are a summary of the legislation wording.

Section 54954 (a) in summary states that if an advisory committee or standing committee posts an agenda at least 72 hours in advance of the meeting the meeting shall be considered as a regular meeting of the legislative body for purposes of *The Brown Act.*

Section 54954.2 (a) in summary states that the agenda must be posted at least 72 hours before a regular meeting and must contain a brief general description of each item of business to be transacted or discussed at the meeting, **including** items to be discussed in closed session. The only exceptions to the requirement of posting agenda items are: "(1) Emergency situations, (2) Two-thirds vote of the body determines there is need for immediate action and the item came to their attention after the posting of the agenda, and (3) The item was posted for a prior meeting and the meeting was not more than five calendar days prior and the item was continued to the meeting where action is being taken".

Section 54957.1 (a) in summary requires a public report of any action taken in closed session and the vote or abstention of every member present. If no action is taken the minutes should reflect that fact.

Section 54953.5 (a) in summary states that a member of the public **shall not** be required, as a condition of attendance, to register his or her name, to provide other information, to complete a questionnaire, or otherwise fulfill any obligation precedent to his or her attendance

Section 54960.1 In summary, by subsections, lists penalties regarding violations of *The Brown Act.*

Facts

1. On November 18, 2004 at a regular meeting of the Commission on Aging a closed session was held.
2. This closed session had not been properly noticed as required by *The Brown Act.*
3. The Minutes reflect that a closed session was held, however, no indication as to the subject matter discussed was recorded.
4. Members of the public in attendance at Commission on Aging meetings are routinely asked to identify themselves.

Findings/Recommendations

1F. Finding: The members of the Commission on Aging are not well versed in the requirements and penalties of *The Brown Act*.

> **1R. Recommendation:** Members of the Commission on Aging be issued copies of *The Brown Act* to be read and applied.

2F. Finding: On November 18, 2004 the Commission on Aging went into closed session without prior public notice on the Agenda. Government Code Section **54954.2 (a)** grants exception where a body may go into closed session without notice, however, none of the exceptions were met in this instance.

> **2R. Recommendation:** Future closed sessions should strictly adhere to the provision of the law.

3F. Finding: Minutes of the November 18, 2004 meeting reflect the closed session, however, no synopsis of the item discussed was recorded.

> **3R. Recommendation:** Amend the Minutes of the November 18, 2004 meeting to reflect the item discussed and the result.

4F. Finding: The Commission on Aging does not hold closed sessions often. This is supported by testimony and review of Agendas.

> **4R1. Recommendation:** Protocol be put into place to ensure new members, when appointed, receive proper training and a copy of *The Brown Act.*
>
> **4R2. Recommendation:** Support staff must become familiar with *The Brown Act* to ensure that proper posting and notification of closed sessions is provided in public documents.

5F. Finding: The Commission on Aging routinely asks people in the audience to identify themselves and whom they represent.

> **5R. Recommendation:** The Commission on Aging require identification only from those persons addressing the Commission as a whole on a specific matter.

A response is required by the Board of Supervisors within ninety (90) days. See Table of Contents, *"Notice to Respondents."*

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EL DORADO COUNTY COURT SECURITY
GJ05-032

Reason for the Report

The Grand Jury received a citizen complaint regarding the security provided for the Superior Courts in El Dorado County. Upon investigation, the Grand Jury believes that the security needs to be improved. In addition, budgetary accounting from the County for the security provided is not detailed and does not fully substantiate payment requests.

Scope of the Investigation

During jury year 2005-2006, members of the Grand Jury made visits to all the court facilities in El Dorado County.

People Interviewed:

- El Dorado County Sheriff
- Various Sheriff Department Employees
- Sheriff Sergeant In Charge Of Court Security
- Superior Court Executive Officer
- Various Superior Court Employees

Documents Reviewed:

- 2001-2002 Memorandum of Understanding (MOU) between Court and Sheriff
- Draft of 2006-2007 MOU

Buildings Inspected:

- 2850 Fairlane Court, Bldg. C, Placerville
- 495 Main Street, Placerville
- 1354 Johnson Blvd., South Lake Tahoe
- 3321 Cameron Park Dr., Cameron Park

Background

The employees of the Superior Courts of El Dorado County are State employees. Many of the court's support services are provided by El Dorado County. Court security is provided by the El Dorado County Sheriff's Department. The court buildings are owned by El Dorado County, although they are to be turned over to the State in the future. Security is contractually documented in a Memorandum of Understanding (MOU) between the Court and the Sheriff. While the most recent MOU expired in 2002, service has continued with all requirements and pricing handled without a contract. A new MOU is being developed for FY 2006/2007. This MOU draft specifies a fixed amount to be paid by the court.

Department 7 is located downstairs in County Building C and has a metal detector, but the detector is only functional while court is in session. The unscreened access beyond the metal detector is still accessible when court is closed. A weapon could be hidden in this area while court is closed and then retrieved later while court is in session.

Department 7 has two small holding areas, one each for men and women. These areas are often loaded beyond their capacity.

Department 8 is located on the ground floor of County Building C and has no metal detector for screening court entry. Department 8 is not a criminal court, but does have family court and traffic court hearings, both potentially volatile situations.

The Court and the Sheriff's Department both wish to improve security in Departments 7 and 8. This would require relocating the metal detection unit upstairs to service both courts. It would also require limiting downstairs access near Department 7 to prevent off-hour access. These efforts have been rebuffed by the county because it would be a hindrance to other county departments and/or citizens who do business in building C.

Departments 3, 4, 11, and 12 are co-located in South Lake Tahoe. Departments 3 and 4 are criminal courts, without a holding cell. Prisoners enter through employee hallways and often must remain in public or employee hallways (albeit with a Sheriff) until called to court.

Facts

1. MOU for court security expired 2002
2. 2006/2007 MOU calls for fixed dollar amount to be paid
3. Departments 7 and 8 are in County Building C, which was never built to be a court
4. Holding area in Department 7 is often over-crowded
5. Department 8 has no metal screening
6. Courts in South Lake Tahoe do not have a holding area

Findings/Recommendations

1F. Finding: Memorandum of Understanding for court security specifies a fixed dollar amount for the year with some provision for changes.

> **1R. Recommendation:** All payment requests from the Sheriff for court security should be based on the actual hours the Sheriff spent on court security. Time keeping reports should be provided detailing all hours and other expenditures.

2F. Finding: Both the Sheriff and Court management agree that security for Departments 7 and 8 needs to be improved. Failure to do so exposes the Court employees and Court clients to unnecessary risk.

2R. Recommendation: Immediately relocate the metal detector in Building C to provide screening of both Departments 7 and 8. Install gates to close off court areas when in recess.

3F. Finding: South Lake Tahoe does not have a holding cell.

3R. Recommendation: Provide a holding cell in South Lake Tahoe court.

4F. Finding: The west slope courts are located in logistically diverse locations, in buildings that are not suited for the issues that a 21st century court must face.

4R. Recommendation: Aggressively pursue consolidating the west slope courts into a new, single facility, co-located with the county jail. Identify County and State funding required to move forward quickly.

A response is required by the Board of Supervisors within ninety (90) days. See Table of Contents, *"Notice to Respondents."*

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EL DORADO COUNTY JAILS/JUVENILE HALLS
GJ05-060

Reason for the Report

Per Penal Code §919(b) members of the 2005-2006 Grand Jury inspected the correctional facilities located within the boundaries of the county.

Scope of the Inspection

Members of the Grand Jury made a physical visit to each facility. All accessible areas were toured.

- At the Jails and Juvenile Halls, Managers and Supervisory Staff briefed Grand Jury members on the operations and conducted tours.
- Explanations were given for:
    1. Staffing levels.
    2. Programs in each facility.
    3. Future expansion plans

Background

With the exception of the South Lake Tahoe Juvenile Hall all facilities are aging and, for the most part, are well maintained. (Exceptions noted under findings)

Outside agencies, such as U.S. Marshals, will house prisoners on as needed basis in the County Jails. Alpine County contracts with El Dorado County for jail services.

A contract nurse is on duty and a doctor is on call at all Jail and Juvenile Hall facilities. A contract dentist provides emergency dental care on premises.

Food at all facilities is provided by on premise kitchen staff as well as inmate workers. The menus are varied and provide necessary nutritional value. The facilities are inspected on a regular basis for compliance with applicable health codes. Staff receives periodic training to insure proper food handling.

Facts

1. Employees at each facility are well trained and appear to enjoy their jobs.
2. Supervisory staff at each facility encourages employee participation in resolving problems encountered in the workplace.
3. El Dorado County Jail in Placerville was visited April 3, 2006. No adverse conditions were observed.
4. El Dorado County Juvenile Hall in Placerville was visited March 13, 2006. No adverse conditions were observed.

5. El Dorado County Juvenile Hall in South Lake Tahoe was visited May 4, 2006. No adverse conditions observed.

Findings/Recommendations

1F. Finding: El Dorado County Jail in South Lake Tahoe was visited May 4, 2006. It was noted that the carpet in the control room is frayed.

1R. Recommendation: Inspect all carpeted areas and repair/replace carpeting as needed.

COMMENDATION

May 25, 2006, the Grand Jury toured the Growlersburg Conservation Camp located in Georgetown. This facility is to be commended for their on-site program. The facility is jointly run by the CA Department of Corrections and CA Department of Forestry.

A garden provides a large number of fresh vegetables for inmates throughout the growing season that saves a substantial amount of budget monies.

The wood shop constructs furniture for governmental agencies on a cost of materials basis. The quality of work is excellent. The wood shop manages to continue running despite recent budget cuts. This shows a dedication by staff to have a meaningful program in place for inmates.

A response is required by the El Dorado County Board of Supervisors within ninety (90) days. See Table of Contents, *"Notice to Respondents."*

DISTRICT ATTORNEY'S OFFICE BUILDING

Internal Investigation
GJ05-057

Reason for the Report

The Grand Jury visited and inspected buildings in the county that were built prior to 1950.

After inspecting the buildings located at 515 & 525 Main Street in Placerville, it was determined that the Office of the District Attorney, housed at the above addresses, required further attention.

Scope of the Investigation

Members of the Grand Jury toured the District Attorney's Office by appointment on October 13, 2005. We were given a history of the building and briefed on the operations of the District Attorney's office.

People Interviewed:

- District Attorney Personnel
- Court Executive Officer
- Court Operations Managers
- Administrative Personnel
- General Services Personnel

Documents Reviewed:

- Prior Grand Jury Reports regarding the District Attorney's Office Building
- Letters between the Grand Jury and CAL OSHA regarding the condition of the District Attorney's Office Building
- General Service's Interdepartmental Memo
- Board of Supervisor's Agendas, May 22 and June 12, 2001 regarding the District Attorney's Office Building

Background

The building which houses the District Attorney's Office is one of historical significance. It was first built and used as a Post Office.

To enter the District Attorney's Office one must walk up several stairs to the door. There is no sign advising citizens with disabilities how to enter the building. Upon entering the office it is apparent that space is limited and that employees have outgrown the space allotted to them. The aisles are congested with boxes of files. The lighting in the main "support staff" area is dated, yellowed and does not appear to give sufficient light to the employees. Most employees have additional lighting on their desks. Numerous fans throughout the office are used by the personnel to cool and move the stale air.

The basement of the District Attorney's Office at 515 Main Street was flooded on October 9, 2000, resulting in a mold problem; all mold has been removed at great expense. The Board of Supervisors issued an action item in June, 2001 that stated employees could not work permanently in this area. This level is used for storage, a conference room, a photo enlargement room, IT work area, and a make-shift workout area with shower. There is no elevator to this area. It is dark, damp and the air smells musty.

Clearly this building has served the community well in the past, but it is no longer able to comply to certain codes (i.e. fire sprinklers, ADA) and it would not be wise to spend money to retrofit the building into compliance, or to try to expand office space into the basement.

Facts

1. 515 Main Street is an old building that is of historic significance.
2. There is no sign at the street entrance directing persons with disabilities to enter at the rear of the building.
3. Parking is insufficient for current as well as future needs.
4. The employees of 515 Main Street are allowed to use only the main floor for office space.
5. There is insufficient room for the current staff with no room for growth.
6. Aisles are congested with boxes for storage.
7. Old PC hardware is stored in numerous areas, under desks and on file cabinets.
8. Lighting in the support area is inadequate.
9. Due to the age of the building, overhead fire sprinklers are not legally required; however, there are important, original, irreplaceable documents and evidence that can be destroyed in the event of a fire.
10. As of the date of our inspection fire drills had not occurred, although procedures are in place.
11. Ceiling tiles at the main level are water stained from either current or previous roof leaks.
12. Repairs to the lower level of the office building will not solve the myriad of other significant deficiencies.
13. There is no elevator between floors in the building.
14. The ceiling in conference room in the lower level is peeling and does not appear to have been repaired since the Grand Jury report of 2002/2003 first reported the problem.
15. Mold was visible in the shower and on the shower curtain in the "workout" area.
16. On June 11, 2001, the Board of Supervisors for El Dorado County found that "the basement space is inadequate for the District Attorney's staff . . . including space needs and inability to fully comply with the requirements of the ADA."
17. DA Investigators are housed in a separate building, 525 Main Street, creating workplace inefficiencies.

Findings/Recommendations

1F. Finding: The District Attorney and staff have outgrown their office space.

> **1R. Recommendation:** Relocate the District Attorney and his office staff into one office facility.

2F. Finding: 515 & 525 Main Street are not suitable for any tenancy in their` current condition.

> **2R. Recommendation:** Renovate these buildings if required for future county use.

Commentary:

To our knowledge there is no long range plan to build a new facility that would accommodate the District Attorney and other related offices. The County owns properties that could accommodate such a structure combined with a new, efficient and modern Justice Center for the DA and other related county departments. See Grand Jury Report regarding leased facilities.

A response is required by the Board of Supervisors within sixty (60) days. See Table of Contents, *"Notice to Respondents."*

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COUNTY LEASED BUILDINGS EXPENDITURE

Internal Investigation
GJ05-055

Reason for the Report

El Dorado County government offices are housed in both county owned and county leased properties. The County pays over $2.2 million a year on leased properties. El Dorado County continues to unnecessarily lease, rather than own, facilities for county departments. The County should aggressively replace leased facilities with owned facilities.

Scope of the Investigation

Discussions and Interviews with:

- CAO
- General Services personnel
- Auditor and various personnel
- Members of the Board of Supervisors

Documents Reviewed:

- El Dorado County Leased Facilities, rev. 08-24-05
- Building Rents and Leases Spreadsheet
- General Services Proposed Capital Improvement Plan, rev. 01-30-06
- Rental Expenses: FY05 MS Excel Spreadsheet

Background

El Dorado County spent over $2.2 million on real estate leases in FY2005.

El Dorado County has grown enormously over the past 10 years and will continue to grow. With growth comes the need to increase county services. New personnel require an expanded as well as a safe and adequate workplace.

County citizens are currently paying tax dollars to lease buildings, when their tax dollars could be going toward buildings the county would eventually own.

The County leases certain office space due to program reimbursements from local, State and Federal Governments. Most county health department offices are in leased facilities. There is a misconception that funding sources would be lost if these departments were housed in county owned buildings.

For the benefit of county residents, a current list of the departments housed in leased facilities is attached to this report.

Facts

1. The County paid the following approximate sums for leasing these facilities in FY2005:
   a. $175,000 to house the Department of Transportation in South Lake Tahoe
   b. $96,000 to house a satellite office to the Building Department in El Dorado Hills
   c. $86,000 to lease space for the Probation Department, 471 Pierroz Road, Placerville
   d. $79,000 to house the office of the Public Defender in Placerville
   e. $68,000 to house the Sheriff's detectives in Diamond Springs
   f. $40,000 to house the Department of Transportation in El Dorado Hills
   g. $23,900 to lease space for the D.A. Victim Witness/MDIC at 550 Main Street, Placerville
   h. $13,755 a year to lease space for a Law Library at 550 Main Street, Placerville

2. Many Governmental health programs will reimburse the County for office space in County owned buildings as well as in County leased buildings.

3. The County has issued bonds in the past to purchase buildings or land.

Findings/Recommendations

1F. Finding: The County spends in excess of $2,000,000 per year on real estate leases.

> **1R. Recommendation:** The County should purchase land and build facilities for permanent long term use.

2F. Finding: The County currently builds facilities or acquires property on a cash basis.

> **2R. Recommendation**: The County pursue various creative financing options to accelerate acquisition of property and to build facilities, i.e., lease options, land swaps, bonds, lease revenue bonds, County Developer Partnerships, etc.

3F. Finding: It is a misconception by various county officials that the County would lose program reimbursed funds if they were housed in a County owned facility.

> **3Ra. Recommendation:** Analyze program contracts/agreements to determine financial impact of owning versus leasing.
>
> **3Rb. Recommendation:** Educate senior county managers regarding specific program reimbursement of funds for leased and owned buildings.

A response is required by the Board of Supervisors within ninety (90) days. See Table of Contents, *"Notice to Respondents."*

El Dorado County Leased Facilities

Occupant & FACILITY LOCATION	SQ. FT.	LEASE DATES	COST per SF	AMOUNTS Annually
CHILD SUPPORT SERVICES 3057 Briw Road, Suite B Placerville, CA 95667	9,056	04/01/97 03/31/04	0.976	$106,105.68
HUMAN SERVICES 3057 Briw Road, Suite A Placerville, CA 95667	29,819	01/01/96 12/31/02	1.004	$359,216.88
LAW LIBRARY 550 Main Street Placerville, CA 95667	1,667	10/01/00 09/30/05	0.688	$13,755.00
COMM. SER/CARE SERVICES Office Space 630 Main Street Placerville, CA 95667	5,340	09/15/02 09/14/05	1.227	$78,654.48
HEALTH DEPARTMENT Health Promotions 941 Spring Street, #7 Placerville, CA 95667	960	09/01/00 08/31/03	1.223	$14,093.28
HEALTH DEPARTMENT EMS/Ambulance Billing 415 Placerville Drive, Suites J, K & L Placerville, CA 95667	3,060	01/01/00 12/31/02	0.961	$35,271.48
HEALTH DEPARTMENT Vital Statistics 415 Placerville Drive, Suites M & N Placerville, CA 95667	1,320	06/15/02 05/31/05	0.935	$14,810.52
HEALTH DEPARTMENT Health Promotions 415 Placerville Dr., Suites S & T Placerville , CA 95667	1,320	09/01/03 08/31/06	1.000	$15,840.00
HEALTH DEPARTMENT Health Promotions 415 Placerville Drive, Suite R Placerville, CA 95667	660	09/20/02 09/19/05	0.913	$7,227.84
SO STAR PROGRAM 6051 Gold Hill Road Placerville, CA 95667	1,253	01/01/05 12/31/08	n/a	n/a

Occupant & FACILITY LOCATION	SQ. FT.	LEASE DATES	COST per SF	AMOUNTS Annually
MENTAL HEALTH/Admin. 344 Placerville Drive Suites 12-18 & 20 Placerville, CA 95667	7,567	06/01/98 05/31/03	1.014	$92,034.00
MENTAL HEALTH 344 Placerville Drive Suite 11 Placerville, CA 95667	1,162	11/01/00 10/31/03	1.025	$14,288.16
MENTAL HEALTH Day Treatment Program 2808 Mallard Lane Placerville, CA 95667	3,700	05/01/96 04/30/01	1.000	$44,218.44
D.A. VICTIM WITNESS/MDIC 550 Main Street, Suite H Placerville, CA 95667	1,460	09/01/04	1.250	$23,900.04
HUMAN SERVICES JOB ONE PROGRAM 4535 Missouri Flat Rd., Suite 1A Placerville, CA 95667	1,838	04/01/99 02/28/06	1.237	$27,273.84
SHERIFF'S OUTREACH El Dorado Hills Sub-Station 981 Governor Drive, Suite 104 El Dorado Hills, CA 95762	1,004	09/15/04 09/14/07	1.550	$18,674.40
SHERIFF'S OUTREACH Pollock Pines Sub-Station 6430 Pony Express Trail Pollock Pines, CA 95726	shared space	12/01/03 11/30/08	n/a	n/a
S.O. WNET TASK FORCE 3330 Cameron Park Drive, Suite 900 Cameron Park, CA 95682	1,300	06/01/00 05/31/05	1.212	$18,912.24
SHERIFF'S DETECTIVES 720 Pleasant Valley Road Diamond Springs, CA 95619	3,755	12/01/04 12/31/08	1.500	$67,590.00
SHERIFF'S OUTREACH Fort Jim Sub-Station 3700 Fort Jim Rd. Placerville, CA 95667	shared space	12/01/03 11/30/08	n/a	n/a

Occupant & FACILITY LOCATION	SQ. FT.	LEASE DATES	COST per SF	AMOUNTS Annually
SHERIFF'S STORAGE 3615 China Garden Rd. (Stage Coach) Placerville, CA 95667	4,000	09/20/02 09/19/05	0.702	$33,708.96
HUMAN SERVICES 5941 Union Mine Road El Dorado, CA 95673	n/a	01/09/96 01/08/06	n/a	$100.00
HUMAN SVCS- 24 PARKING 3047 Briw Rd. Placerville, CA 95667	24 parking spaces	06/01/01 05/31/03	n/a	$5,820.00
COMM. SERV./SR. MEAL SITE Shingle Springs Community Center 4440 South Shingle Road Shingle Springs , CA 95682	n/a	07/01/03 06/30/04	n/a	$12,240.00
COMM. SERV./SR. MEAL SITE Pollock Pines Senior Center 5581 Gail Street Pollock Pines, CA 95726	n/a	07/01/00 04/01/01	n/a	$5,195.64
COMM. SERV./SR. MEAL SITE Mother Lode Lions Club 1741 Missouri Flat Road Diamond Springs, CA 95619	n/a	07/01/00 06/30/02	n/a	$18,000.00
PROBATION DEPARTMENT 471 Pierroz Rd. Placerville, CA 95667	7,000	12/12/04 12/11/07	1.028	$86,378.04
S.O. FIRING RANGE 5941 Union Mine Rd. El Dorado, CA 95673	n/a	01/09/96 01/08/06	n/a	n/a
COUNTY ANIMAL CONTROL 2301 Coolwater Creek Road Placerville, CA 95667	land only	03/08/82 03/09/07	n/a	$1.00
SHERIFF 3 Training Classrooms 100 Placerville Dr. Placerville, CA 95667	2,520	07/01/99 07/31/03	0.205	$6,204.00
OAKRIDGE COUNTY LIBRARY 1120 Harvard Way El Dorado Hills, CA 95762	6,400	09/01/99 08/31/04	0.716	$55,004.00

Occupant & FACILITY LOCATION	SQ. FT.	LEASE DATES	COST per SF	AMOUNTS Annually
BUILDING DEPARTMENT 4507 Golden Foothill Parkway 3 Sierra El Dorado Hills, CA 95762	6,680	06/20/03 06/30/08	1.204	$96,480.60
PUBLIC DEFENDER 4327 Golden Center Drive Placerville, CA 95667	5,500	10/01/01 09/30/08	1.136	$75,000.00
IHSS 694 Pleasant Valley Road, Suite 9 Diamond Springs, CA 95619	2,100	01/01/01 12/31/05	1.126	$28,362.96
GEORGETOWN ZOB OFFICE 6680 Orleans St., Suite D Georgetown, CA 95634	100	03/01/98 mo to mo	0.900	$1,080.00
GEORGETOWN LIBRARY 6680 Orleans Street, Suite 3 Georgetown, CA 95634	1,200	10/01/98 09/30/03	0.750	$10,800.00
MENTAL HEALTH **Day Treatment Program** 1120 Third Street South Lake Tahoe, CA 96150	3,562	02/10/04 01/31/09	2.004	$85,650.84
HUMAN SERVICES 971 Silver Dollar South Lake Tahoe, CA 96156	7,200	01/01/01 12/31/05	2.174	$187,791.48
HUMAN SERVICES 981 Silver Dollar, Suites 1-5 South Lake Tahoe, CA 96156	3,836	01/01/01 12/31/07	2.115	$97,370.76
MENTAL HEALTH 981 Silver Dollar South Lake Tahoe, CA 96156	3,745	01/01/01 12/31/07	2.115	$95,027.52
DOT 924 Emerald Bay Road South Lake Tahoe, CA 95616	6,000	04/15/02 04/14/07	2.440	$175,680.00
HUMAN SERVICES - JOB ONE 1029 Tekala, Suite 5 South Lake Tahoe, CA 96150	477	mo to mo	1.400	$8,016.00
CHILD SUPPORT SERVICES 924 Emerald Bay Road South Lake Tahoe, CA 96150	6,000	07/15/02 07/14/07	2.451	$176,448.84

Occupant & FACILITY LOCATION	SQ. FT.	LEASE DATES	COST per SF	AMOUNTS Annually
DOT SNOW REMOVAL CREW 551 McKinney Creek Road Tahoma, CA 96142	1,408		1.172	$6,600.00
TOTALS				$2,218,826.92 annual cost

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PLANNING AND BUILDING SERVICES
GJ05-050

Executive Summary

The 2005-06 Grand Jury received a citizen's complaint about the planning and building processes used by the new Development Services Department. The complainant wanted the Grand Jury to investigate the Planning and Building Divisions toward the goal of improving overall performance, including customer satisfaction. The following deficiencies were pointed out by the complainant:

- The divisions do not seem to have guidelines or processes in place to help staff identify how long a project will take from application to permit issuance.
- Permit issuance for all projects (residential, discretionary and ministerial) is taking too long.
- There is no consistency as to the information being disseminated; it varies depending on the staff member who is waiting on and/or working with the customer.
- Staff uses personal judgment in the planning processes instead of following applicable rules.
- There are no standardized checklists for customers to use to assist them in the permit process.
- There is a backlog of cases related to the General Plan implementation and the department has no strategy in place to deal with the problem.
- There is no communication between affected department heads to insure the expeditious processing of discretionary projects.
- The County Planning Commission rubber stamps departmental staff decisions instead of setting policy for issues that come under its jurisdiction.
- Staff spends the majority of its time "fighting fires" instead of managing the divisions.
- The department internet website provides incorrect information.
- The planning and building divisions do not provide enough emphasis on customer satisfaction.

After numerous interviews with departmental management, other County staff, members of various county trades and business organizations, county residents, and a thorough review of public records, the Grand Jury decided to write a report.

The Grand Jury found that high expectations have been placed on the department top management to complete the merger of the two separate departments, implement the General Plan, eliminate case backlog, and continue to process new applications, all on a timely basis. Although the new Director has made many positive changes in a short period of time, the fact remains that the divisions do not have sufficient personnel. The divisions have had recruitment problems with Senior Planners and Engineers who are used in the Plan Check process depending on the complexity of the project. The Board has recently approved a new compensation package designed to alleviate this problem and time will tell if the increase is sufficient to entice candidates.

The department has indicated that it does not plan to hire additional personnel due to a decrease in building projects; however, single family dwelling permits are taking eight weeks or longer, discretionary projects are taking six to nine months before they go to public hearing and ministerial projects such as pools, decks and inspection exempt agricultural buildings are taking six weeks. The lack of sufficient and qualified personnel is resulting in very unpopular and unacceptable delays in issuing permits. It results in increased building costs for the County and delays in the implementation of measures under the General Plan since most of the Planners have been on board two years or less. The Grand Jury recommends the hiring of additional plan checkers in the applicable classifications and/or allocating funds for outside consultants.

The Grand Jury recommends more training for personnel to insure consistency in dissemination of information to the customers and to eliminate mistakes made by Building Inspectors on building sites. The Grand Jury also recommends changes to departmental participation in discretionary projects to make sure that the customer is not subject to numerous changes and extra expense.

Additionally, the Grand Jury recommends the establishment of specific performance standards to gauge work completion, customer satisfaction and cost effectiveness. Furthermore, it recommends that Customer Questionnaires be handed out with the final permit and the final building inspection in order to obtain a more complete picture of their performance.

In conducting its investigation, the Grand Jury had great difficulty in obtaining individuals who would speak to the Jury for fear of retaliation by departmental personnel. They had chosen not to speak up before because their livelihood depends on them staying on good terms with departmental staff. The Grand Jury stated that it is the Board of Supervisors who are ultimately responsible for the implementation of the General Plan, and that any retaliation against a customer by staff will be subject to disciplinary action.

Background

The county department, headed by the Director of Development Services, has a budget of $11,644,579 and 122 allocated positions of which approximately 99 are filled. Under the Director, 3 Deputy Directors oversee the Planning, Building and Administration functions respectively. The Deputy Director-Administration functions as an office manager overseeing such functions as personnel, purchasing, and other administrative duties. The Deputy Director

over Building supervises three Branch Managers who are responsible for managing the three Permit Centers located in Placerville, El Dorado Hills and South Lake Tahoe. These Permit Centers are designed to function as a one stop center for plan review, issuance of permits, building code compliance and inspections.

The major responsibilities of the Building Division are to issue building and grading permits for commercial and residential buildings; conduct plan checks and building inspections to insure that plans comply with applicable building codes; and assist the public with building concerns and code enforcement issues.

The Planning Services Division has three distinct functions: current planning, long range planning and special projects. The Current Planning unit is focused on permit and development application processing in conjunction with the Permit Centers. The staff assigned to this function is primarily responsible for processing discretionary development applications, such as land divisions, special use permits and zoning applications including the required California Environmental Quality Act (CEQA) analysis. The Long Range planning unit is responsible for the implementation of the County General Plan and compliance with a variety of State long range planning requirements. The Special Projects unit prepares and oversees the preparation of CEQA documents for County capital improvement projects related to new or expanded facilities such as park projects as well as new County buildings. This unit also participates in the development of plans and administration of regional, State, and Federal endangered species, programs, habitat conservation, and cultural resources management.

The department also has a new Code Enforcement Section with three staff members headed by a Zoning Administrator. This unit enforces violations of the County Code and other related codes and ordinances. Hearings are conducted by the officers related to matters involving safety related or non-permitted items such as illegal business, fire created hazards and substandard or dangerous housing. This section works in conjunction with the Sheriff's Department to enforce the vehicle abatement program.

The department provides staff to the County Planning Commission who is the Board's advisor on land use planning. The Commission has five members, each one appointed by a member of the Board of Supervisors from his/her respective District. The Commission reviews matters related to planning and development. The Commission either approves or denies or makes recommendations to the Board. The Commission meets twice a month.

Scope of the Investigation

People Interviewed

Member, Board of Supervisors
County Administrative Officer (CAO)
Assistant County Counsel
Director, Department of Development Services (DS)
DS Deputy Director – Planning
DS Deputy Director – Building Official
DS Deputy Director -Administration

DS Branch Manager – Placerville Permit Center
DS Branch Manger – El Dorado Hills Permit Center
DS Principal Planner
DS Building Inspector
Chairman, Planning Commission
Member, Building Industry Advisory Committee (BIAC)
Housing Standards Program Manager, State Department of Housing and Community Development
Members of various County trade and business organizations, professional associations, members at large of the building community and county residents

Documents Reviewed

2005-2006 Fiscal Year DS Department Budget
County General Plan adopted by Board of Supervisors on July 19, 2004
County Website on Planning and Building Services
DS Department Organizational Chart
Personnel allocation figures for DS Department
Permit Center Application and Plan Check Review Process Flow Chart Sheet
Building Fee Funded Activities handout
Building Services Permit Activity handout (2001-2005)
Placerville Permit Center Customer Service and Building Inspection Activity (2005)
Permit Fee 2006 Current Distribution handout
DS Year in Review - 2005 and Key Goals for 2006
Building Inspections Checklist Summary
General Plan Consistency Checklist
Customer Service Questionnaire
Class Specifications for Building Inspector, Planner and Engineer Series
23 different checklists used by Planning Division for processing development applications
2005 Permit Application Packet for Single Family Dwellings in Lake Tahoe Basin
Asbestos Dust Mitigation Plan Application
Rule 223-2 Fugitive Dust-Asbestos Hazard Mitigation Information
California Government Code Sections 818.4 and 818.6 pertaining to Liability of Public Entities and Public Employees
"Slow Growth Proves Costly- Problems Mount in Santa Barbara"- Sacramento Bee, March 27, 2006

Facts

1. The County approved a new General Plan in July 19, 2004 to comply with the Writ of Mandate issued by the Court on July 19,1999 directing the County to correct deficiencies in its original approval of the 1996 General Plan. In August 31, 2005, the Sacramento Superior Court ruled that the County had successfully addressed each of the issues raised in the writ. The writ was lifted and on October 3, 2005 and the County began accepting new applications that previously were prohibited under the writ.

2. That court ruling was appealed to the State Appellate Court in late fall 2005 and until the court ruled on that appeal, the County continued processing development applications under the 2004 General Plan. However, the County continued to exercise caution in the interpretation and implementation of the General Plan while they waited for final adjudication.

3. On April 18, 2006, the County and the El Dorado County Taxpayers for Quality Growth reached an agreement that settled the litigation. Under the settlement agreement, the petitioner agreed to drop its appeal and the County waived its claim for attorney's fees ($21,000) and agreed to maintain the current interpretation of the General Plan Policy related to oak woodland habitat.

4. The current Director, hired in January, 2005, was assigned the tasks of completing the merger of the then existing Planning and Building Departments and the implementation of the newly adopted General Plan. Additionally, he inherited a backlog of 64 development projects waiting for the writ to be lifted and 1,500 open code enforcement cases. 30 new cases of code enforcement violations are received each month. The department also processes over 6,000 permits a year of which over 1,500 are for new dwellings. In 2005, over 39,000 inspection stops were conducted, and close to 24,000 individual customers were served from the Placerville office alone.

5. During 2005, the new Director was able to achieve major changes in the department such as:
    a. Created Branch Manager positions to oversee planning and building functions in each Permit Center
    b. Recruited six Planning staff to support Permit Center functions
    c. Reorganized building Plan check responsibilities
    d. Established a New Case review process for all new major planning projects
    c. Re-established "Express plan check" for certain categories of permits
    f. Implemented a new General Plan consistency checklist for all new projects
    g. Obtained contracts for "as needed" planning services to handle increased workload while recruitment of senior level Planners and Engineers, was underway
    h. Issued a request for proposals to planning and environmental services firms to establish a list of "on call" consultants to assist with priority projects.
    i. Prepared a revised Grading Ordinance
    j. Created a Code Enforcement and Vehicle Abatement Hearing Officer position
    k. Established a tracking system by which all permit applications will be monitored by staff to identify and reduce delays in the permit process
    l. Implemented a Building Information Counter Log where by all planning related calls received will be returned on the same day or the day after.

6. The 2004 General Plan provides for long range direction and policy for the use of land within the County (El Dorado Forest comprises 57% of the County's land base).The General Plan relies upon measures identified in each element that implements the policies. Modification of the measures requires amendment of the General Plan. There are nine elements in the General Plan (land; transportation; housing; public services and

utilities; health, safety and noise element; conservation and open space; agriculture and forestry; parks and recreation; and economic development).The land use element alone has 15 measures, many of them with multiple implementation requirements and a significant number of them have a one to two year implementation timetable.

7. Each year the 2,000 to 3,000 permit applications filed require a full plan check. During the Plan Check process the plans are reviewed by building inspectors, planners and/ or engineers (otherwise known as plan checkers) depending on the size and complexity of the project. The plans are reviewed for consistency with planning, grading and building ordinances and codes. Under the new General Plan, any structure over 120 square feet must be reviewed for consistency with the General Plan.

8. The Planning Division currently has one Principal Planner assigned to General Plan implementation. In addition, there are one Principal Planner, four Senior Planners and six Assistant Planners assigned to current planning functions and one Principal Planner assigned to special projects. Tentative maps, parcel maps and subdivision maps have not been done by the department in six years and there is no one in the staff, with few exceptions, that know how to do it. The majority of the planning staff has been on board for two years or less. Several amendments to the Zoning Code have created interpretation conflicts. Agricultural setbacks have become confusing. The review and update of the Design Standards Manual, adopted in 1986 and last amended in 1990, is a top priority under the General Plan and no one has been assigned to that project.

9. Management staff has indicated that they could keep five Planners occupied fulltime for the next five years implementing the General Plan.

10. The department has been unsuccessful in filling four vacancies at the Senior and Principal Planner classifications, and three at the Senior Engineer level. The latter three are needed in the in the Building Division; one in grading plan review and two in plan check. Management indicates that salary and retirement benefits are not competitive with surrounding jurisdictions. Top management believes that a 15% salary increase would be more competitive as well as changes in retirement benefits (employees picking up the additional cost).

11. On April 25, 2006 the Board of Supervisors approved three new recruitment tools to entice new employees: a five percent increase in salary for Senior Planners and Civil Engineers, a six thousand dollar signing bonus for “hard to recruit” classifications, and up to five thousand dollar moving allowance with a two year minimum stay on the job if the new employee takes the moving allowance.

12. 180 building inspections are conducted each work day by approximately 25 inspectors. The Development Services Department is mandated by law to enforce minimum construction and equipment standards and codes to protect life, limb, health, property and public welfare. The inspector’s responsibilities do not include review of quality of workmanship by the contractor. The majority of the Inspectors are hired at the II level. Senior Building Inspectors are assigned to non - residential projects. Building Inspectors

are rotated every 6 months. Employees are required to have a minimum of one certification (building inspection) but they perform all types of inspections including, electrical, mechanical and plumbing. Time of inspections varies from 15 minutes to 45 depending on the type of inspection (foundation and framing taking longer).

13. Under California Government Code 818.6, the County itself is immune from liability not only for negligence in failing to make an inspection but for negligence in the inspection itself.

14. In 1999 there were 15 people assigned to the Building Department Customer Counter in the Placerville location, including staff members from the Planning, Environmental Management (EM) and Transportation (DOT) departments. That number has been reduced to five with no representation from either Environmental Management or DOT.

15. In 2005 $150,000 in contract planning services were spent to expedite plan check review, priority been given to employment generated commercial projects.

16. The Department is requesting an allocation of $1 million in the 2006-07 budget for contract planning services for General Plan implementation. Management expects that this amount will cover implementation of some measures, such as floor area ratio, Option B under tree canopy retention and upgrade and construction work on Missouri Flat Road.

17. By state law the Department cannot profit from the building fees that it charges. Without any additional monies from the General Fund, the Department must raise fees to fund new positions.

18. In the 2005-2006 budget, the department identified several key issues to work on such as:
    a. The relocation of the Courts from the main floor of Building C to allow full implementation of the Placerville Permit Center with permit service participation from the Departments of Transportation (DOT) and Environmental Management.
    b. The commercial grading function currently with DOT to transfer to Development Services in July, 2005.
    c. Reducing plan review times to 30 days or less on a consistent basis since the times had reached seven weeks due to high activity levels. The department stated that with the lifting of the writ and continued build-out of approved projects in El Dorado Hills, it expected an increase in development activity with a commensurate increase on both plan check and building inspection services.

    None of the above identified key issues have been implemented as of the writing of this report (May, 2006).

19. Management has indicated that it does not plan to ask the Board of Supervisors to fund its full allocation of positions beyond the key Planners and Engineer's positions because the current workload does not justify it.

Findings/Recommendations

1F. Finding: High expectations have been placed on the department top management by the Board of Supervisors, the building community at large and the residents of the county to complete the merger, implement the County General Plan, eliminate the backlog of all cases and continue to process new projects and permits, all in a timely basis. Even though the new Director has made many positive changes in such a short period of time, the fact is that the department does not have sufficient personnel, neither in the Planning Services Division nor in the Permit Centers, to accomplish all that it's been requested to do without significant and unpopular delays. Discretionary projects are currently taking 6-9 months to get ready before going to public hearing. Instead of spending $1 million in outside planning services, the County could hire three Senior Planners at a cost of $300-350,000, saving the County between $700,000 and $650,000. Unfilled vacancies causes delays in the processing of construction projects further increasing building costs to the County.

> **1R. Recommendation:** The hiring and retention of new employees in the Senior Planner and Engineer classifications must be monitored closely and further changes in compensation shall be explored if current salary and benefits do not produced desired results.

2Fa. Finding: Departmental staff has set a standard of issuing single family dwelling permits within four weeks and express plan check permits (pools, garages, decks, etc.) over the counter on the same day, but that is not the norm. The lack of sufficient plan checkers is causing delays of up to eight weeks and three weeks, respectively. Many builders and homeowners choose the third party plan check option, at an additional cost, to minimize delays.

2Fb. Finding: Additionally, because all structures over 120 square feet have to be reviewed for consistency with the General Plan, the consistency standards being applied to single dwelling residences and other ministerial projects are those established for discretionary projects, creating further delays.

> **2Ra. Recommendation:** Develop new General Plan consistency standards for single family dwellings and other ministerial projects in order to reduce the time in issuing permits.
>
> **2Rb. Recommendation:** Hire additional plan checkers, in the applicable classifications, to insure the 30 day or less plan review time for residential permits and one day for express plan check permits.

3F. Finding: The merger of the two departments (Planning and Building) into the new Development Services Department has resulted in the hiring of new personnel and the reassignment of some existing employees. Implementation of the General Plan and revision of codes and ordinances continue to generate regular changes that staff must assimilate in order to provide accurate information to the public. In some cases, this has resulted in wrong information being issued and different information being provided by different staff members. This causes frustration and costly changes on the part of the public and results in negative publicity for the department. Furthermore, applicants still need to go to other departments (Department of

Transportation and Environmental Management) after receiving their permit to seek their respective approval.

3Ra. Recommendation: The regular weekly meetings being held by the Director with other top management should be held on an ongoing basis. These meetings are designed to insure consistency in the interpretation of the General Plan, codes and ordinances. Additionally, the assignment of one Principal Planner to the Permit Centers as a central point to answer difficult planning questions for non-discretionary projects is a step in the right direction.

3Rb. Recommendation: Expand the length and/or frequency of the one-hour weekly training sessions held for the Development Technicians and other counter personnel to insure consistency in the dissemination of information.

3Rc. Recommendation: Efforts to move the Courts out of the Placerville office should be expedited so Development Services can complete its plans to absorb the other building and planning related functions of Department of Transportation and Environmental Management such as transportation planning, commercial grading permits sewer, wells, septic, demolition and waste recycle.

3Rd. Recommendation: Institute an inside Learning Academy to provide a structured training program in both technical and customer oriented areas.

4F. Finding: The Technical Advisory Committee (TAC) comprised of representatives from various departments (DS, Environmental Health, DOT) is used by the Planning staff to review all discretionary projects with each applicant. TAC meetings are scheduled for Monday afternoons to review pending projects. The problems with TAC are numerous: the departments do not provide their input in a timely manner; department representatives either don't show up or send a different representative to each meeting; the representatives have no authority to speak for the department thereby resulting in multiple and costly changes for the applicant; Planning lacks the authority to require other department's attendance; decisions communicated over the phone lack documentation; and there is no designated Chairman. Often outside agencies, such as EID and fire districts, do not provide input on a timely fashion. And sometimes, the Planning Services Division fails to contact affected agencies (both outside and inside agencies, such as the Agricultural Commission) and issues permits without the proper authorization. Again, delays result in frustrated customers, agencies and increase costs to the applicants.

4R. Recommendation: Departmental representatives assigned to TAC must have the authority to speak for the department**.** All changes requested from the applicants must be put in writing and signed by all affected departments and outside agencies. Additional changes should not be permitted except for extraordinary circumstances.

5F. Finding: The Department lacks comprehensive performance standards by which they can measure customer satisfaction. As an example, the staff assigned to the Current Planning unit has a 30 day limit for internal review of projects and distribution of plans to other affected agencies (i.e. EM, DOT, school district, fire district, etc.). Beyond the 30 day limit, there is no other

performance standard that addresses work completion. The department has a Customer Service Questionnaire that is found on their website but it is not found in all their Permit Center counters. If available and completed at the counter, the department is only measuring customer satisfaction for services performed in only one small segment of the process.

5Ra. Recommendation: Develop appropriate and specific performance standards for each division to gauge work completion, customer satisfaction and cost effectiveness. Revise existing Customer Service Questionnaire to reflect new performance standards.

5Rb. Recommendation: Enclose a Customer Service Questionnaire with the issuance of all aspects of the permit review and issuance process.

5Rc. Recommendation: Make Questionnaires available in visible locations at all Permit Centers.

5Rd. Recommendation: Questionnaires and return envelopes should be handed out to the contractor or owner/builder after final inspection.

5Re. Recommendation: Questionnaires should be reviewed and discussed on a regular basis by the Department Director and other top managers.

6F. Finding: The Department processes requests for building inspections on a timely basis. However, there is a departmental attitude toward the role of the Building inspectors as "just spot checkers" that conveys superficial and unsafe inspections and makes homeowners, contractors and builders question the purpose of the inspections. Furthermore, some Building Inspectors have provided wrong information related to building code requirements and have had to be corrected by the contractor. Some of these inspectors were training junior inspectors which further exacerbate the problem.

6Ra. Recommendation: Top management needs to change its attitude as to the role of Building Inspectors and educate the employees and the public as to the seriousness of the inspections.

6Rb. Recommendation: Assign a Senior Building Inspector to provide periodic in-house training for all inspectors to insure current and consistent application of building codes.

7F. Finding: The website needs revisions to make it more user friendly.

7Ra. Recommendation: Include an organizational chart of the department with names, telephones numbers and fax numbers of key contacts.

7Rb. Recommendation: Include a statement on the mission and vision of the department to inform the user of the department's responsibilities.

7Rc. Recommendation: Make it a top priority for the public to be able to get a permit and pay fees on line.

8F. Finding: The Planning Commission meets twice a month during daytime hours. Sometimes agenda items are rescheduled due to additional requests of information by either commissioners, departments and/or the public. This results in wasted time and frustration on the part of the applicants.

> **8Ra. Recommendation:** Management agrees that it needs to work closer with the Commission in anticipating their needs. Periodic workshops between county staff and Commissioners should be held to better define the role of the Commission.
>
> **8Rb. Recommendation:** Standardize as much as possible the review process for discretionary projects so as to preclude "re-inventing the wheel" with every project.
>
> **8Rc. Recommendation:** Timely and written responses by affected departments and outside agencies should be required to expedite the review process.
>
> **8Rd. Recommendation:** Planning Commission should meet during evening hours, such as once a quarter, to obtain additional public input as it pertains to the implementation of the County General Plan, code and ordinance changes and other land use policies. The value of the additional public input surpasses that of any overtime payment required for county staff (only the clerical staff would be subject to overtime payment).

9F. Finding: The Grand Jury had great difficulty in obtaining individuals in the community (developers, builders, contractors, members of trade organizations, etc.), who would speak to the Grand Jury as to their experiences for fear of future retaliation by DS planning and building staff. A number of them expressed concern as to the hiring of personnel who, according to them, came from slow growth or no-growth counties and were applying their individual interpretation to the new General Plan. Those who came forward stated that they have chosen not to speak out in the past because their livelihood depend on keeping on good terms with departmental staff so that their building and planning projects are processed in a timely manner.Their experiences were specific to the new department and did not involve any other county department.

> **9Ra. Recommendation:** The Board of Supervisors is ultimately responsible for the implementation of the General Plan by providing leadership and direction to all parties involved. The Board should it make very clear to all departmental personnel that any retaliation by any employee against a customer will not be tolerated, and he/she will be subject to disciplinary action.
>
> **9Rb. Recommendation:** The Department should convene the Building Industry Advisory Committee (BIAC), whose members are appointed by the Board of Supervisors, on a more regular basis, quarterly or as needed, to seek input not just on building matters but also on planning issues.
>
> **9Rc. Recommendation:** The Department should hold periodic workshops with professional and trade organizations and the public at large to seek public input on issues of interest before they are acted upon by departmental staff

A response is required by the Board of Supervisors within ninety (90) days. See Table of Contents, *"Notice to Respondents."*

EL DORADO COUNTY

Grand Jury
2005-2006 Mid-Year Report
January 4, 2006

STATE OF CALIFORNIA
EL DORADO COUNTY
POST OFFICE BOX 472
PLACERVILLE, CA 95667

GRAND JURY

Telephone (530) 621-7477

e-mail: grand.jury@co.el-dorado.ca.us
FAX: 530-295-0763

January 4, 2006

El Dorado County Board of Supervisors
Placerville Office

Rusty Dupray, Supervisor, District I
Helen K. Baumann, Supervisor, District II
James R. "Jack" Sweeney, Supervisor, District III
Charlie Paine, Supervisor, District IV
Norma Santiago, Supervisor, District V

Dear Members of the Board,

The 2005-2006 County Grand Jury is releasing an interim report detailing an audit into SB-163 as administered by the county department of Mental Health. Upon conclusion of the audit by the H.M. Rose Accountancy Corporation, the grand jury has approved the attached conclusions and recommendations. An investigation was originally initiated by last year's grand jury and only recently completed.

This grand jury takes this report and the attached audit seriously. I would also like to acknowledge the cooperation of the county employees, the department of Mental Health, and the H.M. Rose Accountancy Corporation.

We look forward to the continued cooperation between the Grand Jury, the Board of Supervisors, the office of the Chief Administrator and the Mental Health Department.

Respectfully,

Douglas Clough, Foreman
2005-2006 County Grand Jury

STATE OF CALIFORNIA
EL DORADO COUNTY
POST OFFICE BOX 472
PLACERVILLE, CA 95667

GRAND JURY

Telephone (530) 621-7477

e-mail: grand.iurv@co.el-dorado.ca.us
FAX: 530-295-0763

January 4, 2006

Honorable Douglas C. Phimister
Superior Court
2850 Fairlane Court Placervi11e,
CA 95667

Judge Phimister,

The members of the 2005-2006 County Grand Jury have decided to release an interim report detailing an investigation into the county department of Mental Health. Upon conclusion of the investigation and an independent audit by the H.M. Rose Accountancy Corporation, the grand jury has made the attached findings and recommendations. This investigation was originally reported to last year's grand jury that was unable to conduct an inquiry due to time constraints. The grand jury has made specific findings and recommendations in accordance with the California Penal Code.

The grand jury takes its responsibility seriously and we look forward to completing the term in a professional manner. I would also like to acknowledge the county employees, the department of Mental Health, and the H.M Rose Accountancy Corporation for assisting us with this investigation

Respectfully,

Douglas Clough, Foreman

2005-2006 County Grand Jury

NOTICE TO RESPONDENTS

For the assistance of all Respondents, Penal Code Section 933.05 is summarized as follows:

How to Respond to Findings

The responding person or entity must respond in one of two ways:

1. That you agree with the finding.
2. That you disagree wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons for the disagreement.

How to Respond to Recommendations

Recommendations by the Grand Jury require action. The responding person or entity must report action on all recommendations in one of four ways:

1. The recommendation has been implemented, with a summary of the implemented action.
2. The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.
3. The recommendation requires further analysis. If the person or entity reports in this manner, the law requires a detailed explanation of the analysis or study and timeframe not to exceed six months. In this event, the analysis or study must be submitted to the officer, director or governing body of the agency being investigated.
4. The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefore.

Time to Respond, Where and to Whom to Respond

Depending on the type of Respondent, Penal Code Section 933.05 provides for two different response times and to whom you must respond:

1. **Public Agency:** The governing body of any public agency must respond within ninety (90) days. The response must be addressed to the Presiding Judge of the Superior Court.
2. **Elective Officer** or **Agency Head:** All elected officers or heads of agencies who are required to respond must do so within sixty (60) days to the Presiding Judge of the Superior Court, with an information copy provided to the Board of Supervisors.

Mental Health Audit Report
GJ05-001

Background

While the 2004-2005 Grand Jury was investigating a complaint it became aware of issues with the SB-163 program, also known as the "Wraparound Program", that required further examination and investigation. The analysis included program implementation, fiscal records and tracking procedures within the Mental Health department. The Grand Jury hired an outside auditor that specializes in county and state agency audits, the Harvey M. Rose (HMR) Accountancy Corporation. The Harvey M. Rose firm agreed to do a financial audit of the SB-163 program, which is administered by Mental Health. This audit started in June of 2005 and was completed in November of 2005, with the final report submitted in December of 2005.

Findings

The Grand Jury has accepted the Final Report of the audit of the El Dorado County SB-163 program. The Grand Jury adopts the Report's conclusions as its findings. The Grand Jury also wholly agree with the findings (conclusions) and recommendations thereof (see exhibit A). These findings (conclusions) and recommendations have also been reviewed and approved by the presiding judge of the El Dorado County Grand Jury. The Report's recommendations are itemized as follows:

Recommendations

1. Formally delegate management responsibility for the Wraparound program to the Multi-departmental Interagency Governing Council to continue to be comprised of, at minimum, the directors of the Departments of Human Services, Mental Health and Probation.

2. Direct the multi-departmental Interagency Governing Council Wraparound management team to meet regularly such as quarterly for the purpose of overseeing the Wraparound program including setting annual program goals and objectives, determining funding and resource allocations at least once a year as part of the County budget process, establishing operational guidelines, receiving and reviewing regularly produced management reports on program outcomes and cost effectiveness, and making adjustments to program operations when needed.

3. Direct the multi-departmental Interagency Governing Council Wraparound management team to operate in compliance with State laws governing the Wraparound program.

4. Direct the multi-departmental Interagency Governing Council Wraparound management team to prepare annual summary evaluations of program and cost effectiveness for their own review and transmission to the Board of Supervisors, to include documentation of: program compliance with State law; the team's meeting records; achievement of program goals; staff training records; accessibility of the program to the target population; and, program satisfaction by participating families.

5. Direct the inter-departmental Wraparound management team to amend the County Wraparound Plan to include procedures and protocols for admitting and providing services to non-revenue generating children in the program who are not assigned to authorized service allocation slots.

6. Direct the Wraparound inter-departmental management team to amend the program plan to include a definition of program "cost savings to be reinvested in children's services" and to establish procedures for how decisions will be made regarding expenditure of such funds.

7. Direct appropriate County staff to draft a new Wraparound program Memorandum of Understanding for execution by the Departments of Mental Health, Human Services and Probation to replace the MOU among these departments that expired in September 2005.

8. Direct the inter-departmental Wraparound management team and Chief Administrative Officer to review the Wraparound program FY 2005-06 revenue and expenditure budget, its assumptions about the number of children to be served, slots to be filled, actual number of "slotted" and non-revenue generating children served and actual revenues and expenditures year-to-date and report back to the Board within six weeks on whether adjustments should be made to make the budget more realistic.

9. Direct the inter-departmental Wraparound management team and Chief Administrative Officer to prepare a budget plan each year based on the actual revenues and expenditures for the previous year and documented assumptions about the number of children to be served, both slotted and discretionary nonrevenue generating, and the nature of services to be provided in the budget year.

10. Direct the inter-departmental Wraparound management team to at least quarterly monitor actual program revenues and expenditures and number of children served for comparison to the budget.

11. Direct the Chief Administrative Officer to separately present the Wraparound program budget each year in the proposed Department of Mental Health budget document presented to the Board of Supervisors and to include planned and previous year actual numbers of slotted and discretionary non-revenue generating children program participants, hours of staff service provided, contractor service hours and expenditures for unique external goods and services.

12. Direct the inter-departmental Wraparound management team and Chief Administrative Officer to develop an expenditure plan for the approximately $173,244 Wraparound program fund balance and transmit the plan to the Board of Supervisors for review.

13. Direct the inter-departmental Wraparound management team to include in its annual program evaluation provided to the Board of Supervisors: statistics on the number of children referred to and considered for the program; the number and backgrounds of those admitted to the program and assigned to service allocation slots; and, the number and backgrounds of those receiving services with Wraparound funding but not assigned to service allocation slots.

14. Direct the inter-departmental Wraparound management team to prepare written procedures regarding eligibility and services offered to children receiving services with Wraparound funding but not assigned to service allocation slots.

15. Direct the inter-departmental Wraparound management team to prepare annual estimates of staff and contractor availability for the program and to use this as a base line when service plans are prepared to ensure that there is greater consistency between service plans and service provider availability.

This Grand Jury report must be responded to by the Board of Supervisors within ninety (90) days as directed by the Penal Code 933.05 (b) (2) and (3).

Exhibit A

Audit of Claiming and Financial and other Reporting for the Wraparound Program of El Dorado County

Prepared for:

The FY 2005-06 El Dorado County Grand Jury

Prepared by:
Harvey M. Rose Accountancy Corporation
December, 2005

Harvey M Rose Accountancy Corporation

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 552-9292 • FAX (415) 252-0461

December 23, 2005

Mr. Doug Clough, Foreman
Mr. Floyd Knapp, Chair, Audit Committee
Members, FY 2005-06 El Dorado County Grand Jury
P.O. Box 472
Placerville, CA 95667

Dear Foreman Clough, Chair Knapp and Members of the FY 2005-06 El Dorado County Grand Jury:

The Harvey M. Rose Accountancy Corporation is pleased to submit this report on our limited scope audit of El Dorado County's reporting, claiming and financial reporting processes for the County Wraparound, or S.B. 163, program.

This report contains findings and recommendations in the following areas:

1. Compliance with Wraparound program requirements
2. Wraparound program fiscal management
3. Wraparound program records

There are a total of 15 recommendations in this report that, when implemented, will result in improved accountability and disclosure of the costs, revenues and performance of the County's Wraparound program. Program procedures will be clarified and management oversight and reporting improved. As a result of these changes, the quality of services provided to children in El Dorado County at risk of group home placement should be enhanced.

This audit was prepared in compliance with the work program submitted to and approved by the FY 2004-05 El Dorado County Grand Jury in June 2005.

Thank you for selecting the Harvey M. Rose Accountancy Corporation to conduct this audit. We are available at any time to respond to questions you may have about this audit and report.

Respectfully submitted,

Fred Brousseau
Project Manager

Table of Contents

Executive Summary

The Harvey M. Rose Accountancy Corporation was retained by the FY 2004-05 and FY 2005-06 El Dorado County Grand Jury to conduct a limited scope audit of El Dorado County's reporting, claiming and financial reporting processes for Wraparound, or S. B. 163, and other federal and State-funded programs administered by the County Departments of Mental Health and Human Services**.**

A summary of the findings and recommendations contained in this audit report are as follows. The recommendations are numbered according to their respective section in this report.

A summary of the first section of the report is not presented here as it is an overview of the County's Wraparound program and does not contain findings or recommendations.

Section 2: Compliance with Wraparound Program Requirements

- Wraparound is a State-authorized program that allows counties to flexibly use State and local funds that would otherwise be used for group home placements to provide individualized services to prevent at risk children from being placed in group homes. In El Dorado County, funding is obtained from the State by the Department of Human Services, combined with County funds and transferred to the Department of Mental Health which administers the program.
- The County is not operating in full compliance with its key governance documents: State law; the County Wraparound plan; and, a Memorandum of Understanding between the Departments of Human Services and Mental Health. Key areas of non-compliance include: the absence of an executive management team assuming responsibility for planning and monitoring program performance and a lack of procedures to ensure family understanding of and input to the program. Among other impacts, the lack of a Wraparound program management structure has resulted in under-expending available program funds, lower service levels than anticipated and over-budgeting every year of the program.
- State legislation requires that counties providing Wraparound services designate a number of service allocation slots for participating children. State funding is provided based on the number of such slots filled each month. The County's Department of Mental Health has expanded program participation by including children at risk of group home placement in addition to those in the authorized service allocation slots. Services for these other children are provided with funds not spent on the children in the authorized slots. The methods for determining eligibility and expenditure levels for these additional children have not been documented in the County's Wraparound plan or any other Department documents.

- A Memorandum of Understanding between the Departments of Human Services and Mental Health calls for reinvestment of savings realized in the Wraparound program to other children's services. A definition of such savings has not been established nor has a process for the two departments to determine how funds should be reinvested. As a result, approximately $173,244 in program funding has accumulated over the last three year fiscal years that could have been reinvested in other services for children.

Recommendations

Based on the above findings, the El Dorado County Board of Supervisors should:

2.1 Formally delegate management responsibility for the Wraparound program to the multi-departmental Interagency Governing Council to continue to be comprised of, at minimum, the directors of the Departments of Human Services, Mental Health and Probation.

2.2 Direct the multi-departmental Interagency Governing Council Wraparound management team to meet regularly such as quarterly for the purpose of overseeing the Wraparound program including setting annual program goals and objectives, determining funding and resource allocations at least once a year as part of the County budget process, establishing operational guidelines, receiving and reviewing regularly produced management reports on program outcomes and cost effectiveness, and making adjustments to program operations when needed.

2.3 Direct the multi-departmental Interagency Governing Council Wraparound management team to operate in compliance with State laws governing the Wraparound program.

2.4 Direct the multi-departmental Interagency Governing Council Wraparound management team to prepare annual summary evaluations of program and cost effectiveness for their own review and transmission to the Board of Supervisors, to include documentation of: program compliance with State law; the team's meeting records; achievement of program goals; staff training records; accessibility of the program to the target population; and, program satisfaction by participating families.

2.5 Direct the inter-departmental Wraparound management team to amend the County Wraparound Plan to include procedures and protocols for admitting and providing services to non-revenue generating children in the program who are not assigned to authorized service allocation slots.

2.6 Direct the Wraparound inter-departmental management team to amend the program plan to include a definition of program "cost savings to be reinvested in children's services" and to establish procedures for how decisions will be made regarding expenditure of such funds.

2.7 Direct appropriate County staff to draft a new Wraparound program Memorandum of Understanding for execution by the Departments of Mental

Health, Human Services and Probation to replace the MOU among these departments that expired in September 2005.

Section 3: Wraparound Program Fiscal Management

- State and local funding is provided to the County's Wraparound program based on the number of "service allocation slots" filled by children participating in the program. Between its inception in August 2002 and June 2005, the County authorized six service allocation slots per month but filled an average of only 4.8. As a result, the County did not collect an estimated $182,484 in available program funding that would have enabled services to an additional 18.7 children.
- In addition to under-recovered available revenue, program expenditures were approximately $173,244 less than actual funding received during the three fiscal years reviewed. These unspent funds have been carried over each year and are still available for the program, but reflect lower service levels for program participants and unnecessary encumbrance of County General Fund monies during the review period. Combined with the $182,484 in funds not recovered due to unfilled service allocation slots, the County did not provide $355,728 worth of Wraparound services that could have been provided during the three fiscal years reviewed.
- During the three years reviewed, actual Wraparound program revenues were $327,938 less than budgeted revenues and actual program expenditures were $628,547 less than budgeted. These substantial variances reflect a lack of program planning and oversight by Mental Health and Human Services Department executive management.
- Total reported Department of Mental Health salary and benefits costs for Wraparound were only $4,775 and $10,912 the first two years of the program, respectively, but increased to $304,547 in FY 2004-05. Department of Mental Health staff report that staff time sheet and billing records did not capture all staff time dedicated to the program in its first two fiscal years. If actual staff costs were higher than the amounts charged to program funds, those program costs were covered by other Department funding sources, inappropriately curtailing other services.
- Though encouraged by the Wraparound program concept, only $9,307, or 1.5 percent of total program expenditures during the three fiscal years reviewed, have been spent on unique goods and services jointly identified by program participants, their families and County staff as being in the best interests of the child. Most of the program funding has been used for traditional County staff-provided services.

Recommendations

Based on the findings presented in this section, it is recommended that the El Dorado County Board of Supervisors:

3.1 Direct the inter-departmental Wraparound management team and Chief Administrative Officer to review the Wraparound program FY 2005-06 revenue and expenditure budget, its assumptions about the number of children to be served, slots to be filled, actual number of "slotted" and non-revenue generating children served and actual revenues and expenditures year-to-date and report back to the Board within six weeks on whether adjustments should be made to make the budget more realistic.

3.2 Direct the inter-departmental Wraparound management team and Chief Administrative Officer to prepare a budget plan each year based on the actual revenues and expenditures for the previous year and documented assumptions about the number of children to be served, both slotted and discretionary non-revenue generating, and the nature of services to be provided in the budget year.

3.3 Direct the inter-departmental Wraparound management team to at least quarterly monitor actual program revenues and expenditures and number of children served for comparison to the budget.

3.4 Direct the Chief Administrative Officer to separately present the Wraparound program budget each year in the proposed Department of Mental Health budget document presented to the Board of Supervisors and to include planned and previous year actual numbers of slotted and discretionary non-revenue generating children program participants, hours of staff service provided, contractor service hours and expenditures for unique external goods and services.

3.5 Direct the inter-departmental Wraparound management team and Chief Administrative Officer to develop an expenditure plan for the approximately $173,244 Wraparound program fund balance and transmit the plan to the Board for review.

Section 4: Wraparound Program Records

- Claims for State Wraparound funding are filed by the Department of Human Services each month as part of its larger claim for Foster Care funding. A review of Department records showed that there is sufficient supporting documentation for the Wraparound program claims filed between FY 2002-03 and 2004-05.
- The Department of Mental Health's Wraparound program accounting, timesheet and other records do not provide sufficient information to determine if program funding has been properly accounted for since the program's inception. A new record-keeping system implemented in February 2005 has improved this situation but since it was not in place for

the first two and a half years of the program, it is not possible to accurately determine actual program costs during that time or the source of funding for all services provided.

- A review of Department of Mental Health time sheets and contractor billings for four randomly selected months showed that actual staff hours and costs were higher than recorded in the Department's financial records. Time and cost records were not compiled or reviewed by program managers prior to February 2005 to ensure that program funding was appropriately used and accounted for.
- Program records are maintained reporting the number of children assigned to service allocation slots but there is no documentation of the number of children considered for Wraparound service allocation slots who were not accepted in to the program. There is no documentation at all of the number of other at risk children considered for and accepted in to the program who are not assigned to service allocation slots. Such information should be recorded to document that all children in the program meet the eligibility criteria and to determine if adjustments are needed to the number of service allocation slots authorized by the County.
- A review of treatment plans and time sheets for four randomly selected months showed variances between services planned for children in the program and what was actually delivered. While there may be valid reasons to divert from original treatment plans as a child's situation changes, a comparison of planned to actual staff and contractor hours and services should be regularly prepared to ensure that program resources are being allocated effectively.

Recommendations

Based on the above findings, it is recommended that the Board of Supervisors:

4.1 Direct the inter-departmental Wraparound management team to include in its annual program evaluation provided to the Board of Supervisors: statistics on the number of children referred to and considered for the program; the number and backgrounds of those admitted to the program and assigned to service allocation slots; and, the number and backgrounds of those receiving services with Wraparound funding but not assigned to service allocation slots.

4.2 Direct the inter-departmental Wraparound management team to prepare written procedures regarding eligibility and services offered to children receiving services with Wraparound funding but not assigned to service allocation slots.

4.3 Direct the inter-departmental Wraparound management team to prepare annual estimates of staff and contractor availability for the program and to use this as a base line when service plans are prepared to ensure that there is greater consistency between service plans and service provider availability.

Introduction

The Harvey M. Rose Accountancy Corporation was retained by the Fiscal Year (FY) 2004-05 and FY 2005-06 El Dorado County Grand Jury to conduct a limited scope audit of El Dorado County's reporting, claiming and financial reporting processes for Wraparound, or S. B. 163, and other federal and State-funded programs administered by the County Departments of Mental Health and Human Services. The objectives of the audit were to determine:

- Whether the County's Departments of Human Services and Mental Health maintain appropriate records to demonstrate service levels and properly record costs of the County's SB 163 Wraparound Program and any other related federal and State grant programs administered by the two departments;

- Whether appropriate internal controls have been established and are followed by the two departments to ensure that federal and State grant funds are expended for intended purposes;

- Whether generally accepted cost accounting methodologies are followed by the two departments when determining program costs related to these and other federal and State funded programs; and,

- Whether excess reserves or surplus funds have accumulated, or if all funding available has been made available to support services for program recipients.

While the initial focus of the audit was all federal and State-funded programs administered by the County Departments of Mental Health and Human Services, the Wraparound program was identified during the field work phase of the audit as the most relevant program for review. The other program that was reviewed was the Supportive and Therapeutic Options Program (STOP), a State funded program that provides mental health related day treatment and aftercare services to families with children at risk of out-of-home placement and those exiting foster care. Because of the small amount of program funding and expenditures (actual expenditures were reportedly $28,678 for FY 2004-05 as of July 7, 2005) relative to the Wraparound program, limited audit hours were redirected to an analysis of the latter program after a review of key STOP program documents.

Audit Methods

Methods used to conduct this audit included the following:

- Interviews with directors, relevant managers and key staff at the Department of Human Services and the Department of Mental Health

- Review of key program documents including enabling State legislation, the County's Wraparound plan and Memoranda of Understanding between all departments involved in the program.
- Analysis of Wraparound program financial information and documents including budget and revenue/expenditure documents from the County's financial system, Department of Human Services foster care claim records and supporting documentation, Wraparound program special fund General Ledger reports and journal entry documentation.
- Review of written procedures regarding program eligibility and intake.
- Analysis of program participant rosters for each month that the program has been in effect through June 2005.
- Review and analysis of Department of Mental Health case files, treatment plans and billing records for a sample of children in the Wraparound program.
- Review of a sample of case files and outcome documentation.
- Review of minutes from Cross-Systems Operations Team and Placement-Referral sub-committee minutes between August 2002 and June 2005.
- Review of literature on the Wraparound program.
- Review of County documentation on County's Supportive and Therapeutic Options Program (STOP) program.

Field work was conducted between June and October, 2005. A draft audit report was prepared with the results presented in three areas of findings and recommendations. The draft report was provided to the Grand Jury and the directors of the Human Services and Mental Health departments for their review and comments and an exit conference meeting took place with the directors and other representatives of the departments before the report was finalized and submitted to the Grand Jury in December 2005. This audit was prepared in compliance with the work program submitted to and approved by the FY 2004-05 El Dorado County Grand Jury in June 2005.

1. Wraparound program overview and glossary of terms

The Wraparound program was created by State legislation adopted in 1997 that allowed California counties to use State foster care and Adoption Assistance funds in a flexible manner to provide eligible youth with services as an alternative to group home care. The program was originally designed for youths who are residing, or are at risk of being placed, in group homes licensed at Rate Classification Levels 12-14[1], the most costly out-of-home facilities designed for youths with severe emotional disturbances. Under the Wraparound program, qualified youth are provided with intensive, individualized family-based services designed to keep them with their families, or to return them to their families if they are already in an out-of-home placement. Services can be provided, according to the State legislation, to youths living with their birth parents, relatives, adoptive parents, licensed or certified foster parents, or guardians.

Funding for the program consists of State funding at the same rate as would be provided for group home placements, which vary based on each participant's Rate Classification Level. The County is required to match the State funds provided at the rate of 60 percent of the total cost. The funds are provided to the County's welfare department (Department of Human Services in El Dorado County) which may enter into interagency agreements with other County departments for the provision of wraparound services.

State law requires participating counties, at their option, to develop a plan for wraparound services and monitor the provision of those services consistent with the plan. The plan, to be submitted to the State Department of Social Services for informational purposes, is to include:

- A process and protocol for reviewing and determining eligibility for the program
- Processes for developing, modifying and denying individualized services plans for each youth participant
- A process for parent support, mentoring, and advocacy to ensure parent understanding and participation in the program
- A planning and review process to support and facilitate the following program principles:

    - Focus on individual child through individualized service plans
    - Providing services geared to enabling the participants to remain in the least restrictive, most family-like settings possible
    - Developing a close and collaborative relationship with the family
    - Conducting a thorough, strengths-based assessment of each child and family that serves as the basis of the individualized service plan
    - Designing and delivering services that incorporate the religious customs, and regional, racial, and ethnic values of the youths and families served
    - Measuring consumer satisfaction to assess outcomes

[1] See Glossary at the end of this section for definition of Rate Classification Level.

- Written interagency agreements or memorandum of understanding between the county departments of social services, mental health and probation that specify jointly provided or integrated services, staff tasks and responsibilities, budget considerations and related matters.

The statute also requires that each county evaluate its program to determine it cost and effectiveness of outcomes. Each county is to ensure that staff participating in the project has completed training provided or approved by the California Department of Social Services.

The initial legislation established Wraparound as a pilot project to be concluded by October 1, 2003. Subsequent legislation, adopted in 2000[2], expanded the definition of eligibility to include children residing in, or at risk of residing in a group home at RCL 10 or above. The program ending date of October 2003 in the initial legislation was repealed indefinitely, according to the California Department of Social Services[3]. Other than these changes, most of the other program definitions remained the same.

Details on El Dorado County's implementation of the Wraparound program are presented in the next three sections of this report.

Glossary of terms used in this report

Client Goods and Services:	A classification of expenditures used in this report for Department of Mental Health expenditures for non-departmental goods and services provided to children participants and their families such as lessons for the children or transportation services for families. Such services are identified by the child, the child's family and other members of his or her support team usually through Wraparound program interactions facilitated by County staff or contractor.
Eligible child:	A child who is any of the following: 1) a child adjudicated as either a dependent or ward of the juvenile court pursuant to [Welfare Institutions Code] Section 300, 601 or 602 and who would be placed in a group home licensed by the department at a Rate Classification Level of 10 or higher; 2) a child who would be voluntarily placed in out-of-home care pursuant to Section 7572.5 of the Government Code; or, 3) a child who is currently, or who would be, placed in a group home licensed by the department at a Rate Classification Level of 10 or higher.
Group home:	An alternative to traditional in-home foster care for children, in which children are housed in a home-like setting with a number of unrelated children who stay for varying periods of time. The

[2] California Welfare & Institutions Code § 18252 and 18254, as amended by Assembly Bill 2706, Chapter 259, Statutes of 2000.

[3] The ending date was repealed through separate trailer legislation according to a telephone interview with a representative of the California Department of Social Services, October 4, 2005.

children are supervised by a combination of house parents and/or staff. More specialized therapeutic or treatment group homes have specially-trained staff to assist children with emotional and behavioral difficulties. The make-up and staffing of the group home can be adapted to meet the unique needs of its residents.

Program participant: Term used in this report for a child that has been assigned by the County to the program either in a service allocation slot or without one.

Rate Classification Level (RCL): A standardized classification system for children in placement that measures their overall emotional and mental condition and determines the type of facility and services they need.

S.B. 163: The original State legislation that authorized the first version of the Wraparound program.

Service allocation slot: Defined in State Wraparound program law as a specified amount of funds available to the county to pay for an individualized intensive wraparound services package for an eligible child. A service allocation slot may be used for more than one child on a successive basis. [California Welfare & Institutions Code 18251]

Support Team: A term used in this report to represent the family members and others who comprise the team that provides and organizes services for a Wraparound program participant child. Generally, these teams meet regularly with a County or contract facilitator and the child to monitor progress and plan and organize services.

Wraparound: Individualized family-based services provided as an alternative to group home care. Services are "wrapped around" a child living with his or her birth parents, relatives, foster parents, adoptive parents or guardians. Services emphasize the strengths of the child and family and includes the delivery of coordinated and highly individualized services to address the child's needs and to achieve positive outcomes.

2. Compliance with Wraparound program requirements

- **Wraparound is a State-authorized program that allows counties to flexibly use State and local funds that would otherwise be used for group home placements to provide individualized services to prevent at risk children from being placed in group homes. In El Dorado County, funding is obtained from the State by the Department of Human Services, combined with County funds and transferred to the Department of Mental Health which administers the program.**
- **The County is not operating in full compliance with its key governance documents: State law; the County Wraparound plan; and, a Memorandum of Understanding between the Departments of Human Services and Mental Health. Key areas of non-compliance include: the absence of an executive management team assuming responsibility for planning and monitoring program performance and a lack of procedures to ensure family understanding of and input to the program. Among other impacts, the lack of a Wraparound program management structure has resulted in under-expending available program funds, lower service levels than anticipated and over-budgeting every year of the program.**
- **State legislation requires that counties providing Wraparound services designate a number of service allocation slots for participating children. State funding is provided based on the number of such slots filled each month. The County's Department of Mental Health has expanded program participation by including children at risk of group home placement in addition to those in the authorized service allocation slots. Services for these other children are provided with funds not spent on the children in the authorized slots. The methods for determining eligibility and expenditure levels for these additional children have not been documented in the County's Wraparound plan or any other Department documents.**
- **A Memorandum of Understanding between the Departments of Human Services and Mental Health calls for reinvestment of savings realized in the Wraparound program to other children's services. A definition of such savings has not been established nor has a process for the two departments to determine how funds should be reinvested. As a result, approximately $173,244 in program funding has accumulated over the last three year fiscal years that could have been reinvested in other services for children.**

The key documents governing the Wraparound program are: 1) State legislation authorizing the program; 2) the County's Wraparound program plan; and, 3) two Memoranda of Understanding (MOUs) between the departments involved in the programs, setting forth the roles and responsibilities of each. A review of the

requirements of these documents compared to actual program activity reveals that many of the requirements have not been met.

State funding for the Wraparound program is claimed by and transmitted to the County Department of Human Services as part of the County foster care program. The Department of Mental Health provides direct services or arranges for contract services for the children in the program. Participants are referred to the program by the Department of Human Services-Child Protective Services division, the Department of Mental Health, County schools and the Probation Department.

State legislation

There are two State statutes governing the Wraparound program. The first, adopted in 1997[1], allows each county to participate in the program and provide children with service alternatives to placement in group homes. This legislation enables participating counties to obtain State funding that would otherwise be provided for group home placement costs and use it, in conjunction with a mandatory County contribution, for flexibly defined family-based services provided to eligible children at risk of group home placement.

The original legislation defines eligibility for the program as children who are either wards of the juvenile court or dependents and who would be placed in a group home with a license for treating children classified at Rate Classification Level (RCL) 12 or above[2]. Wraparound services are defined in the legislation as,

> "community-based intervention services that emphasize the strengths of the child and family and includes the delivery of coordinated, highly individualized unconditional services to address needs and achieve positive outcomes in their lives."

The program is optional for counties but the legislation requires that any county that chooses to participate has to develop a plan for Wraparound services and has to monitor the provision of such services. The initial legislation established Wraparound as a pilot project to be concluded by October 1, 2003. Subsequent legislation, adopted in 2000[3], expanded the definition of eligibility to include children residing in, or at risk of residing in a group home at RCL 10 or above. The program ending date of October 2003 in the initial legislation was repealed indefinitely, according to the California Department of Social Services[4]. Other than these changes, most of the other program definitions remained the same.

[1] California Welfare & Institutions Code § 18250-18257, adopted as Senate Bill 163, Chapter 795, Statutes of 1997.

[2] Rate Classification Levels, or RCLs, are a standardized classification system for children in placement that measures their overall emotional and mental condition and determines the type of facility and services they need.

[3] California Welfare & Institutions Code § 18252 and 18254, as amended by Assembly Bill 2706, Chapter 259, Statutes of 2000.

[4] The ending date was repealed through separate trailer legislation according to a telephone interview with a representative of the California Department of Social Services, October 4, 2005.

Some of the key requirements of State Wraparound legislation and El Dorado's compliance, are summarized in Chart 2.1 below.

Chart 2.1 shows that El Dorado County has complied with some but not all of the requirements of State law governing the Wraparound program. A program plan is in place and protocols have been established governing referrals and eligibility for six County authorized service allocation slots, meaning that six children at risk of group home placement can be officially enrolled in the program at any one time and the State will provide its share of what would be the cost of placement in a group home for these children. Formalized processes for monitoring the program's accessibility to the target population and for ensuring parent understanding of and involvement in the program are not in place.

Treatment plans are prepared for every child in the program by the Department of Mental Health but they are not different than treatment plans for other children served. They do not specifically address family strengths or indicate what the family wants for the child.

An interagency Memorandum of Understanding (MOU) between the County Departments of Mental Health, Human Services, Probation and Public Health and the County Office of Education was executed in 2001 outlining program services and the roles and responsibilities of each agency. That MOU expired in September 2005. A separate MOU between the Departments of Mental Health and Social Services only was executed in February 2005 covering the roles and responsibilities and financial relationships of these two departments.

An evaluation of the program's treatment and cost effectiveness was prepared by the Department of Mental Health in 2000. While it presented information on some program successes, it did not include actual program cost data and reported that half of the children in the service allocation slots did end up in group home placements. Ideally, the evaluation would have included an assessment of why these cases were not successful and suggestions for decreasing the number of children in the program who are placed in group homes.

Chart 2.1
El Dorado County's Compliance with Key Requirements of State Wraparound Legislation

	State requirement	Implemented	Not implemented
1	County must develop a Wraparound services plan to be eligible for program funding.	County adopted a comprehensive Wraparound plan, submitted to the State in March 2000.	
2	County must develop a protocol for reviewing eligibility of children and families in program and for monitoring accessibility and availability of services to the target population.	***Partial:*** County has a protocol for reviewing eligibility of children assigned to service allocation slots.	County does not have a process for monitoring accessibility of program to target population.
3	County must develop a process for parent support, mentoring, and advocacy that ensures parent understanding of and participation in, the Wraparound services program.	***Partial:*** parents included in treatment teams but process for their participation not formalized.	A formalized process for parent support, mentoring, advocacy and ensuring participation is not in place.
4	Children's families to be very involved in planning services.	***Partial***: Families involved in planning services.	Intensive family involvement in planning services is not documented in program records.
5	Thorough, strengths-based assessments to be conducted of each child and family to serve as basis for individualized service plans geared to unique needs and strengths of child and family.		Service plans prepared by Department of Mental Health are not unlike plans for non-program children; they do not document family and child strengths or role families played in designing services.
6	Family and other customer satisfaction with program to be measured to assess outcomes.		Customer (children, families, etc.) satisfaction not measured.
7	Written interagency agreements to be prepared between county departments of mental health, probation, social services re: services, responsibilities, budget, etc.	Multi-agency MOU executed January 2001, expired September 2005. MOU between Depts. of Mental Health and Human Services still in effect.	Expired multi-agency MOU needs to be extended.
8	Each county to prepare an evaluation of its pilot project to determine cost and treatment effectiveness including results preventing placement in more restrictive environments, emotional and behavioral adjustments, etc.	***Partial:*** Evaluation prepared but without cost-effectiveness analysis.	For required cost and treatment effectiveness, evaluation did not include evidence of preventing placements nor suggestions for improving outcomes.
9	County staff participating in program to be trained in Wraparound approach.	Program manager and supervisor trained.	Not all clinical staff providing services trained, as per Plan.

County Wraparound Program Plan

El Dorado County's Wraparound program plan states that it was prepared as a cooperative effort by the Departments of Mental Health, Social Services (now Human Services), Probation and Public Health, the County Office of Education and a parent partner. The group met bimonthly for six months and received training from the State in the Wraparound approach. Input on the plan was reportedly solicited from County stakeholders including selected nonprofit organizations and family members.

While the plan appears to represent a thorough and comprehensive effort by the County, its implementation has been less complete. Unlike State law discussed above and the Memorandum of Understanding discussed later in this section, the County's Wraparound program plan is not a binding document and, in fact, should be periodically updated and changed to reflect any changes in conditions. However, as of the field work phase of this audit, the plan had not been updated since its adoption in part due to the absence of a high-level management team overseeing the program.

The plan identifies an organization structure for the program, its target population, eligibility and referral processes, program methods, staffing, quality management, project planning and change processes and Wraparound agency requirements. It included an implementation timeline, identifying responsible parties and due dates.

An executive management team accountable for the program has not assumed responsibility for Wraparound program planning and performance monitoring, though this is called for in the County's program plan

The County's Wraparound plan defines the program's organization structure and assigns key responsibilities to its various components. The structure and assignments cover all elements needed for effective program operations: management oversight and policy direction; stakeholder input; resource allocation decision-making; program operational guidelines; program evaluation; and, staff functions. Chart 2.2 presents the status of the components of the organization structure defined in the plan.

Chart 2.2

Status of Organizational Structure Components Identified in El Dorado County's Wraparound Plan

Assigned to	Responsibility	Status
Interagency Governing Council comprised of agency directors.	Program oversight, policy development and outcome monitoring.	This management Council is in place but has not fulfilled the responsibilities outlined in the Plan for the Wraparound program.
System of Care Policy Council comprised of directors from major child-serving county agencies and County Office of Education.	Allocating program resources and developing operational guidelines.	Has not functioned in a management oversight capacity for Wraparound; was in place for now defunct System of Care program.
Cross-Systems Operations Team: program managers, family representatives and contractors.	Program gatekeepers; data collection and oversight of performance outcomes.	Established but does not serve as gatekeeper and has not assumed responsibility for data collection and monitoring outcomes.
Placement/Referral Subcommittee: staff representatives of Mental Health, Human Services, Probation and County Office of Education.	Screen referrals and refer appropriate families to the Program manager for inclusion in program.	This subcommittee is functioning and approves assignment of children to service allocation slots.
Wrap Core Team: program manager, evaluator, supervisor, facilitator, parent advocate.	Develop each Family Team and individualized plans for children; facilitate family process.	Team functions being performed by Department staff except evaluator function not in place.

Management Teams

As presented in Chart 2.2, the highest level management components of the program's organization structure defined in the program plan, the Interagency Governing Council and the System of Care Policy Council, has never functioned in the management capacity called for in the program plan, nor has any other individual or group. Without this component of the program organization structure, management accountability has not been in place and critical management functions such as establishing program goals and policies, determining how funding and resources should be allocated, developing operational guidelines and monitoring program results have not been performed.

Cross-Systems Operations Team

The highest level Wraparound program body in place is the Cross-Systems Operations Team. This panel grew out of the Mental Health Department's now defunct System of Care program and is comprised of mid-level managers and supervisors from the Mental

Health, Human Services and Probation Departments, family representatives and contractors. While this is a good combination of members for Wraparound program oversight and review, the members are not department directors and do not have decision-making authority. According to the program plan, the role of the Cross-Systems Operations Team is to serve as program gatekeepers (awarding service allocation slots) and to monitor outcomes but it is not assumed to be an upper management policy-setting and decision-making team.

A review of Cross-Systems Operations Team meeting minutes from the past three and one half years confirmed that the team is not functioning in a program management capacity and does not serve as program gatekeeper as identified in the plan. The Cross-Systems Operations Team has only met eight times since April 2002, or an average of once every 5.4 months. A representative of the Department of Human Services has not attended all meetings though the Department plays a key role in the program. While individual cases are reviewed, overall program outcome measures are not monitored. Appropriate to its level of authority, the team does not make management decisions about the Wraparound Program such as determining resource allocation or setting program goals and objectives.

The absence of the management panels outlined in the Program plan could partly explain some of the program deficiencies detailed elsewhere in this audit report such as why less than six of the authorized service allocation slots have been filled since program inception, why there have been large variances between budgeted and actual revenues and expenditures every year the program has been operating and why the program has consistently under-spent its available funding[5]. It also explains the absence of reliable accounting records, program participant documentation and outcome reporting. If an upper management team comprised of the directors of Human Services, Mental Health and other relevant departments was in place and held accountable for the Wraparound program and if regular review of the program's operational and financial performance had been performed by this group, it is more likely that changes in program operations and cost reporting would have occurred to ensure optimal program outcomes and more prudent fiscal management.

Placement/Referral Sub-committee

The Placement/Referral Sub-committee identified in the plan has met regularly since the Wraparound Program's inception. Established originally as part of the former System of Care program, it is this group, and not the Cross-Systems Operations Team, that serves as gatekeeper for the Wraparound program's six service allocation slots, reviewing referrals to the program from the Departments of Human Services-Child Protective Services, Mental Health, Probation and the County Office of Education. Before authorizing a child to be placed in a service allocation slot, the sub-committee determines if the referred child meets the Wraparound program criteria of being at risk of group home placement and if the child's family is willing to participate in the Wraparound

[5] See Section 3 of this report for details on El Dorado County Wraparound program's fiscal history.

program. This sub-committee reviews the number and status of the children in service allocation slots each month but does not receive or review formal reports regarding overall program outcomes. It does not review the status of the children in the program not assigned to service allocation slots.

Wrap Core Team

The Wrap Core Team has been established but are not all involved in identifying the Family Team and developing individualized service plans for children participating in the program as specified in the plan. An evaluator was on program staff in the past according to Department representatives, but that position was vacant at the time field work was being conducted and the representatives report that program evaluations were suspended when the position became vacant.

Status of other components of the Wraparound program plan

The County Wraparound plan also identifies the program's eligibility and referral processes, program methods and evaluation methods. The status of these plan components are as follows:

- The plan's goal was to fill all six service allocation slots on a phased-in basis starting in August 2002. As discussed further in Section 3, the full six slots have rarely all been filled since the program's inception. The average number of slots filled per month from program inception through June 2005 was 4.8, or 1.2 less than the slots available.
- Besides training Department of Mental Health staff in Wraparound, the plan calls for providing training to participating families. This has not occurred. Some Department staff providing services to Wraparound program participants have not been trained either.
- The plan calls for ongoing program evaluation, including interviewing and obtaining input from parents and families of program participants. Program feedback from these sources is to be provided to the Inter-governmental Council and the System of Care Policy Council every six months or at least annually. As discussed above, such upper management teams, including the directors of Human Services and Mental Health as members, have not been functioning and ongoing program evaluation, including formally obtaining input from parents and family members, has not occurred. It should be noted that program staff does evaluate the progress of each child in the program every six months, but this is not the same as an overall evaluation of the program and its effectiveness.
- The hiring of a Parent Advocate to provide advocacy, training and outreach services to parents is called for in the program plan but has not been implemented.

Inclusion of children besides those assigned to the service allocation slots is not addressed in the program plan

Besides the children assigned to the six service allocation slots authorized by the County, program staff have assigned other children to the Wraparound program who are also believed to be at risk of group home placement, though their risk is not considered as imminent as those assigned to the six slots. An average of 9.1 children per month in this status have been served by the program since August 2002. They do not generate additional program revenue but funds not spent on the children in the service allocation slots are used to cover services provided to these non-revenue generating children. Though State law does not explicitly provide for Wraparound services to be provided in this manner, a representative of the California Department of Social Services reports that this is an allowable practice[6]. The County's Wraparound Plan does not address provision of services to children in this status or describe how eligibility will be determined and resource allocations decided. Given that this information is covered for children in the service allocation slots and that more non-revenue generating children have received services than slotted, similar provisions should be codified for these program participants, though they are not technically part of the Wraparound program. Without such codification, there is less assurance that program services and resources are being fairly and appropriately allocated.

Memorandum of Understanding between Departments of Mental Health and Human Services

The final documents governing the County's Wraparound program are the two State-mandated Memoranda of Understanding (MOUs) between the departments participating in the program. One MOU (DSS Agreement #132), executed in January 2001 and expired in September 2005, governs the roles and responsibilities of all departments party to the agreement: Mental Health; Human Services; Probation; Public Health and the County Office of Education. The primary requirements of this MOU are that all parties adhere to the provisions of State Wraparound law. Department of Mental Health representatives report that this now expired MOU will be extended in the near future.

A second MOU (#262-M0511) between the Departments of Mental Health and Human Services only, executed in February 2005 and still in effect, was precipitated by a change in program funding and reimbursement arrangements between the departments. The MOU also establishes mutual and individual responsibilities of the two departments.

Prior to execution of the second MOU, program funds were collected by DHS and deposited in a special revenue fund, then transferred to DMH's Wraparound program based on the number of filled service allocation slots each month. Staff at DMH was required to track their time allocated to the program for budget purposes but this information was not provided to DHS and did not affect the amount of funds transferred in to the Wraparound program.

[6] Telephone interview October 4, 2005.

The February 2005 MOU (#262-M0511) changed this arrangement by requiring that DMH prepare monthly invoices itemizing their actual program costs, including details on program staff time, administrative staff time, contract payments to service providers, and direct services and supplies provided to program participants and their families. Documentation such as employee time reports and other expense documents must now be submitted with the monthly invoices. The MOU also addresses use of Adoptions Assistance Program funds, confidentiality of documents and the responsibilities of the two departments. The status of some of the key responsibilities identified in the MOU are summarized in Chart 2.3.

Chart 2.3
Status of Key Elements of MOU
between Departments of Mental Health and Human Services

	MOU: mutual responsibilities	Implemented	Not implemented
1	Comply with State law.		County is not in full compliance with State Wraparound laws.
2	Comply with County Wraparound plan.		County is not in full compliance with Wraparound program plan.
3	Collaborate to determine eligibility for Wraparound services.	Departments collaborate through the Placement-Referral Sub-committee for children in the six service allocation slots.	
4	Reinvest program cost savings in other services for children and families.		Definition of cost savings has not been prepared nor has a process for reinvesting such funds.
5	Conduct evaluation of cost and treatment effectiveness of program.		No evaluations conducted since MOU executed.
6	Provide quarterly evaluation reports to Cross-Systems Operations Team and System of Care Policy Council.		No quarterly evaluations since MOU executed.
7	Provide staff access to family funds within two hours if under $500 and within 24-48 hours if $500 or more.		Funds are not provided as quickly as called for in MOU.
8	Submit evaluation reports to State Department of Social Services as required covering areas such as program and cost effectiveness.		Evaluation conducted did not include assessment of program and cost effectiveness partly due to inadequate cost data available.
9	Submit list of all program participants to DHS monthly including start dates of each.	List is submitted to DHS.	

Chart 2.3 (cont'd)

Status of Key Elements of MOU between Departments of Mental Health and Human Services

10	Maintain and provide documentation to DHS tracking all costs charged to program	***Partial:*** This is being done but only since the MOU was executed in February 2005.	Not implemented prior to MOU executed in February 2005. (MOU # 262-M0511).
11	Utilize, when appropriate, alternative funds such as Medi-Cal.	Department obtains Medi-Cal to cover some participant costs when applicable.	
12	Claim State Foster Care payments in compliance with State requirements.	DHS files claims as required by State.	
13	Provide data necessary for State evaluation.		Data needs have not been defined for evaluations.
14	Make payments to DMH in the form of a journal entry within 30 days of receipt and approval of DMH invoice.	This is being done since the MOU was executed.	

As shown in Chart 2.3, the MOU has added greater financial accountability to the Wraparound program by requiring that DMH provide detailed invoices of costs and services provided to Wraparound program participants. This is an improvement over the previous systems where funds were transferred to the Department of Mental Health for the Wraparound program regardless of actual costs incurred.

The departments have not fulfilled the MOU obligations to comply with State law and the County Wraparound plan, as discussed above in this section, and DMH has not prepared an evaluation of program and cost effectiveness since the MOU was executed. Department representatives have pointed out that there is no evaluator on staff at this time to perform the evaluations. Expedited processing of cash requests for Wraparound family needs as defined in the MOU has not been achieved. Department of Mental Health representatives report that this is due to County cash handling regulations overriding the terms of the MOU.

Regarding item #4 in the Chart 2.3, policies and procedures have not been defined by the two departments regarding reinvestment of program cost savings. As discussed in Section 3 of this report, the program had a fund balance of approximately $173,244 at the beginning of Fiscal Year 2005-06 due to three years of under-spending available program funding. It is not clear if these are considered cost-savings which should be reinvested and, if so, there is no plan in place for how they will be reinvested. Further, the program has provided services to other children who are not assigned to the six authorized service allocation slots. Expenditures on these non-revenue generating children have not been defined as reinvested cost savings through they were made from unspent funds generated for the children in the service allocation slots. However, the services provided to the non-revenue generating children are not part of a final plan jointly decided on by management of DHS and DMH about how surplus funds can best be used. Again, the absence of a

management body for the Wraparound program has resulted in less than optimal program performance.

Conclusion

The Wraparound program is not operating in full compliance with its key governance documents: State legislation; the County Wraparound program plan; and, a Memorandum of Understanding between the Departments of Mental Health and Human Services. The State requirement for parent and family involvement in planning and assessing the program and for evaluation of the program are two key areas with which El Dorado County is not in compliance. County compliance with the State's requirement for thorough strengths-based assessments of each participating child and family are not documented.

The inter-departmental management structure called for in the program plan has not been implemented. This appears to be one of the key factors explaining under-expenditures of available program funding, lower service levels than anticipated, program budgets that have consistently been in excess of actual revenues and expenses and the absence of program evaluations.

The Department of Mental Health has admitted 48 children, at an average of 9.1 per month, to the Wraparound program in addition to those assigned to the County's six authorized service allocation slots. There are no official procedures for how these children are admitted to the program, how resource allocation decisions are made for these children and there is no program documentation about how they were selected and who was considered but not selected for this type of program participation.

The Wraparound program under-spent available funding by approximately $173,244 between its inception in August 2002 and June 2005. The Memorandum of Understanding between the Departments of Mental Health and Human Services calls for reinvesting program savings in children's services. These terms have not been defined and procedures have not been established for how funds such as these will be spent. If such procedures were in place, the $173,244 surplus could have been used for other services for the County's children over the last three fiscal years.

Recommendations

Based on the above findings, the El Dorado County Board of Supervisors should:

2.1 Formally delegate management responsibility for the Wraparound program to the multi-departmental Interagency Governing Council to continue to be comprised of, at minimum, the directors of the Departments of Human Services, Mental Health and Probation.

2.2 Direct the multi-departmental Interagency Governing Council Wraparound management team to meet regularly such as quarterly for the purpose of

overseeing the Wraparound program including setting annual program goals and objectives, determining funding and resource allocations at least once a year as part of the County budget process, establishing operational guidelines, receiving and reviewing regularly produced management reports on program outcomes and cost effectiveness, and making adjustments to program operations when needed.

2.3 Direct the multi-departmental Interagency Governing Council Wraparound management team to operate in compliance with State laws governing the Wraparound program.

2.4 Direct the multi-departmental Interagency Governing Council Wraparound management team to prepare annual summary evaluations of program and cost effectiveness for their own review and transmission to the Board of Supervisors, to include documentation of: program compliance with State law; the team's meeting records; achievement of program goals; staff training records; accessibility of the program to the target population; and, program satisfaction by participating families.

2.5 Direct the inter-departmental Wraparound management team to amend the County Wraparound Plan to include procedures and protocols for admitting and providing services to non-revenue generating children in the program who are not assigned to authorized service allocation slots.

2.6 Direct the Wraparound inter-departmental management team to amend the program plan to include a definition of program "cost savings to be reinvested in children's services" and to establish procedures for how decisions will be made regarding expenditure of such funds.

2.7 Direct appropriate County staff to draft a new Wraparound program Memorandum of Understanding for execution by the Departments of Mental Health, Human Services and Probation to replace the MOU among these departments that expired in September 2005.

Costs/Benefits

Implementation of the above recommendations will not involve new direct costs but will require staff time to implement the management structure defined in the County's Wraparound plan. The benefits of the recommendations will include establishment of a clearly designated management structure for the Wraparound program with the directors of the Human Services and Mental Health departments and other executive managers accountable to the County for the program's performance and fiscal management. Family participation and input will be improved and documented. Procedures regarding admission to the program for children not assigned to service allocation slots will be documented and available to County staff and the public.

3. Wraparound program fiscal management

- **State and local funding is provided to the County's Wraparound program based on the number of "service allocation slots" filled by children participating in the program. Between its inception in August 2002 and June 2005, the County authorized six service allocation slots per month but filled an average of only 4.8. As a result, the County did not collect an estimated $182,484 in available program funding that would have enabled services to an additional 18.7 children.**
- **In addition to under-recovered available revenue, program expenditures were approximately $173,244 less than actual funding received during the three fiscal years reviewed. These unspent funds have been carried over each year and are still available for the program, but reflect lower service levels for program participants and unnecessary encumbrance of County General Fund monies during the review period. Combined with the $182,484 in funds not recovered due to unfilled service allocation slots, the County did not provide $355,728 worth of Wraparound services that could have been provided during the three fiscal years reviewed.**
- **During the three years reviewed, actual Wraparound program revenues were $327,938 less than budgeted revenues and actual program expenditures were $628,547 less than budgeted. These substantial variances reflect a lack of program planning and oversight by Mental Health and Human Services Department executive management.**
- **Total reported Department of Mental Health salary and benefits costs for Wraparound were only $4,775 and $10,912 the first two years of the program, respectively, but increased to $304,547 in FY 2004-05. Department of Mental Health staff report that staff time sheet and billing records did not capture all staff time dedicated to the program in its first two fiscal years. If actual staff costs were higher than the amounts charged to program funds, those program costs were covered by other Department funding sources, inappropriately curtailing other services.**
- **Though encouraged by the Wraparound program concept, only $9,307, or 1.5 percent of total program expenditures during the three fiscal years reviewed, have been spent on unique goods and services jointly identified by program participants, their families and County staff as being in the best interests of the child. Most of the program funding has been used for traditional County staff-provided services.**

State Wraparound program law allows counties to apply for State foster care funding to be used flexibly in combination with County funds to provide services and goods to children who are designated by the county as being at risk of being placed in group homes. The amount allocated to the program per child is equal to what would otherwise be provided for their placement in a group home. Like all counties, rates paid by El

Dorado County to group homes and other residential placement facilities are pre-approved by the State and vary depending on the subject child's Rate Classification Level, or RCL, a standardized classification system for children in placement that measures their overall emotional and mental condition and determines the type of facility and services they need. Children placed higher on the RCL scale are provided higher levels of services and are thus reimbursed at a higher rate.

In El Dorado County, one of the higher level group home rates is $5,994 per month, or $71,928 per year. El Dorado County is required by the State to cover 60 percent of what would be paid for group home placements for Wraparound program participants and the State provides 40 percent. For the group home rate of $5,994 per month, the County would be responsible for $3,596 per month, or 60 per cent of the total, and $43,156.80 per year per child.

The County has authorized six "service allocation slots" for the program, meaning State and County funding is provided each month to the program based on up to six children participating in the program. If all six slots were filled with children at the $5,994 monthly rate, the County's annual obligation would be $258,940.80. Table 3.1 presents this distribution of costs.

Table 3.1
Distribution of County and State Wraparound costs
for children with a $5,994 monthly placement rate

	State	County	Total
Distribution	40%	60%	100%
Cost per month	$ 2,397.60	$ 3,596.40	$ 5,994.00
Cost per year	$ 28,771.20	$ 43,156.80	$ 71,928.00
If six slots filled	$172,627.20	$258,940.80	$431,568.00

County expenditure and revenue records show that the combination of State funds received and County funds allocated to the Wraparound program have been less than the amount that would have been available if all six slots were filled. This is explained by two factors:

1) the program has rarely had all six slots filled for a full month; and,
2) the participating slotted children are not always classified or reimbursed at the highest group home rate because they don't always meet the highest RCL standards[1].

[1] An additional factor besides the rate of the participating child is that 50 percent of any placement costs incurred for the child are not reimbursed by the State.

Table 3.2 presents the actual average number of slots filled per month since the program began, the funds allocated to the program, and the average funding level per month per child. It is not surprising that children participating in the program are classified at a mix of RCL levels and are thus reimbursed at different rates. The fact that there have consistently been fewer than six children assigned to the program's service allocation slots represents a difference between Department management plans and actual program performance.

Table 3.2
Actual Wraparound Program funding,
number of slots filled and average funding per slot

	2002-03	2003-04	2004-05
Total State/County funds allocated [1]	$188,916	$296,096	$287,442
Average # slots filled per month	4.2	5.3	4.9
Average program funds per slot/month [2]	$4,107 [3]	$4,627	$4,872

Sources: Department of Mental Health financial reports, and Wraparound program participant records. Department of Human Services Foster Care claim records

[1] Amounts shown are annual allocations and do not include interest earnings on fund balances.

[2] Averages may be different than if manually calculated due to computer rounding of average number of slots filled per month.

[3] Program operated for only 11 months in FY 2002-03.

The difference in program funding between what was actually allocated and what would have been available if all slots had been filled is presented in Table 3.3. As can be seen, the County could have had an estimated $182,484 more available over the three years for the Wraparound program if all six program slots had been filled.

Table 3.3
Program funding if all Six Service Allocation Slots had been Filled

	2002-03	2003-04	2004-05	Total
Actual average # slots filled	4.2	5.3	4.9	4.8
Average program funds per slot/month [1]	$4,107	$4,627	$4,872	$4,421
Actual State/County funds allocated	$188,916	$296,096	$287,442	$772,454
Program funding if all six slots filled	$271,053 [2]	$333,108	$350,777	$954,938
Difference	$82,137	$37,012	$63,335	$182,484

Sources: Department of Mental Health financial reports, and Wraparound program participant records. Department of Human Services Foster Care claim records

[1] Averages may be different than if manually calculated due to computer rounding of average number of slots filled per month.

[2] Program operated for 11 months only in FY 2002-03.

Determining the number of children affected by the County not recovering the additional $182,484 to which it was entitled requires first identifying the total number of children participating in the program. Besides the six authorized service allocation slots that can be filled by a qualified child, the County provides Wraparound program services to other children who are at risk of being placed in a group home but for whom the risk is not considered imminent. During the three year review period, the County has provided Wraparound services to an average of 9.1 non-revenue generating children per month in addition to the average 4.8 children assigned to the service allocation slots, for an average total of 13.9 children per month. As shown in Table 3.4, average actual expenditures per child per month were $1,281 during the review period and average length of stay for program participants was 7.6 months per child. On that basis, the additional $182,484 in program funds would have translated in to services for 18.7 more children from the inception of the program in August 2002 through the end of June 2005, as presented in Table 3.4.

Table 3.4
Number of children who could have been served
if Wraparound program
had recovered full funding
FYs 2002-03 through 2003-04

a.	Actual average service allocation slots/mo.	4.8
b.	# non-revenue generating participants	9.1
c.	# slots & non- revenue generating children/mo. = (a+b)	13.9
d.	Total actual expenditures	$622,990
e.	# months of program	35
f.	Average actual expenditures per child per mo. [1] = (d/e)/c	$1,281
g.	Average length of participation/child	7.6 mos. [1]
h.	Un-recovered program funds	$182,484
i.	# children that could have been served per month w/ unspent funds = (h/f)/g	18.7

Sources: Department of Mental Health financial reports, and Wraparound program participant records. Department of Human Services Foster Care claim records.

[1] Based on actual participant children records.

Wraparound program revenues and expenditures have been significantly less than the amounts budgeted

Besides under-recovering program funding, Table 3.5 shows that actual revenues and expenditures have been substantially less than the amounts budgeted over the life of the program. As a result, a substantial amount of program revenue that was expected and planned for the program, as reflected in the program's budget each year, was not collected or spent. As shown in Table 3.5, actual revenues for the three fiscal years starting in FY 2002-03 were $796,234 or $327,938 less than the $1,124,172 budgeted. Actual expenditures during the same time period were $622,990, or nearly half the amount budgeted.

Table 3.5
Total Wraparound Program Revenues and Expenditures
FYs 2002-03 through 2004-05 (35 months)

	Budgeted	Actual	Difference
Revenues [1]	$ 1,124,172	$ 796,234	$ 327,938
Expenditures	1,251,537	622,990	628,547
Under/(over) expenditures	(127,365)	173,244	(300,609)
% revenue unspent	-11.3%	21.8%	-91.7%
# Service allocation slots	6	4.8	1.2
Revenue/slot/month [2]	$5,353	$4,739	$614
Expenditures/slot/month	$5,960	$3,708	$2,252

Sources: Department of Mental Health financial reports, Wraparound program participant records. Department of Human Services Foster Care claim records.

[1] Revenues include interest earned on fund balances over the three fiscal years reviewed.

[2] Based on 35 months of program operations.

As shown in Table 3.5 and as previously discussed, an average of only 4.8 service allocation slots were filled each month rather than the six authorized. Reimbursement averaged $4,739 per month per slot rather than $5,353 assumed by the Department of Mental Health for budgeting purposes, reflecting lower average RCL classifications of program participants than assumed for the program budget.

The significant difference between budgeted and actual expenditures represents a lower level of service compared to what Department management expected and allowed for in the program budget each year of the review period. Average expenditures per service allocation slot assumed in the budgets of the three years reviewed was $5,960 per month but actual expenditures were only $3,708 per service allocation slot per month, or $2,252 less than the amount assumed in the budget. These actual expenditures amounted to only 62 percent of the average expenditure amount per slot assumed in the program budget. This difference indicates either a lower level of service for program participants than management expected and/or a lack of management attention to program performance and fiscal matters.

The Wraparound program under-spent program funds available

Besides collecting less revenue than planned and budgeted for the program over the three year review period, the Department of Mental Health under-spent the funds that were collected by $173,244. There are two primary explanations for this variance:

1. program revenues are determined independent of program spending and service level decisions; and,
2. not all staff time spent on the program was recorded on time sheets and billing records, according to Department of Mental Health representatives, resulting in under-stated expenditures.

As discussed above, Wraparound program revenues are generated based on the rates that would be paid for each child in a service allocation slot based on their RCL if that child were placed in a group home. Since the program was initiated in El Dorado County in FY 2002-03, average group home rates for the program participants and revenues generated have ranged from $2,719 to $7,900 per child per month.

Program expenditures, on the other hand, are determined based on decisions about services and support levels made by Department of Mental Health management and staff, with input from the children's families and support team. The revenues for each child remain the same regardless of services and goods provided through the Department of Mental Health. As shown in Table 3.5, $173,244 of actual life of program total revenue collected for the program through June 2005, or 21.8 percent of total revenue, was not expended during those three fiscal years[2]. The budgets for the three year period, on the other hand, assumed program expenditures would exceed revenues. When the $173,244 in unspent revenue collected is combined with the $182,484 in revenue that could have been collected if all service allocation slots had been filled during the life of the program through June 2005, a total of $355,728 ($173,244 + $182,484) in program funding could have been used for services to at risk children.

To assess Department representations regarding poor time-keeping and billing records, a review of a sample of client service authorization documents, staff time sheets and staff billing was conducted as part of this audit. This review confirmed that staff time dedicated to the program has not been well documented and that more hours of staff time were provided to program participants than cost records indicate. Since many of those staff hours were not reimbursed by Wraparound program funds, it appears that other Department funds were covering those services inappropriately. While this resulted in under-expenditures of Wraparound program funds, it also means that funding that could have been used for other Department of Mental Health purposes was not available since it was used to cover Wraparound program services.

[2] This $173,244 in unspent available funds is different than the previously discussed $182,484 in funds never recovered for the program due to the County not filling all program service allocation slots

Reported Wraparound program staff costs increased dramatically and exceeded budget in FY 2004-05 after two years of being significantly under budget

Detailed Wraparound program expenditures and revenues are presented by year in Table 3.6. As can be seen, actual revenues were substantially less than budgeted revenues each year of the three years reviewed. Actual expenditures were substantially less than budgeted amounts for FYs 2002-03 and 2003-04 but were near equal in FY 2004-05. In FY 2004-05 the Department made partial use of the program's $327,692 end of year fund balance from FY 2003-04 which allowed actual expenditures to be greater than actual revenues. While some variation between budgeted and actual expenditures can be expected, the unexpended amount, $173,244, represents a significant level of services that could have been but were not provided to at risk children in El Dorado County.

Table 3.6
Budgeted and Actual Revenues and Expenditures
Wraparound Program
FYs 2002-03 through 2004-05

	FY 2002-03 Budget	FY 2002-03 Actual	FY 2003-04 Budget	FY 2003-04 Actual	FY 2004-05 Budget	FY 2004-05 Actual
Beginning fund balance	-	-		$158,501	$127,365	$327,692
SB 163 claimed revenue	$365,604	$188,916	$431,568	296,096	325,000	287,442
Other revenue	-	16,772		2,378	2,000	4,630
Total revenues	$365,604	$205,688	$431,568	$456,975	$454,365	$619,764
Expenditures:						
Salaries and benefits	20,000	4,775	60,000	10,912	274,505	304,547
Department non-personnel costs [1]	23,104	-	24,568	524	24,468	11,230
Professional services [2]	250,000	38,600	270,000	115,145	132,000	123,130
Client goods & services [3]	52,500	3,812	57,000	2,702	19,050	2,793
Internal services [4]	20,000	-	20,000	-	4,342	4,820
Total expenditures	$365,604	$47,187	$431,568	$129,283	$454,365	$446,520
Ending fund balance	-	$158,501	-	$327,692	-	$173,244

Sources: Department of Mental Health financial reports, and Wraparound program participant records. Department of Human Services Foster Care claim records.

[1] Expenses for materials & supplies for department operations such as office supplies, photocopiers, postage, etc.
[2] Expenses for services provided to participant children by Sierra Family Services and other contractors rather than in-house staff.
[3] Expenses for non-departmental goods and services provided to children participants and their families such as lessons for the children, and transportation services for families as determined through staff and family Wraparound interactions.
[4] Expenses for centralized County services provided to the Department of Mental Health such as information systems support, personnel services, etc.

For the first two fiscal years of the program, revenue and expenditure budget assumptions were extremely inaccurate. As shown, it was assumed that Department of Mental Health

staff would provide very little direct service, as represented by the Salaries and Benefits line items, and that most program services would be provided by outside contractors through the Professional Services budget line item. Actual expenditures were much lower than budgeted for both in-house staff and outside contractors, reflecting lower services levels than what was expected by Department of Mental Health management.

In FY 2004-05, the situation changed drastically and the cost of staff time charged to the program increased from $10,912 in FY 2003-04 to $304,547, which exceeded the $274,305 budgeted for salaries and benefits. For the first time since the program commenced, contractor services were near the amount budgeted. Revenue assumptions were still inaccurate but the difference between budgeted and actual revenues was not as great as in the previous two years.

A comparison of reported salary and benefits expenditures with the number of children served in the same years shows that expenditures per child were unrealistically low in FYs 2002-03 and 2003-04 and increased significantly in FY 2004-05. As shown in Table 3.7, each child would have received only an average of 1.2 hours of staff time per month in FY 2002-03 and 1.3 hours in FY 2003-04, followed by an increase to 37.3 hours per month if these cost records are correct. This is not consistent with service plans for the participating children or staff billing records. The fact that such low expenditures were recorded for two consecutive years followed by a dramatic increase in FY 2004-05 is an indicator of a lack of management oversight of the Wraparound program and its costs. Table 3.7 presents actual average staff salary and benefit expenditures per child per month based on the reported amounts for each fiscal year reviewed.

Table 3.7
Department of Mental Health
Average Reported Salary & Benefits Costs
per Wraparound Participant
FY 2002-03 through 2004-05

	FY 2002-03	FY 2003-04	FY 2004-05
Reported salary & benefits expenditures	$4,775	$10,912	$304,547
Average # total children served/month	7.5	15.1	15.1
Average cost/child/month	$57.88*	$60.22	$1,680.72
Hours of service/child/month @ $45/hr**	1.2	1.3	37.3

Source: Department of Mental Health financial reports
* 11 months only in FY 2002-03 as program started in August of that year.
** Estimated average hourly rate for salaries and benefits of Mental Health Department staff. Not adjusted for annual differences.

Actual expenditures for Client Goods and Services, items identified by the participant children, their families and support groups and County staff as being in the best interests of keeping the children out of group homes, totaled only $9,307, or 7.2 percent of the $146,156 budgeted for this purpose and 1.5 percent of the $622,990 total program expenditures during the three years reviewed. A key part of the Wraparound program is

having flexible funds available for services and goods other than County staff time that are not typically provided by government programs if it is determined by the child, their family and support team that such goods and services will be most effective in helping keep the child from being placed in a group home. Though the amounts spent in this way have been minor, the County has used some program funds for items such as karate lessons, food, gas and car repair for participating families. The records show that the County's approach to the program has been primarily to provide direct staff services rather than goods and services from external sources. It is not clear if these choices of services reflect what participating families want as the service plan records do not document family wishes for the participating child in many instances.

Conclusion

The County has not consistently filled all of its six authorized Wraparound program service allocation slots since the program was implemented in August 2002. Since State and local program funding is directly related to the number of slots filled, the County has not collected the maximum amount of funding that it could have had all slots been filled. Lost program funding between FYs 2002-03 and 2004-05 was approximately $182,484 that could have provided services to an estimated additional 18.7 children over the life of the program through June 2005.

The County has significantly over-budgeted revenues and expenditures for the program, indicating that fiscal management oversight has not been adequate. Actual program funding and service levels have been substantially less than anticipated in the annual program budgets since FY 2002-03.

Besides recovering less Wraparound program funding than anticipated, the County did not expend $173,244 over the life of the program in funding that was available for the program and could have been used to provide services. The funds are in reserve and can still be used for the program but it is not clear why the funding has not been used to provide services as it was received. Combined with the $182,484 in funds not recovered due to unfilled service allocation slots, the County forewent $355,728 worth of services that could have been provided to children at risk of group home placement during the three years reviewed.

Recommendations

Based on the findings presented in this section, it is recommended that the El Dorado County Board of Supervisors:

3.1 Direct the inter-departmental Wraparound management team and Chief Administrative Officer to review the Wraparound program FY 2005-06 revenue and expenditure budget, its assumptions about the number of children to be served, slots to be filled, actual number of "slotted" and non-revenue generating children served and actual revenues and expenditures year-to-date and report back to the Board within six weeks on whether adjustments should be made to make the budget more realistic.

3.2 Direct the inter-departmental Wraparound management team and Chief Administrative Officer to prepare a budget plan each year based on the actual revenues and expenditures for the previous year and documented assumptions about the number of children to be served, both slotted and discretionary non-revenue generating, and the nature of services to be provided in the budget year.

3.3 Direct the inter-departmental Wraparound management team to at least quarterly monitor actual program revenues and expenditures and number of children served for comparison to the budget.

3.4 Direct the Chief Administrative Officer to separately present the Wraparound program budget each year in the proposed Department of Mental Health budget document presented to the Board of Supervisors and to include planned and previous year actual numbers of slotted and discretionary non-revenue generating children program participants, hours of staff service provided, contractor service hours and expenditures for unique external goods and services.

3.5 Direct the inter-departmental Wraparound management team and Chief Administrative Officer to develop an expenditure plan for the approximately $173,244 Wraparound program fund balance and transmit the plan to the Board of Supervisors for review.

Costs/Benefits

The costs of implementing the above recommendations will be mostly in the form of staff time. The benefits of the recommendations will include improved financial information for the Board of Supervisors, the public and program managers. Revenue and expenditure assumptions will be disclosed in public budget documents, enabling decision-makers to make adjustments to program operations when needed and to allocate resources and determine more realistic service levels than has been the case in the past three fiscal years.

4. Wraparound Program Records

- **Claims for State Wraparound funding are filed by the Department of Human Services each month as part of its larger claim for Foster Care funding. A review of Department records showed that there is sufficient supporting documentation for the Wraparound program claims filed between FY 2002-03 and 2004-05.**
- **The Department of Mental Health's Wraparound program accounting, timesheet and other records do not provide sufficient information to determine if program funding has been properly accounted for since the program's inception. A new record-keeping system implemented in February 2005 has improved this situation but since it was not in place for the first two and a half years of the program, it is not possible to accurately determine actual program costs during that time or the source of funding for all services provided.**
- **A review of Department of Mental Health time sheets and contractor billings for four randomly selected months showed that actual staff hours and costs were higher than recorded in the Department's financial records. Time and cost records were not compiled or reviewed by program managers prior to February 2005 to ensure that program funding was appropriately used and accounted for.**
- **Program records are maintained reporting the number of children assigned to service allocation slots but there is no documentation of the number of children considered for Wraparound service allocation slots who were not accepted in to the program. There is no documentation at all of the number of other at risk children considered for and accepted in to the program who are not assigned to service allocation slots. Such information should be recorded to document that all children in the program meet the eligibility criteria and to determine if adjustments are needed to the number of service allocation slots authorized by the County.**
- **A review of treatment plans and time sheets for four randomly selected months showed variances between services planned for children in the program and what was actually delivered. While there may be valid reasons to divert from original treatment plans as a child's situation changes, a comparison of planned to actual staff and contractor hours and services should be regularly prepared to ensure that program resources are being allocated effectively.**

Claims to the State for Wraparound funds

The Department of Mental Health is the primary service provider for the Wraparound program. Department staff provides individual therapy, one-on-one mental health

services, group therapy, family therapy and case management services to children in the program, as well as indirect services such as program administration. Direct services are also provided by private organizations under contract to the Department.

As explained in Section 3 of this report, funding for the program is comprised of State foster care monies combined with a mandatory County General Fund contribution. The State monies are obtained through the County's monthly foster care claim. The claim is prepared by the Department of Human Services and submitted to the State Department of Social Services which then reimburses the County for the claimed amount with a combination of Federal and State funds. A County contribution is also required to cover total foster care costs.

The County's claim for Wraparound program funding is based on the number of children assigned to the six County-authorized service allocation slots. Funding provided for Wraparound, however, is for only the State portion of what would be reimbursed if the child were placed in a group home. The State funding covers 40 percent of that cost with the remaining 60 percent covered by the County. Unlike most other Foster Care programs, no Federal funds are provided for the Wraparound program. Services provided to program participants covered by Medi-Cal are deducted from the claimed amount.

To obtain State Wraparound funding, the Department of Human Services compiles documents showing the names and other information about the children assigned to the service allocation slots, including their Rate Classification Level (RCL) and what rate they would be charged if placed in a group home. A sample of such documents from four months from FY 2002-03 through 2004-05[1] were reviewed as part of this audit to ensure that claims were properly documented and consistent with Department of Mental Health service and cost records. Documentation reviewed included a sample of the claims forms and all back-up materials regarding the children in the Wraparound program, their RCL levels and their group home rates. The documentation reviewed showed that the Department had sufficient records to support the amounts claimed for the program. Journal entry records showed that the amounts claimed were combined with County General Fund monies and transferred to the Department of Mental Health for the Wraparound program as required by State law.

Department of Mental Health Wraparound services provided and staff costs cannot be fully determined from Department time sheets and billing records

For reimbursement from Medi-Cal and other third party payers, Department of Mental Health clinical staff are required to keep track of their time by patient and type of service provided. This time accounting system has been in place since before the Wraparound program was implemented in 2002, indicating that records should be readily available showing staff hours charged for services provided to Wraparound program participants. Unfortunately, such records are not available because the Department did not distinguish

[1] Claims documents from January 2003 through June 2005 were reviewed.

Wraparound program participants from other Department clients in their billing records until February 2005. The only way to determine staff hours provided to Wraparound children participants is to go through individual monthly client services statements and extract the hours of service received that were billed to Wraparound. This was apparently never done during that time and, as a result, staff costs billed to Wraparound were lower than actually incurred in FYs 2002-03 and 2003-04.

A review of a sample of client services statements and staff time sheets from the three review years indicates that the cost of most staff hours allocated to the Wraparound program were not charged to the program. As discussed in Section 3 of this report, that means that other Department of Mental Health funding sources that could have been used for other purposes were unnecessarily used for Wraparound program costs.

In FY 2004-05, the Department's salary and benefits costs charged to the program increased significantly as a system was implemented of charging a fixed amount of Department staff costs to Wraparound regardless of how much staff time was actually allocated to the program. Current Department staff does not have documentation on how these charges were determined as this was done under the jurisdiction of staff no longer employed at the Department. As a result, the legitimacy of the staff costs charged to the Wraparound program between July 2004 and January 2005 cannot be determined.

In February 2005, the method of charging staff time to the Wraparound program was changed again as a result of a new Memorandum of Understanding (MOU) executed that month between the Departments of Mental Health and Human Service. The MOU requires the Department of Mental Health to track staff time and prepare monthly invoices detailing the hours of service provided and other costs incurred, by child. As a result of this change, records now exist that detail how much staff time is spent and what costs are incurred providing services to Wraparound program participants. A determination can be fairly readily made of the legitimacy of costs charged to the program since this new cost accounting system was implemented.

Records of children admitted to the Wraparound program are incomplete

As discussed earlier in this report, children in the Wraparound program are either assigned to one of the County-authorized service allocation slots or they are accepted in to the program as non-revenue generating participants who are deemed by Department of Mental Health staff to be at risk of group home placement that is not considered imminent. State and local funding for the program is derived from the number of filled service allocation slots. To the extent that the funds generated exceed the amount expended on the children assigned to the slots, they are used for services for other non-revenue generating children.

As discussed in Section 2, assignment to service allocation slots is made by the Placement/Referral subcommittee, comprised of representatives of the County Departments of Mental Health, Human Services and Probation and the County Office of Education. Subcommittee meeting minutes show the names of all children assigned to

service allocation slots each month as well as any children entering or exiting the slots. The subcommittee discusses and approves the children identified as entering the system. What is not recorded in the subcommittee minutes or any other program documents is the children who are referred to the program but are determined to be ineligible or inappropriate for the program. This information should be compiled by the Department to determine if there is sufficient capacity in the program compared to need and for internal control purposes to demonstrated that all children considered for the program are evaluated by the same criteria.

There are no records documenting the eligibility and admission to the program for the children not assigned to service allocation slots. Rather than a documented process, these children are admitted through informal staff processes. While this approach probably results in admission of many qualified children to the program, it raises questions about how their risk of group home placement was determined, how many other children the staff considered and why they were not admitted to the program and how relative need is determined among children considered. Without clear criteria for admission to the program and a documented process for considering candidates, the potential is raised that not all children eligible for the program are being admitted or that different criteria are used for different children.

In considering how many service allocation slots the County authorizes and how program resources are allocated, it is important for program staff to know and document total need for the program and it is important for the public to know that there is a standardized process to determine eligibility for admission to the program, either in a service allocation slot or as a non-revenue generating participant. The number of children referred to the program and the number accepted should be documented, regularly reviewed by the program staff and periodically reviewed by the executive management team.

Discrepant treatment plans and client service records should be evaluated to assess program capacity and resource allocation

An assessment is conducted and a treatment plan prepared for each child receiving services from the Department of Mental Health or its contractors. A sample of treatment plans for children in the Wraparound program were reviewed from four months from the first three fiscal years of the program's operations and compared to client service statements, which report actual hours of service provided by individual child[2]. A comparison of these documents showed discrepancies which in some cases, meant that the Wraparound program children did not receive the level of service detailed in the plan or, in other cases, more services than included in the treatment plan.

While changes in needs and services should be expected, compiling and comparing plan and actual service hours data would be a useful exercise for the program as it would allow for a determination of service capacity relative to need. As discussed in Section 3

[2] Detailed records were reviewed from November 2002, August 2003, April 2004 and May 2005.

of this report, Department of Mental Health budget records show that the Wraparound program under-spent its available funding between FYs 2002-03 and 2004-05 by approximately $173,244. That would indicate that more of the services in the service plans not provided could have been, assuming that the children still needed the originally prescribed services. On the other hand, because of the unreliable program cost records maintained by the Department between FY 2002-03 and February of FY 2004-05, it could also be true that the Department did not have the capacity to provide the services it was prescribing. The Department could improve its ability to align its capacity with its service plans.

The Department should start each fiscal year with an estimate of available staff hours based on an assumed number of program participants and funding and incorporate this information into service plans so that services prescribed are reasonable relative to funding available and so that children receive services at or near the level prescribed in their treatment plans.

Conclusion

The County obtains State funding for the Wraparound program as part of the Department of Human Services' monthly claims for foster care reimbursement submitted to the State. A review of a sample of claims and supporting documents conducted for this audit showed that the Department has sufficient documentation about the program participants to justify the amounts claimed.

Department of Mental Health time sheet and cost records are not adequate to determine actual program costs and services provided prior to February 2005 when a new time and cost tracking system was implemented. While the new system is an improvement, other Wraparound program records are not being maintained to adequately document program costs, services and eligibility and admissions procedures.

Records are not maintained of the number of children eligible for the program who were not admitted. No records are maintained regarding which children are admitted to the program but not assigned to service allocation slots or children considered but not admitted to the program.

Program participant mental health treatment plans are not consistent with actual services delivered in many instances, possibly indicating a lower level of service than planned. Plans should be updated to reflect changes in prescribed services as conditions change and prepared in conjunction with an inventory of available service provider resources.

Recommendations

Based on the above findings, it is recommended that the Board of Supervisors:

4.1 Direct the inter-departmental Wraparound management team to include in its annual program evaluation provided to the Board of Supervisors: statistics on the number of children referred to and considered for the program; the number and backgrounds of those admitted to the program and assigned to service allocation slots; and, the number and backgrounds of those receiving services with Wraparound funding but not assigned to service allocation slots.

4.2 Direct the inter-departmental Wraparound management team to prepare written procedures regarding eligibility and services offered to children receiving services with Wraparound funding but not assigned to service allocation slots.

4.3 Direct the inter-departmental Wraparound management team to prepare annual estimates of staff and contractor availability for the program and to use this as a base line when service plans are prepared to ensure that there is greater consistency between service plans and service provider availability.

Costs/Benefits

Implementation of these recommendations will not involve new direct costs but will require staff time to implement. The benefits will include the provision of program staff and managers and the public with better information about program performance and procedures. Aligning treatment plans with actual service provider availability will result in treatment plans that are more consistent with actual services to be provided.

El Dorado County Board of Supervisors

Final Response
To The 2005-2006
Grand Jury
Mid-Session Final Report

El Dorado County Board of Supervisors Final Response to Grand Jury 2005-2006 Mid-Year Report
Mental Health Audit Report

Findings Section 2

2.1 **Finding**: The Wraparound program is not operating in full compliance with its key governance documents: State legislation; the County Wraparound program plan; and, a Memorandum of Understanding between the Departments of Mental Health and Human Services. The State requirement for parent and family involvement in planning and assessing the program and for evaluation of the program are two key areas with which El Dorado County is not in compliance. County compliance with the State's requirement for thorough strengths-based assessments of each participating child and family are not documented.

2.1 **Response to Finding:** ***The respondent agrees with the finding.*** While there is family involvement in the program, necessary assessment and evaluation information has not been provided.

2.2 **Finding:** The inter-departmental management structure called for in the program plan has not been implemented. This appears to be one of the key factors explaining under-expenditures of available program funding, lower service levels than anticipated, program budgets that have consistently been in excess of actual revenues and expenses and the absence of program evaluations.

2.2 **Response to Finding:** ***The respondent disagrees partially with the finding.*** An interagency advisory council, consisting of the Directors of Mental Health, Public Health, Probation, and Human Services has been in place since the inception of the program, and meetings have been held annually. However, the respondent concurs that substantially more oversight is in order to address planning, budgetary, evaluation and service concerns.

2.3 **Finding:** The Department of Mental Health has admitted 48 children, at an average of 9.1 per month, to the Wraparound program in addition to those assigned to the County's six authorized service allocation slots. There are no official procedures for how these children are admitted to the program, how resource allocation decisions are made for these children and there is no program documentation about how they were selected and who was considered but not selected for this type of program participation.

2.3 **Response to Finding:** ***The respondent agrees with the finding.***

2.4 **Finding:** The Wraparound program under-spent available funding by approximately $173,244 between its inception in August 2002 and June 2005. The Memorandum of Understanding between the Departments of Mental Health and Human Services calls for reinvesting program savings in children's services. These terms have not been defined and procedures have not been established for how funds such as these will be spent. If such procedures were in place, the $173,244 surplus could have been used for other services for the County's children over the last three fiscal years.

2.4 Response to Finding: ***The respondent agrees with the finding.***

Recommendations Section 2

2.1 Recommendation: Formally delegate management responsibility for the Wraparound program to the multi-departmental Interagency Governing Council to continue to be comprised of, at minimum, the directors of the Departments of Human Services, Mental Health and Probation.

2.1 Response to Recommendation: ***The recommendation has been implemented.*** An interagency advisory council, which consists of the Directors of Mental Health, Public Health, Probation, and Human Services, is in place and has management responsibility for the Wraparound Program. (Locally, the Interagency Advisory Council originally was given the name of "Interagency Governing Council". The Board of Supervisors has governing authority over the expenditure of Wraparound funds. This language was changed in an earlier Wraparound Plan amendment to clarify and accurately state the role of the Council.)

2.2 Recommendation: Direct the multi-departmental Interagency Governing Council Wraparound management team to meet regularly such as quarterly for the purpose of overseeing the Wraparound program including setting annual program goals and objectives, determining funding and resource allocations at least once a year as part of the County budget process, establishing operational guidelines, receiving and reviewing regularly produced management reports on program outcomes and cost effectiveness, and making adjustments to program operations when needed.

2.2 Response to Recommendation: ***The recommendation has not yet been implemented, but will be implemented in the future.*** The interagency advisory council will meet quarterly to recommend goals and objectives for the program, funding priorities and operational guidelines, and to monitor budgetary and program performance reports. Quarterly meetings will be initiated in beginning in March, 2006. The minutes of the council's meetings will be submitted to the Chief Administrative Officer.

2.3 Recommendation: Direct the multi-departmental Interagency Governing Council Wraparound management team to operate in compliance with State laws governing the Wraparound program.

2.3 Response to Recommendation: ***The recommendation has been implemented.*** It is a *petitio principii* (assumption at the start) that departments are to operate in compliance with State laws when implementing a program, a directive clearly implicit at the point of assignment of a program to a department or, in this case, the assignment of a program to multiple departments.

2.4 Recommendation: Direct the multi-departmental Interagency Governing Council Wraparound management team to prepare annual summary evaluations of program and

cost effectiveness for their own review and transmission to the Board of Supervisors, to include documentation of: program compliance with State law; the team's meeting records; achievement of program goals; staff training records; accessibility of the program to the target population; and, program satisfaction by participating families.

2.4 **Response to Recommendation:** ***The recommendation has not yet been implemented, but will be implemented in the future.*** Annual summary evaluations will be prepared with the compilation of required data. Progress will be reported to the Interagency Advisory Council at quarterly meetings effective immediately. Since FY 2006-07 is the first fiscal year in which all of the required data will be compiled, the first full annual summary evaluation report will be submitted to the Interagency Advisory Council and the Board of Supervisors upon completion of FY 2006-07, during the first quarter of FY 2007-08.

2.5 **Recommendation:** Direct the inter-departmental Wraparound management team to amend the County Wraparound Plan to include procedures and protocols for admitting and providing services to non-revenue generating children in the program who are not assigned to authorized service allocation slots.

2.5 **Response to Recommendation:** ***The recommendation has not yet been implemented, but will be implemented in the future.*** The Wraparound Plan will be amended by no later than September, 2006 to address this and other needed changes.

2.6 **Recommendation:** Direct the Wraparound inter-departmental management team to amend the program plan to include a definition of program "cost savings to be reinvested in children's services" and to establish procedures for how decisions will be made regarding expenditure of such funds.

2.6 **Response to Recommendation:** ***The recommendation has not yet been implemented, but will be implemented in the future.*** The Wraparound Plan will be amended by no later than September, 2006 to address this and other needed changes.

2.7 **Recommendation:** Direct appropriate County staff to draft a new Wraparound program Memorandum of Understanding for execution by the Departments of Mental Health, Human Services and Probation to replace the MOU among these departments that expired in September 2005.

2.7 **Response to Recommendation:** ***The recommendation has been implemented.*** This measure was implemented during 2005. The MOU will be further updated to reflect program changes in the implementation of other recommendations.

Findings Section 3

3.1 **Finding:** The County has not consistently filled all of its six authorized Wraparound program service allocation slots since the program was implemented in August 2002.

Since State and local program funding is directly related to the number of slots filled, the County has not collected the maximum amount of funding that it could have had all slots been filled. Lost program funding between FYs 2002-03 and 2004-05 was approximately $182,484 that could have provided services to an estimated additional 18.7 children over the life of the program through June 2005.

3.1 Response to Finding: ***The respondent agrees with the finding.***

3.2 Finding: The County has significantly over-budgeted revenues and expenditures for the program, indicating that fiscal management oversight has not been adequate. Actual program funding and service levels have been substantially less than anticipated in the annual program budgets since FY 2002-03.

3.2 Response to Finding: ***The respondent agrees with the finding.***

3.3 Finding: Besides recovering less Wraparound program funding than anticipated, the County did not expend $173,244 over the life of the program in funding that was available for the program and could have been used to provide services. The funds are in reserve and can still be used for the program but it is not clear why the funding has not been used to provide services as it was received. Combined with the $182,484 in funds not recovered due to unfilled service allocation slots, the County forewent $355,728 worth of services that could have been provided to children at risk of group home placement during the three years reviewed.

3.3 Response to Finding: ***The respondent agrees with the finding.***

Recommendations Section 3

3.1 Recommendation: Direct the inter-departmental Wraparound management team and Chief Administrative Officer to review the Wraparound program FY 2005-06 revenue and expenditure budget, its assumptions about the number of children to be served, slots to be filled, actual number of "slotted" and non-revenue generating children served and actual revenues and expenditures year-to-date and report back to the Board within six weeks on whether adjustments should be made to make the budget more realistic.

3.1 Response to Recommendation: ***The recommendation has not yet been implemented, but will be implemented in the future.*** This recommendation will be implemented within the indicated timeframe, within six weeks of the date of this response.

3.2 Recommendation: Direct the inter-departmental Wraparound management team and Chief Administrative Officer to prepare a budget plan each year based on the actual revenues and expenditures for the previous year and documented assumptions about the number of children to be served, both slotted and discretionary non revenue generating, and the nature of services to be provided in the budget year.

3.2 Response to Recommendation: ***The recommendation has not yet been implemented, but will be implemented in the future.*** Implementation of this recommendation will be incorporated into the regular budget process, beginning with the FY 2006-07 budget process.

3.3 Recommendation: Direct the inter-departmental Wraparound management team to at least quarterly monitor actual program revenues and expenditures and number of children served for comparison to the budget.

3.3 Response to Recommendation: ***The recommendation has not yet been implemented, but will be implemented in the future.*** The interagency advisory council will conduct this monitoring activity at its quarterly meetings.

3.4 Recommendation: Direct the Chief Administrative Officer to separately present the Wraparound program budget each year in the proposed Department of Mental Health budget document presented to the Board of Supervisors and to include planned and previous year actual numbers of slotted and discretionary non-revenue generating children program participants, hours of staff service provided, contractor service hours and expenditures for unique external goods and services.

3.4 Response to Recommendation: ***The recommendation has not yet been implemented, but will be implemented in the future.*** Appropriate data will be provided to the Chief Administrative Officer as part of the regular budget process.

3.5 Recommendation: Direct the inter-departmental Wraparound management team and Chief Administrative Officer to develop an expenditure plan for the approximately $173,244 Wraparound program fund balance and transmit the plan to the Board of Supervisors for review.

3.5 Recommendation: Response to Recommendation: ***The recommendation has not yet been implemented, but will be implemented in the future.*** Proposed and planned activities will be brought forward both in the process described in Recommendation 3.1 and in the regular budget process.

Findings Section 4

4.1 Finding: The County obtains State funding for the Wraparound program as part of the Department of Human Services' monthly claims for foster care reimbursement submitted to the State. A review of a sample of claims and supporting documents conducted for this audit showed that the Department has sufficient documentation about the program participants to justify the amounts claimed.

4.1 Response to Finding: ***The respondent agrees with the finding.***

4.2 **Finding:** Department of Mental Health time sheet and cost records are not adequate to determine actual program costs and services provided prior to February 2005 when a new time and cost tracking system was implemented. While the new system is an improvement, other Wraparound program records are not being maintained to adequately document program costs, services and eligibility and admissions procedures.

4.2 **Response to Finding:** ***The respondent agrees with the finding.***

4.3 **Finding:** Records are not maintained of the number of children eligible for the program who were not admitted. No records are maintained regarding which children are admitted to the program but not assigned to service allocation slots or children considered but not admitted to the program.

4.3 **Response to Finding:** ***The respondent agrees with the finding.***

4.4 **Finding:** Program participant mental health treatment plans are not consistent with actual services delivered in many instances, possibly indicating a lower level of service than planned. Plans should be updated to reflect changes in prescribed services as conditions change and prepared in conjunction with an inventory of available service provider resources.

4.4 **Response to Finding: The respondent agrees with the finding.**

Recommendations Section 4

4.1 **Recommendation:** Direct the inter-departmental Wraparound management team to include in its annual program evaluation provided to the Board of Supervisors: statistics on the number of children referred to and considered for the program; the number and backgrounds of those admitted to the program and assigned to service allocation slots; and, the number and backgrounds of those receiving services with Wraparound funding but not assigned to service allocation slots.

4.1 **Response to Recommendation:** ***The recommendation has not yet been implemented, but will be implemented in the future.*** This information will be provided during the process described in Recommendation 2.4.

4.2 **Recommendation:** Direct the inter-departmental Wraparound management team to prepare written procedures regarding eligibility and services offered to children receiving services with Wraparound funding but not assigned to service allocation slots.

4.2 **Response to Recommendation:** ***The recommendation has not yet been implemented, but will be implemented in the future.*** The Wraparound Plan will be amended by no later than September, 2006 to address this and other needed changes.

4.3 **Recommendation:** Direct the inter-departmental Wraparound management team to prepare annual estimates of staff and contractor availability for the program and to use this as a base line when service plans are prepared to ensure that there is greater consistency between service plans and service provider availability.

4.3 **Response to Recommendation:** ***The recommendation has not yet been implemented, but will be implemented in the future.*** More specific planning will occur during the regular County budget process to ensure consistency of services and appropriate use of resources.

EL DORADO COUNTY

2005 – 2006 GRAND JURY

GJ05-027 MID-TERM REPORT

May 9, 2006

EL DORADO COUNTY BROWN BAG PROGRAM

GJ05-027

TABLE OF CONTENTS

STATE OF CALIFORNIA
EL DORADO COUNTY
POST OFFICE BOX 472
PLACERVILLE, CA 95667

GRAND JURY

Telephone (530) 621-7477
e-mail: grand.jury@co.el-dorado.ca.us
FAX: 530-295-0763

May 9, 2006

Rusty Dupray, Supervisor, District I
Helen K. Baumann, Supervisor, District II
James R. "Jack" Sweeney, Supervisor District III
Charlie Paine, Supervisor, District IV
Norma Santiago, Supervisor, District V
330 Fail Lane, Building "A"
Placerville, CA 95667

Dear Members of the Board of Supervisors;

The 2005 - 2006 El-Dorado County Grand Jury is releasing a second mid-term report. This report details a finding of significant information given to the Board of Supervisors, May 24, 2005, in reference to the Brown Bag Program, which is funded by the State of California. The information presented to the Board of Supervisors was incorrect, inaccurate, and may have been biased and prejudicial. The Board of Supervisors may have acted on incorrect information presented. Your decision to un-fund the Brown Bag Program by redirecting the State Funds to other programs has caused undo-hardship on the low income citizens of El Dorado County, who rely on this food program.

The Grand Jury did a thorough investigation, as well as interviewing witnesses, and has approved the attached information, conclusions and recommendations. We would strongly entrust the Board of Supervisors to study and digest this report. Then proceed accordingly.

The Grand Jury stands by to assist the Board of Supervisors at your request.

Respectfully,

Douglas Clough, Foreman
2005-2006 County Grand Jury

STATE OF CALIFORNIA
EL DORADO COUNTY
POST OFFICE BOX 472
PLACERVILLE, CA 95667

GRAND JURY

Telephone (530) 621-7477
e-mail: grand.jury@co.el-dorado.ca.us
FAX: 530-295-0763

April19, 2006

Honorable Douglas C. Phimister
Superior Court Judge
2850 Fairlane Court
Placerville, CA 95667

Judge Phimister,

The members of the 2005-2006 County Grand Jury would like to release a second mid-term report detailing an investigation into the shift of funds from the Brown Bag Program. This investigation was originated by a formal complaint received mid year of the Grand Jury term. Upon conclusion of the investigation, the grand jury has made the attached findings and recommendations. The grand jury has completed its investigation and has made specific findings and recommendations in accordance with the California Penal Code.

Your approval is required before the final report is to be released to the Board of Supervisors and the public which we would like to release on May 9, 2006.

The grand jury takes its responsibility seriously and we look forward to completing the term in a professional manner, and wish to thank you for your advice and guidance.

Respectfully,

Douglas Clough, Foreman
2005-2006 County Grand Jury

EL DORADO COUNTY BROWN BAG PROGRAM
GJ05-027

Executive Summary

The Grand Jury received a citizen's complaint about El Dorado County actions involving the removal of funding for the Brown Bag Program. The Grand Jury took the matter under consideration. After a thorough search of public documents, minutes of board meetings and testimony from many witnesses, we found that the complaint needed to be a Grand Jury Report.

The Brown Bag Program is a State funded assistance program for seniors who are at or below the poverty level. It is up to each participating county to find a non-profit organization to provide the required services and administer the program. No county funds are involved; the county merely passes on the State Brown Bag monies through the Department of Human Services.

The State requires the administering organization of the Brown Bag Program to "leverage the State funds by a factor of at least three (3) times." This means that the value of the food supplied to the program participants must be worth three (3), or more, times the dollar amount of the funding. The Food Bank of El Dorado (Food Bank) has been very close to ten (10) times the return. The Food Bank does this by accepting donations and aggressively collecting food donations from various grocery businesses. Also, they sort and store in a safe manner and parcel the available food into packages. The packages are then delivered to the Brown Bag Program participants at distribution points throughout the county.

The Food Bank has been the provider of the Brown Bag Program services in this county since 2001. The Food Bank satisfied the State in the performance of their responsibilities and had met all State requirements. The Food Bank has continued to provide limited Brown Bag Program services to eligible El Dorado County residents even without a renewed service contract with the Department of Human Services.

In December of 2003, the Department of Community Services (now Department of Human Services) approached the Food Bank Board regarding the County assuming the Food Bank's operation. This proposal was met with strong opposition from the Food Bank's Board of Directors. After the resignation of the Food Bank's Board of Directors Chairperson, at that time, the County's plan was refused by the remaining Board.

In the State's proposed annual budget of 2004, the Brown Bag Program was suspended. The Department of Human Services, using this as justification, chose not to renew the Food Bank's contract to administer the Brown Bag Program. The final State budget was signed in August 2004. The Brown Bag Program was subsequently fully funded by the State. The Department of Human Services did not contract with the Food Bank for the Brown Bag Program.

In January of 2005, at the urging of Supervisor Rusty Dupray, a contract was signed for the last five (5) months of the fiscal year 2004-2005. This gave the Food Bank $9,700, of the $23,277 that the county had previously allocated for the specific purpose of funding the Brown Bag

Program. The Human Services Department diverted the remaining $13,578 to non-specified uses and did not inform the Board of Supervisors of this action.

Should a county choose to divert funds from the Brown Bag program and use them for other acceptable purposes, there is a detailed protocol. PM 98-37 (P) from the State Department of Aging states the protocol a county must follow to legally divert Brown Bag Program funds. Two (2) public hearings are part of the requirements for redirection of Brown Bag Program funds. The Area Plan 2005-2009 terminated the Brown Bag Program. This action was taken a week before the second public hearing. The decision was made before the hearings were concluded. The Brown Bag participants attending the hearings strenuously objected to the termination of their Brown Bag Program; these concerns and needs have been ignored.

Our investigation concluded that Human Services managers overseeing the program did not follow the required protocol, omitting basic requirements and misrepresenting facts to the County Board of Supervisors to divert the Brown Bag funds.

The Grand Jury's conclusions are supported by public records and documents.

EL DORADO COUNTY BROWN BAG PROGRAM
GJ05-027

Reason for the Report

The Grand Jury received a formal complaint regarding the redirection of the Brown Bag Program funds and an investigation was subsequently initiated. The redirection of funds was done twice by Human Services, once during the 2004-2005 fiscal year and then again in the 2005-2009 Area Plan as approved by the El Dorado County by the Board of Supervisors. All information was verified and the documentation resulted in this report.

Scope of the Investigation

People Interviewed:

Executive Director El Dorado County Food Bank
El Dorado County Food Bank Administrative Assistant
Former employee El Dorado County Food Bank
Chairman, Board of Directors, El Dorado County Food Bank
Vice Chairman, Board of Directors, El Dorado County Food Bank
Former Chairman of El Dorado County Food Bank and
Member, El Dorado County Advisory Council to the Area Agency on Aging
Consultant to the El Dorado County Food Bank
Assistant Director Department of Human Services
California State Director and Policy Manager of Area Agency on Aging based teams.

Documents reviewed:

Agreements for services between El Dorado County and Food Bank of El Dorado County for Brown Bag services:
#015-S0211, June, 2001
#015-SO211, Amendment #1, April, 2002
#688-SO311, April, 2003
#459-SO510, March, 2005
Food Bank of El Dorado County Board of Directors minutes, December 11, 2003, and January 8, 2004
Video tape and transcription of El Dorado County Board of Supervisors Meeting, May 24, 2005 (see Addendum for text)
Senior Brown Bag Program participant application
Correspondence:
Food Bank Director
Director of Department of Human Services
El Dorado County Board of Supervisors
Director of El Dorado County Area Agency on Aging
El Dorado County Department of Human Services

Correspondence between the Food Bank Board of Directors Chairperson and the El Dorado County Human Services
Food Bank of El Dorado County Board of Directors:
Standing rules
Board Member Agreement
Organization Chart
Standing committees
Federal Return of Organization Exempt from Income Tax Form 990 years 2000 through 2004
Federal Register Vol. 70, No 115
California Registry of Charitable Trusts, Nonprofit Integrity Act of 2004 Summary of Key Provisions
California Attorney General's Guide for Charities
California Codes §12585 - 12586; 9530 – 9538, 9540 – 9547, 9200-9203
State of California – Health and Human Services Agency
Department of Aging Program Memos:
PM 98-37 (P) January 10, 1999
PM 02-26(P) November 19, 2002, Until Superseded
Agenda, April 21, 2005, of El Dorado County Commission on Aging
Minutes, April 21, 2005, Advisory Council to the Area Agency
Bylaws of the Food Bank of El Dorado County, November 30, 2005
El Dorado County Area Agency on Aging, 2005-2009 Area Plan for Senior Citizens Summary
El Dorado County Area Agency on Aging Area Plan 2005-2009
Area Agency on Aging Advisory Council member roster, 2006
El Dorado County Board of Supervisors Agenda Item Transmittal, 2004
Agenda, Board of Supervisors Meeting, 05-24-05
Fax Transmittal Sheet, May 25, 2005, from State of California Department of Justice
Appendix II – PSA #29

Background

The Brown Bag Program is a state funded program that distributes acquired edible fruits, vegetables and other food products to citizens, age 60 or above, who are at or below poverty level. State funds are made available to all counties. In 1998, El Dorado County contracted its first Brown Bag Program by using the Community Resources Council in Placer County to administer the program. When the Community Resources Council's contract ended in June 2001, there were 3 distribution sites and 150 participants.

In June, 2001, the Food Bank of El Dorado County (Food Bank), a non-profit organization (501 C3), contracted with El Dorado County to administer the Brown Bag Program and developed an increase in the number of sites and participants. When the contract ended in June 2005, there were 6 county wide distribution sites and 400 plus participants.

During the budget sessions of 2004, the State of California suspended the Brown Bag Program. Funding was subsequently restored when the budget was signed in August, 2004. At that time, the County chose not to renew the contract with the Food Bank for fiscal year 2004/2005. During a meeting of the District I Supervisor, the Assistant Director of the Department of Human Services and the Executive Director of the Food Bank of El Dorado County, the contract was renewed for only a five month period, February, 2005 through June 30, 2005. For fiscal year 2005/2006, the contract was not renewed, even though State funding continued to be received by the County.

Twice the Food Bank of El Dorado County has operated the Brown Bag Program without an applicable contract. From July 2004 through January of 2005 and since July 2005, the Food Bank of El Dorado County has continued to supply the Brown Bag Program with reduced funds and on a limited basis without a service contract from the Department of Human Services and no Brown Bag funding. Since 1998, the State has continuously supplied the County with funds to support the Brown Bag Program.

Fact #1:
Community Based Services Programs Redirection Policy dated November 29, 2002
(which was not followed)

California State Department of Aging Program Memo- PM 02-26(P). (see Addendum for text)
AAAs (Area Agency on Aging) shall follow all requirements specified in Section 9535 of the Older Californian's Act, if they propose to redirect programs in Chapter 7.5 [see PM 98-37(P)]. One specific requirement is the development of an Administrative Action Plan, which shall receive approval of the governing board after considering the input received from the local advisory council. In addition, the California Department on Aging (CDA) is requiring the AAA to describe in its Plan how clients participating in programs targeted for redirection will be transitioned into other community services.

Specific minimum standards must be met.

1. Develop Administrative Action Plan.
2. Governing Board Approves the Administrative Action Plan.
    a. Local Advisory Council (11 members) makes recommendations to Governing Board. [sic]

If any funds are proposed for redirection, the AAA shall submit the following with the original Community-Based Services Programs (CBSP) budget:

- An Administrative Action Plan (AAP) containing justification for each program selected by the AAA for redirection, and
- A transmittal letter signed by the Chairs of the Advisory Council and Governing Board.

Once California Department on Aging approves the Plan and the budget, AAA shall incorporate approved changes, along with goals and objectives, into their Area Plan update due to the CDA on May 1 of each fiscal year.

Fact #2:

CHRONOLOGICAL LIST OF EVENTS

(Taken from documents provided)

DATE	DESCRIPTION
December 11, 2003	Food Bank of El Dorado County Board of Directors met. During this meeting the Director of the Community Services (now Department of Human Services) presented a draft of a recommendation (non agenda item) regarding the integration of the Food Bank of El Dorado County into the county service system.
January 8, 2004	At the Food Bank Board of Directors meeting there was unanimous agreement that negotiations with the County should be the Food Bank Executive Director's responsibility.
February 11, 2004	A letter from the Director of Human Services to the County Board of Supervisors recommended the integration of the Food Bank of El Dorado County into the county service system.
February 24, 2004	Board of Supervisors Agenda Item Transmittal sheet. Dept. summary and requested Board action: "Human Services recommends approval of measures reflecting County cooperation with and support of the Food Bank of El Dorado County in its efforts to address hunger and nutrition needs." Signed by John Litwinovitch.
July 2004	No contract was signed with the Food Bank due to State budget constraints. (Brown Bag Program was suspended by the State in the proposed budget.)
August 2004	State reinstated Brown Bag Funding in the signed budget.
July 2004 through January 2005	For 6 months, the Food Bank struggled to provide food to the elderly of El Dorado County, but in a reduced capacity.
January 11, 2005	A letter to the El Dorado County Board of Supervisors from the Executive Director of the Food Bank requested reinstatement of the Brown Bag Program contract and full funding retroactive to July 1, 2004.
Between January and March, 2005	The county was in receipt of full funding from the State for senior services. $23,277.00 was designated for the Brown Bag Program retroactive from July 2004
January 31, 2005	Assistant Director Department of Human Services requested an audit from the Food Bank.
February 2005	A contract with the Food Bank was signed to provide the Brown Bag Program from February, 2005 through June, 2005 in the amount of $9,700 from the total $23,277 leaving a balance of $13, 577.

February 2005	The Food Bank was not reimbursed for services provided from July 1, 2004 to January 31, 2005. The county redirected the Brown Bag funds of $13,577 to other senior programs.
April 18, 2005	Public hearing at Placerville concerning 2005-2009 Area Plan. Major concern of seniors was termination of the Brown Bag Program.
April 21, 2005	Commission on Aging passes new 2005-2009 Area Plan that redirects Brown Bag funds to other senior programs.
April 22, 2005	The Food Bank Board of Directors Chairperson's letter to the County Board of Supervisors requested a delay of final approval of the Area Plan for 2005-2009.
April 28, 2005	Public hearing at South Lake Tahoe concerning 2005-2009 Area Plan. Major concern of seniors was termination of the Brown Bag Program.
May 19, 2005	A letter from the Director of the Department of Human Services stated that the County had requested the Food Bank to provide copies of external audit reports for fiscal years 2002/03 and 2003/04. It also indicated that review of these reports would be necessary to enter into a new contract for services. The letter did not indicate who would pay for the audits.
May 24, 2005	Assistant Director of the Department of Human Services made a presentation before the County Board of Supervisors regarding the new 2005-2009 Area Plan for senior services. The Brown Bag Program was not included in this 4 year plan.

Fact #3:
County Board of Supervisor's Meeting on May 24, 2005

The following information was provided to the County Board of Supervisors on May 24, 2005. The Assistant Director of Human Services presented the new Area Plan 2005-2009 for seniors and commented about the Food Bank and its administration of the Brown Bag Program. Public input at this meeting is also included below. (See Addendum for complete text of statements as transcribed from videotape of the Board of Supervisors meeting on May 24, 2005.)
.

As stated before the BOS on 5-24-05	Grand Jury Investigation Reveals
Food Bank external audit requirement not received.	No audit requirement in County contract.
The Food Bank had revenues of over $2 million in tax year 2003.	The Food Bank revenues amounted to $316,477 in cash, 2003 IRS tax return #990

Audit required to the State Attorney General – revenue over $2 million	Not required. State Attorney General requires audits for non-profits (the Food Bank) only if gross revenues are over $2 million, exclusive of grants
The Food Bank had a responsibility to submit an audit and had not done so.	Fax Transmission Cover Sheet from State of California Department of Justice from Staff Services Analyst, Registry of Charitable Trusts, dated May 25, 2005, states "This email is to confirm that Food Bank of El Dorado County is in good standing with the Registry of Charitable Trusts."
Money from the Brown Bag Program was cancelled by the State of California.	The Brown Bag Program was never cancelled. It had been suspended in a proposed budget but was fully funded in the signed budget.
El Dorado County has funded the Brown Bag Program	The State funds the Brown Bag Program. The county disperses the funds.
We have a huge waiting list with our day care program.	The waiting list for day care is fluid and therefore openings at the Day Care frequently occur. (see Fact #4)

To date there is no contract by the County with any entity to provide services for the Brown Bag Program.

Fact #4:

The Adult Day Care Center/Senior Day Care Center in Placerville can serve a maximum of seventy-two clients per week. From this total of seventy-two, only twenty clients currently come from the Cameron Park/El Dorado Hills area. Only three or four clients are waiting for the El Dorado Hills Day Care Center to open. (Information obtained from the Adult Day Care/Senior Care Center in Placerville.)

Fact #5:

The Department of Human Services stated in writing and also before the Board of Supervisors presentation of May 24, 2005 that the Food Bank of El Dorado County was not cooperative in allowing the county to monitor the Food Bank's operations. The requested monitoring dates conflicted with on-site monitoring of the Food Bank that the State of California had previously scheduled.

Fact #6:
Two public hearings are required before any action can be taken. Action was taken by the Area Agency on Aging a week before the second public hearing.

April 18, 2005	Public hearing at Placerville concerning 2005-2009 Area Plan. Major concern of seniors was termination of the Brown Bag Program.
April 21, 2005	Commission on Aging passes area plan that redirects Brown Bag Program funds. An out of sequence action.
April 28, 2005	Public hearing at South Lake Tahoe concerning 2005-2009 Area Plan. Major concern of seniors was termination of the Brown Bag Program.

Fact #7:
There is no evidence that the requirements for "redirection" of Community Based Service Programs (CBSP, Brown Bag Program in this case) funds as defined in paragraphs (c), (d) and (e) of Section 9535 as quoted in Program Memo PM98-37 (P) from the State Department of Aging have been followed. Investigation has indicated that there has been an express lack of adherence to said requirements.

Fact #8:
There is no evidence of a redirection process having been followed to authorize the diversion of $13,577 of Brown Bag Program funds for the period of July 2004 through February 2005.

Fact #9:
The redirection process required for the diversion of Brown Bag funds under the 2005-2009 Area Plan was flawed because there is no evidence of the processes and personnel required to effect the redirection process as covered in Department of Aging Program Memos PM 98-37 (P) January 10, 1999 and PM 02-26(P) November 19, 2002.

Findings/Recommendations

1F. Finding: Audits of the Food Bank were requested by senior department heads of the Human Services Department but had not been included in their service contracts.

> **1R. Recommendation:** If the county requires audits of its contractors this requirement must be in all contracts, along with funds to cover the cost of the audit and defining who is to perform the audit.

2F. Finding: At the May 24, 2005 meeting of the Board of Supervisors a comment was made by Joe Harn, County Auditor/Controller, that Human Services staff may be "**wrong"** in reporting the Food Bank was not fully complying with the requirements of the state for non-profits of their size.

2R. Recommendation: The Board of Supervisors should require further investigation when an issue is raised by the County Auditor/Controller regarding actions taken by county departments.

3F. Finding: During testimony before the Grand Jury, the Assistant Director of Human Services stated that redirection of funds was not needed for a new area plan.

3R Recommendation: State policy for the redirection of funds is required and proper procedure must be followed in all cases. (See addendum, PM 98-27(P).)

4F. Finding: The El Dorado County Department of Human Services did not follow California State mandated procedures and protocol when funds were redirected from the Brown Bag Program in their 2005-2009 Area Plan. Brown Bag Program monies provided by the State have been incorrectly redirected to other county senior programs.

4R. Recommendation: States funds allocated for the Brown Bag Program should be returned to the program.

5F. Finding: In the 2004/2005 budget, the County dispersed $9,700 to the Food Bank of El Dorado County for February through June of that year. The County redirected $13,577 to other senior programs without implementing the redirection process. Redirection policy as specified by the State of California was not followed.

5R. Recommendation: Redirection of funds provided by the State for specific programs must follow State protocol.

6F. Finding: The Food Bank of El Dorado County lost its support from the county through a presentation of incorrect information by the Assistant Director of Human Services at a Board of Supervisors meeting May 24, 2005.

6Ra. Recommendation: Reinstate the Brown Bag Program to provide aid to the county elderly in need.

6Rb. Recommendation: Reinstate the Food Bank of El Dorado County as administrator of the Brown Bag Program. This will allow the most expeditious re-implementation of the Brown Bag Program.

7F. Finding: According to California Codes, Welfare and Institutions Code Section 9535 cites in subdivision (c) "Where the area on aging proposes to redirect funding under this chapter, the area agency shall ensure that it has submitted its recommendations to a locally formed advisory committee that shall include

- consumers of long-term care services
- representatives of local organizations of seniors
- functionally impaired adults
- representatives of employees who deliver direct long-term care services, and representatives of organizations that provide long-term services

- at least one-half of the members of the advisory committee shall be consumers of services provided under this chapter or their representatives. "

and in subdivision (d) "In addition, where the Area Agency on Aging proposes to redirect funding under this chapter, an administrative action plan shall be developed and shall receive the approval of the area agency's governing board, which shall consider the input received pursuant to subdivision (c). The administrative action plan shall receive the governing board's approval prior to submission to the department for final state approval. The administrative action plan shall be an update to the area plan."

Records do not show that "at least one-half" of the members of the **advisory committee** are consumers of services provided under this program.

7Ra. <u>Recommendation:</u> There must be oversight of all commissions within the county to ensure compliance with California State policies, and are followed to the letter and spirit of the programs.

7Rb. <u>Recommendation:</u> Provide verification that current members of the Advisory Council comprise all entities listed in Section 9535 and publicize it.

COMMENDATION

The State supported Brown Bag Program requires that any agency administering the Brown Bag Program to "Leverage the State Funds by a factor of at least 3 (three)." The Food Bank of El Dorado County leverages their total cash contributions, including the state monies, by a factor of almost 10 (ten). The Food Bank of El Dorado County is to be praised for their outstanding public service and should be recognized for their effectiveness.

ADDENDUM

- Transcript from video tape of 05-24-05 Board of Supervisors meeting
- State of California, Health and Human Services Agency, Department of Aging, Program Memo PM 02-26 (P), and PM 98-37 (P)
- Appendix II – PSA #29
- California Welfare & Institution Code §9535 (2006)

Copies available upon request of:
California Government Codes §12585 – 12586
California Welfare and Institution Code§9530 - 9538

A response is required by the Board of Supervisors within ninety (90) days. See Table of Contents, *"Notice to Respondents."*

COUNTY OF EL DORADO

BOARD OF SUPERVISORS REGULAR MEETING OF 5-24-05

Presentation - Item No. 60 - Brown Bag Matter:

Approval of 2005-2009 EI Dorado County Planning Service Area Plan for Senior Services

Doug Nowka: Good morning. I am Doug Nowka, Assistant Department Director of Human Services and Director of Area on Aging. I am pleased to be here today to present the 2005-2009 area plan for senior services. This is essentially the plan that gives us our marching orders for the next 4 years. It determines how we will provide service. What services will be provided on the senior side of the aisle and we put a lot of work into it. Probably the highlights of the plan are we were able to maintain most of the services that we currently provide with one notable exception. We also are able to expand senior services and open a second senior day care site which we have been trying to do for a number of years. The planning process basically included input from 1,400 individual seniors and about 70 provider agencies throughout the county. It is important to note that one of our responsibilities is to use our limited resources in a way that we can most affect seniors that are at risk. Those who have the greater risk of institutionalization is a high priority for us. We have a huge wait list with our senior day care program, and that is why one of our new areas is expansion of senior day care. The plan does cover a 4 year period. Each year we develop an individual module so this plan includes funding and the plan for spending for the first year of that process, but it does include goal objectives for the entire 4 year period. Finally, the plan before you is not without some controversy. We have received numerous complaints and comments regarding senior food needs and the unfunded Brown Bag Program. To clear up some mis-perceptions, the vast majority of senior food resources, including government commodities and other donated foods, should remain available for distribution and based on public comments, the Commission on Aging will be revisiting the Brown Bag issue in the near future. However, less there be any misunderstanding, funding availability alone is not the only stumbling blocks. The current Brown Bag provider, the Food Bank of EI Dorado County, is either unwilling or unable to meet basic program and accounting standards for us to continue to contract with them. In the absence of those performance standards, we are unable to contract regardless of funding availability. With that, I will be happy to answer any questions.

Supervisor Jack Sweeney: Doug, the near future, when would the agency consider revisiting that issue?

Doug Nowka: The next commission meeting is in July.

Supervisor Jack Sweeney: So this is going to be an ongoing issue for them. Have you received by letter dated May 19th - you advised the Food Bank that they were remiss in not providing certain audit reports, and you suggested that, this is in the last paragraph, "This is the county's final formal request for an independent audit report." Have you received that yet?

Doug Nowka: No, in fact we have received a letter from them indicating that they are unable to meet our most recent request for a monitoring visit. But we have given them 5 separate dates and all 5 dates have been unacceptable to the Food Bank. And, no we have not received the audit. We have also checked with the County Counsel's Assistant, and we checked with the Attorney General's Office and there is a requirement with the State Attorney General that with a non-profit such as a Food Bank who has revenues of over 2 million dollars last year that they have a responsibility to submit an audit to the State Attorney General's Office and have not yet done so.

Mike Sproull. Food Bank of EI Dorado County: In my opinion, we have gotten off the item we are talking about here. We are not talking about how the provider is providing service. We are talking about cutting a program. If the County is in the feeling that we are not meeting their needs, that is one thing and we will address that when we respond to that letter, but today here we are talking about cutting a program. We don't need to be the provider if the County doesn't feel that the Food Bank hasn't done a good job; then find another provider that will provide this program. I think we are off base. I think we are cutting a program and blaming a provider for the reason. These seniors here today are here to represent themselves and the issue at hand is not what kind of job the Food Bank has done, but is this program a good program and could we find another provider if needed to run it. So, I don't agree with the idea of attacking the Food Bank and saying they haven't done what they needed to do. My idea today is to listen to the seniors and to keep this good program in the County based on the program not the differences between the County and the providers.

VARIOUS PUBLIC SPEAKERS

Moni Gilmore of El Dorado Hills and a member of the Commission on Aging:
I think some of the good people in this room today don't really realize that the money from the Brown Bag Program was cancelled by the State of California. For a short period of time, the EI Dorado County has funded the Brown Bag Program and I think it was somewhere about $23,000.00 here. Based on the priorities resulting from the assessment survey, it appears to me that as a member of the Commission on Aging, as an individual and as a senior citizen that we need to re-allocate our proprieties. As a former member of the Board of Directors of the Food Bank, they do have many other resources for funding besides the Brown Bag Program, including very generous donations from various agencies like, a most recent example, is the EI Dorado Hill Chamber of Commerce is directing all proceeds from their big golf tournament this year to the Food Bank.

Doug Nowka: This has been really difficult because the Brown Bag Program does provide a valuable service. There are many seniors that need the service. They have done a pretty good job over the years. Recently that has changed. The thing that probably concerns me most about this is the fact that funding issues have come up. The resources are limited. We can't provide services to everyone and everything they need. We can triple the budget frankly and still not meet the needs. We are faced with having to prioritize things based on what has funding,

what has available outside funding. The Brown Bag Program, the Food Bank of EI Dorado, while they have been unwilling to share any financial information with us, I was able to go to the Attorney General's web site and download their 2003 tax return and they do have revenues or income 2.3 million for 2003. $316,000.00 of that was in cash. This is a $23,000.00 grant. The Brown Bag was able to maintain services for about an 8 month period I believe without funding from us. They have other resources. There are other community agencies. There are other community resources available to the Food Bank. The funding that comes from our program makes up about $7.00 of the $22.00 worth of Brown Bag commodities that are placed in the bag. The Food Bank can continue to provide brown bag services. We are taking away all of the funding we provide but (unintelligible ??) provoked in taking away a portion of the funding. This has been difficult in that I think a lot of scare tactics and misinformation has been passed around; I think people are afraid and I think that they think they are losing all of their services. I have had numerous people call me and tell me that they thought the Food Bank was closing, that commodities were gong away, that the senior nutrition home delivered meals program was going away. It is real easy to stir people up; it's real easy to scare people; it's real easy to intimidate folks, and I have seen all those things occur in the past year.

Supervisor Charlie Paine: Doug, you mentioned what was the total in, was that just for EI Dorado County?

Doug Nowka: Yes, that's according to their tax records they had $316,000.00 in cash revenue for 2000. This is per the 2002-2003 tax year, I believe.

Supervisor Charlie Paine: What was the total revenue?

Doug Nowka: That was $ 2,322,029.00.

Supervisor Dave Solarno: Doug, on the audit, how many requests have been made to share information from the Food Bank that they refused to do?

Doug Nowka: Well, probably 6 or 7 requests by phone until they stopped hanging up on us and told us that we should send them things in writing only, but, we have sent them at least 6 letters asking for information.

Supervisor Dave Solarno: Do they have paid staffing or all they all volunteers?

Doug Nowka: Well, that is one of the things we would like to know frankly. It appears that they do have pre-paid staff. They have the Executive Director, and two other paid staff workers.

Supervisor Dave Solarno: Does their income tax return indicate percentage of staffing versus income or what the paid staffing was?

Doug Nowka: It looks like their paid staffing costs are about $150,000.00 a year.

Supervisor Dave Solarno: For just 3 people?

Doug Nowka: Yes.

Supervisor Daye Solarno: No wonder they don't want to answer you. I think maybe it is one of the reasons we are not getting the results walking out the door.

Doug Nowka: There is $60,000.00 in compensation for the director of the Food Bank; $36,000.00 in other salaries; $21,000.00 nearly in employee benefits; and $8,500.00 in employee taxes according to their tax return.

Supervisor Jack Sweeney: What date did this plan have to be submitted?

Doug Nowka: Around May 1st is the ideal time, but we have to have it submitted by June 1st.

Supervisor Jack Sweeney: How many meetings did the area agency on aging hold trying to figure this out and what kind of participation did you have?

Doug Nowka: Well, we had numerous meetings. We had over a dozen individual meetings with certain care providers and folks trying to get the needs assessment done. We had commission meetings. We had 2 public hearings, one in Placerville and one in South Lake Tahoe, and then we had the actual commission meeting in Mt. Aukum where we discussed it as well.

Supervisor Jack Sweeney: But, I believe the area agency on aging commission meets once a month.

Doug Nowka: Yes.

Supervisor Jack Sweeney: And those are always open to the public?

Doug Nowka: Yes

Supervisor Jack Sweeney: Probably these kinds of things have been discussed at those meetings.

DOUG Nowka: For months. This issue of the brown bag has been an issue for well over a year now.

Supervisor Jack Sweeney: Now, I am cautious but what Is the net county cost contribution to the area agency on aging? How much money is the general fund putting in?

DOUG Nowka: To the entire senior program, roughly $400,000.00. The area on aging, it varies about from year to year - $30,000.00 to $40,000.00.

Supervisor Jack Sweeney: Where was this Brown Bag Program? It appears that the Food Bank has had it for 3 years or something. Where was it before then?

DOUG Nowka: One year prior to that we actually contracted with an outfit in Placer

County who was providing brown bag services statewide. It was a new program for us, so the first year we went forward we needed to find a provider and there wasn't a provider in EI Dorado County so we contracted with (unintelligible ???) in Placer County.

Supervisor Charlie Paine: Could you expand? There was a comment made that originally when the Commission on Aging was looking at re-adjusting their area plan is that there was some concern, and the commission went back and revisited and I just was wondering if you could give us a little background or a little more explanation on what the commission did when they revisited that issue.

Doug Nowka: Actually, they are in the process of revisiting it. We do have an agenda for the July meeting of the commission and I guess the best way to describe is the commission is struggling with the issue of whether to stop funding one program and fund this other great need and it's real difficult when you have a roomful of people telling you that they are going to starve to death if you take this $23,000.00 away. So that is something the commission grappled with and I think they are still grappling with that issue. I think the notion that we are starving people to death is not accurate. I think the notion that we are killing the Food Bank Program is not accurate, so that's the basic issue. We have actually discussed at length the concept of finding another provider and that is a challenge because the Food Bank is the only Food Bank in the county; and to make the program work as it is now there's $7.00 of the $22.000 bag comes from us so they have other resources so it's very important for any provider to be able to access all those other resources and the Food Bank has all those resources locked up.

Joe Harn. County Auditor: Doug Nowka has reported to you that the state has an audit requirement for a non-profit of this size. I don't believe Mr. Nowka reached the conclusion on his own. I believe he reached it in consultation with the County Counsel's Office. I don't know that for a fact. To the best of my knowledge, no one has disputed that fact this morning. At this point, regarding the Brown Bag Program, your Board has no choice - your staff, now, maybe your staff is wrong. I don't have any reason to believe that, but maybe they are wrong, but your staff has reported that this organization is not fully complying with the requirements of the state for non-profits of this size.

Board member (unknown who made this comment): Even though it wasn't the state, its in our contract record.

Joe Harn. County Auditor: Again, your Board has the right to waive that requirement should you choose to, but you have no choice if your staff is reporting to you that they are not complying with the requirements of the Attorney General's Office. So, it is not an option you have. Hopefully, the Food Bank can be in 100% compliance with the state's rules and at the point you might have a difficult decision but at this point you don't.

End of presentation

DEPARTMENT OF AGING
1600 K STREET
SACRAMENTO, CA 95814-4020
Internet Home Page: www.aging.ca.gov
TDD Only 1-800-735-2929
FAX Only (916) 327-3661

PROGRAM MEMO

TO: **AREA AGENCIES ON AGING DIRECTORS**	NO.: **PM 02-26(P)**
SUBJECT: **Community-Based Services Programs (CBSP) Redirection Policy**	DATE ISSUED: **November 19, 2002**
REVISED	EXPIRES: **Until Superseded**
REFERENCES: **Older Californian's Act, CBSP Standard Agreement, CBSP Program Manuals and Regulations, PM 98-37(P)**	SUPERSEDES:
PROGRAMS AFFECTED: [ ] All [ ]Title III-B [ ] Title III-C1/C2 [ ] Title III-D [ ] Title V [**X**] CBSP [ ] MSSP [ ] Title VII [ ] ADHC [ ] Other:	
REASON FOR PROGRAM MEMO: [ ] Change in Law or Regulation [ ] Response to Inquiry [**X**] Other Specify: **Transmit policy on redirection**	
INQUIRIES SHOULD BE DIRECTED TO: **Your assigned AAA-Based Team**	

The purpose of this Program Memorandum (PM) is to transmit policies regarding redirection of community-based programs specified in Chapter 7.5 of the Older Californian's Act. CBSPs eligible for redirection in Fiscal Year (FY) 2003/04 are: Alzheimer's Day Care Resource Center (ADCRC), Brown Bag, Foster Grandparent, Respite (which includes Respite Purchase of Service and Respite Registry), and Senior Companion. The Health Insurance Counseling and Advocacy Program (HICAP) is exempt from redirection. Funds allocated to the Linkages Program are not eligible for redirection until FY 2004/05; however, policies regarding redirection of this Program are included to ensure consistent application across all programs. Guidance in this PM addresses only the specific policy changes that will affect the administration of these programs.

OVERARCHING POLICY

In all circumstances, program providers are required to meet all provisions specified in either or all of the following: regulations, contract language, program manuals, or any other program standards imposed by the California Department of Aging (CDA). In no case does this PM authorize a different set of program standards for any of the CBSPs affected. That is, if a AAA provides a CBSP, compliance with the specific minimum standards must be met.

ALZHEIMER'S DAY CARE RESOURCE CENTER PROGRAM

The $80,000 baseline is no longer a requirement. Multiple contractors are allowable, and satellite sites are no longer tied to the allocation. However, use of any funds in support of an ADCRC requires **each** contracted entity to comply with all ADCRC program requirements. In addition, the budget information submitted will require the AAA to show the total amount of funds from all sources that will be used to operate the ADCRC and, must at a minimum, total $80,000. Individual exceptions to this policy will be considered on a case-by-case basis and require prior approval from CDA.

BROWN BAG PROGRAM

No minimum dollar amount or specific number of contractors will be required for this program. All other policies, procedures, and guidelines governing the program as specified in the Brown Bag Program Manual and contract language shall remain in effect.

FOSTER GRANDPARENT PROGRAM (FGP)/SENIOR COMPANION PROGRAM (SCP)

The Corporation for National and Community Service (CNCS) has revised the rate of reimbursement for each Volunteer Service Year (VSY). The cost per VSY has changed from $4,000 to $4,370 effective July 1, 2003. This change will provide additional resources per VSY and may also result in a reduction of total required VSYs to be funded and contracted by a AAA.

In addition, the policy that placed restrictions on the percentage of total funds that can be used for program administration (20%) has been revised to allow for increased flexibility in budgeting costs associated with the administration of these programs. State-funded only programs will **not** be required to budget/spend 80 percent of the State allocation in the Volunteer Expense category. However, an amount **equal to** 80 percent of the State allocation **must be** budgeted and spent in this category. The additional resources a AAA may need to raise to meet this requirement may be obtained through the use of alternative funding streams, which may include but are not limited to fund raising activities or in-kind contributions (i.e., meals, physicals, etc).

Specific program and budgetary guidelines to assist AAAs in implementing these revised policies will be provided in a separate PM.

All other policies, procedures, and guidelines governing the program as specified in the FGP and SCP Operations Handbook, federal regulations, and contract language shall remain in effect.

RESPITE PROGRAM

No baseline **Respite Registry** amount will be established.

The requirement that **Respite Purchase of Service (RPOS)** is tied to the Linkages Program has been removed. However, because of the small amount of funding available, the large demand for services, and in order to ensure that the maximum numbers of families are served, the $450 maximum per family for RPOS is retained. In addition, the policy remains in effect that allows for an increase that may be spent in excess of the $450 limit with the written approval of a supervisor.

LINKAGES PROGRAM

The requirement of a minimum 100 slots per site is removed. Based on existing reported costs and levels of service, a new per client slot cost range of $2,000 to $2,200 has been established. The range was established to recognize local variances in the cost of conducting business. For example, the salary of a care manager varies between Los Angeles and Inyo/Mono Counties. AAAs will contract for clients served based on this average. If some but not all funds are redirected, the cost per client slot provides a guideline for the AAA to use to adjust program performance levels.

FISCAL/BUDGET REQUIREMENTS

AAA Administration is allocated in the following five categories: General Fund, HICAP Reimbursement, HICAP Fund, Federal M + C Supplemental, and Federal Funds – Other. The Department will continue to allocate AAA Administration in these five categories. However, beginning with FY 2003/04, General Fund Administration will not be identified by program. AAAs have the option of retaining up to 10 percent of all General Fund CBS program dollars for administration as long as service levels are not reduced and there is no negative impact on direct program services [PM 00-22 (P)].

In the Community-Based Services Program Budget (CDA 263), AAAs must include all costs and all funding available to pay the costs of services as defined in the CBSP Standard Agreement and by each separate set of program standards. These should include State and federal funds from CDA, matching contributions (required and over match), Program Income generated from services provided, and Other funds. As an example, Other funds could include in-kind from HICAP volunteers, Targeted Case Management funds, donations, funding from Handicap Parking fines, and any other funds used to cover the costs of CBSP services.

Note: Although HICAP is not subject to redirection, costs associated with this program shall also be documented in the same manner required for all other CBSPs.

ADMINISTRATIVE ACTION PLAN

AAAs shall follow all requirements specified in Section 9535 of the Older Californian's Act, if they propose to redirect programs in Chapter 7.5 [see PM 98-37 (P)]. One specific requirement is the development of an Administrative Action Plan, which shall receive the approval of the governing board after considering the input received from the local advisory council. In addition, CDA is requiring the AAA to describe in its Plan how clients participating in programs targeted for redirection will be transitioned into other community services.

If any funds are proposed for redirection, the AAA shall submit the following with the original CBSP budget required for FY 2003/04 and any subsequent amendments:

- an Administrative Action Plan containing justification for each program selected by the AAA for redirection, and
- a transmittal letter signed by the Chairs of the Advisory Council and Governing Board.

Once CDA approves the Plan and the budget, AAAs shall incorporate approved changes, along with goals and objectives, into their Area Plan update due to CDA on May 1 of each fiscal year.

As resources permit, all changes included in this PM will be made to each applicable program manual and issued as updates to these manuals.

Original Signed by Joyce Fukui for Lynda Terry

Lynda Terry
Director

STATE OF CALIFORNIA - HEALTH AND WELFARE AGENCY PETE WILSON, Governor
DEPARTMENT OF AGING
1600 K STREET
SACRAMENTO, CA 95814
Internet Home Page www.aging.state.ca.us
Info Only 1-800-735-2929
TeleTDD Only (916) 327-2881

PROGRAM MEMO

TO: Area Agencies on Aging	NO.: PM 98-37 (P)
SUBJECT: Community-Based Services Programs—Redirection of Program Dollars	DATE ISSUED: January 10, 1999
	EXPIRES:
REFERENCES: PM 98-25; 98-31 (P)	SUPERSEDES:

PROGRAMS AFFECTED:
[ ] All [ ] Title III-B [ ] Title III-C1/C2 [ ] Title III-D [ ] Title III-F [ ] Title V
[X] CBSP [ ] MSSP [ ] Title VII [ ] ADHC [ ] Other:

REASON FOR PROGRAM MEMO:
[ ] Change in Law or Regulation [X] Response to Inquiry [ ] Other Specify:

INQUIRIES SHOULD BE DIRECTED TO:
Assigned Community-Based Services Team

This Program Memo (PM) responds to two (2) questions raised by Area Agencies on Aging (AAA):

1. Some Area Agencies have indicated their desire to redirect funds from existing Community-Based Services Programs (CBSP). (Existing programs are considered those which were in existence when AB 2800 was signed.) This PM clarifies existing law with regard to redirection of program dollars for existing CBS's.

2. Several Area Agencies have experienced some difficulty in making necessary local arrangements to establish new Foster Grandparent Programs (FGP) and/or Senior Companion Programs (SCP) for Fiscal Year (FY) 1998-99. New FGPs and SCPs are those established as new programs in the 1998-99 budget Act. Area Agencies have asked, "what are the local options for delivering this service if attempts to secure a local provider have failed?"

BACKGROUND: Statutory Provisions and Other Policy Requirements

1. Welfare and Institutions (W & I) Code, Proposals to Redirect Community-Based Services dollars: Section 9535

   With the exception of funding of HICAP, the Older Californians Act (OCA) establishes a process to redirect Community-Based Services Program dollars. This process, described below, must be followed prior to any attempt to redirect funds.

Requirements for "redirection" of CBSP funds as defined in paragraphs (c), (d) and (e) of the Section 9535, include:

(c) An Advisory Committee must be formed locally that includes:
- Consumers of long-term care services,
- Representatives of local organizations of seniors,
- Functionally impaired adults,
- Representatives of employees who deliver direct long-term care services, and
- Representatives of organizations that provide long-term care services.

At least one-half of the members must be consumers of Community-Based Services (provided in Chapter 7.5).

(d) An Administrative Action Plan shall be developed and shall receive the approval of the area agency's governing board. The Board must consider the input received from the Advisory Committee.
- The Governing Board's approved Administrative Action Plan must be submitted to California Department of Aging for final State approval,
- This Administrative Action Plan will be an update to the area plan.

(e). Effective in the 1999-2000 fiscal year, and except for the health insurance counseling and advocacy program, determining which of the community-based services programs specified in Chapter 7.5 (commencing with Section 9540) and contracted under the authority in this chapter will continue to be funded and the amount of funding to be allocated for that purpose.

The Administrative Action Plan must include the reason(s) for redirection, a detailed justification on cost effectiveness, scope of services, quality, and manner of delivery. A record of the review, input and approval by the local advisory community and governing board must be submitted to CDA for final approval of the proposed redirection. Budget revisions supporting this redirection must be kept on file locally and are subject to departmental review.

2. PM 98-25: Model FGP and SCP Request for Proposals

PM 98-25 established the policy that the Corporation for National Service (CNS) has the right of first refusal for additional FGP/SC programs. Prior to going to RFP, an existing FGP/SCP provider must be given the opportunity to accept the additional general fund dollars to expand their existing program through a sole source contract with the AAA.

POLICY

1. Redirection of Community-Based Services Program Funds: Existing CBSP's Only

The redirection of funds applies to CBSP services existing before the FY 1998-99 expansion, except for HICAP. These include: ADCRC (at $80,000 per center), Brown Bag, Foster Grandparents, Linkages which includes Respite Purchase of Services, Respite Registry and Senior Companion. Expansion of CBSP services from the 1998-99 Budget Act are required t

be maintained for four years (through FY 2001-2002), and do not qualify for redirection until that time. (See also PM 98-31 (P) for additional information about ADCRCs).

2. Redirection Specific for FGP and SCP Funds: New and Existing Programs

The process identified in Section 9535 may be used for existing and new FGP or SCP dollars, if and only if all local attempts to establish an existing provider have failed. These local attempts must include:

(a) Following the process outlined in PM 98-25 to offer existing providers a first right of refusal. Note: these local attempts include the option of combining the FGP dollars with the SCP dollars and establishing only one, instead of two, programs;

(b) Working with an existing local RSVP program to provide one or both programs; and

(c) Attempting a competitive RFP for both of the programs, and finding no local provider.

Due to statutory goals to keep new Community-Based Services Programs in place for four years, Area Agencies who obtain permission to redirect new FG/SC monies under this program memo, shall annually, during this four-year period, continue to seek to establish Foster Grandparent and/or Senior Companion programs.

3. The redirection of CBSP dollars is limited to redirection within the specified programs in Chapter 7.5 of the Older Californians Act.

Gary Swanbrow

for DIXON ARNETT
Director

APPENDIX II - PSA #29

Check each applicable planning cycle:
[X]FY 2005-06 [ ] FY 2006-07 [ ] FY 2007-08 [ ] FY 2008-09

PUBLIC HEARINGS
Conducted for the 2005-2009 Planning Period
CCR Article 3, Section 7302(a)(10) and Section 7308

Date	Location	Number Attending	Area Plan presented with Translator:28 Yes/No	Hearing Held at Long-Term Care Facility:29 Yes/No
4/18/05	Placerville Senior Center	50	No	No
4/25/05	South Lake Tahoe Senior Center	19	No	No

All of the items below must be discussed at each planning cycle's Public Hearings

1.Discuss outreach *efforts* used in seeking input into the Area Plan from institutionalized, homebound, and/or disabled older individuals. The public hearing was noticed in each of the local newspapers. Flyers were distributed to home delivered meal participants, long-term care facilities, residential care facilities, the eight congregate nutrition sites, senior apartment complexes, the Brown Bag Program, senior service providers, and several organizations serving the Latino community.

2. Proposed expenditures for Program Development (PO) and Coordination (C) must be discussed at a public hearing.
Did the AAA discuss PO and C activities at a public hearing?

[ ] Yes
[ ] No
[X] Not Applicable (check only if PO and C funding is not being used)

If No, Explain:

3. Summarize the comments received concerning proposed expenditures for PO and C, if applicable.

4. Were all interested parties in the PSA notified of the public hearing and provided the opportunity to testify regarding setting of minimum percentages of Title" I B program funds to meet the adequate proportion funding for Priority Services? *(See Appendix* V)

[X]Yes
[ ] No

If No, Explain:

5. Summarize the comments received concerning minimum percentages of Title III B funds to meet the adequate proportion funding for priority services. *(See Appendix* V)
No comments

6. Summarize other major issues discussed or raised at the public hearings.

Translator is not required unless the AAA determines that a significant number of attendees require translation services.
AAAs are encouraged to include individuals in LTC facilities in the planning process, but hearings are not required to be held in facilities

In summary, the major issues raised included:

- Approximately twenty people commented on the Brown Bag Program. Primarily, concern was expressed about the impacts of discontinuance of funding and the importance of food services. Some expressed the opinion that Brown Bag activities were more important than services to persons with Alzheimer's. Concern was expressed on the amount of food being distributed. There appeared to be some confusion over the difference between Brown Bag and other food assistance programs, as well as the source of Brown Bag funding. However, for the most part comments emphasized the importance of food assistance and an interest in having Brown Bag continue.

7. List major changes in the Area Plan resulting from input by attendees at the hearings.

No changes are proposed to the Area Plan. However, the Commission on Aging, in adopting the Area Plan, voted to revisit the Brown Bag funding issue. Should any changes develop out of those discussions, they would be proposed in the form of a future plan amendment.

- Concern was expressed that senior services be countywide and not focused on or limited to one location.

- Individual comments were received on Medicare drug benefits, public notice of the Area Plan and county employee salaries.

WELFARE AND INSTITUTIONS CODE DIVISION 8.5.
Mello-Grandlund Older Californians Act
CHAPTER 7. Community-Based Services Network

§ **9535.** Area agencies responsibility

Area agencies on aging shall be responsible for, but not limited to, all of the following:

(a) Contracting with the department to locally manage the community-based programs specified in and in accordance with the requirements of this chapter and Chapter 7.5 (commencing with Section 9540).

(b) Integrating the community-based services programs contracted under this chapter into the local area plan development process.

(c) Where the area agency on aging proposes to redirect funding under this chapter, the area agency shall ensure that it has submitted its recommendations to a locally formed advisory committee, that shall include consumers of long-term care services, representatives of local organizations of seniors, functionally impaired adults, representatives of employees who deliver direct long-term care services, and representatives of organizations that provide long-term care services. At least one-half of the members of the advisory committee shall be consumers of services provided under this chapter or their representatives.

(d) In addition, where the area agency on aging proposes to redirect funding under this chapter, an administrative action plan shall be developed and shall receive the approval of the area agency's governing board, which shall consider the input received pursuant to subdivision (c). The administrative action plan shall receive the governing board's approval prior to submission to the department for final state approval. The administrative action plan shall be an update to the area plan.

(e) Effective in the 1999-2000 fiscal year, and except for the health insurance counseling and advocacy program, determining which of the community-based services programs specified in Chapter 7.5 (commencing with Section 9540) and contracted under the authority in this chapter will continue to be funded and the amount of funding to be allocated for that

purpose.

(f) Subject to Section 9534, providing directly, through contracts with other local governmental entities, or through competitively procured contracts, the community-based services programs.

(g) When required pursuant to Chapter 875 of the Statutes of 1995, and subject to the annual Budget Act, relinquishing funding originally contracted under this chapter and the associated local management of the community-based services programs, and except for the health insurance counseling and advocacy program, to the long-term care integration pilot program.

(h) Monitoring direct services contract performance and ensuring compliance with the requirements of this chapter and any other relevant state or federal laws or regulations and the nondiscrimination requirements set forth under Article 9.5 (commencing with Section 4135) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code.

(i) Appropriately expending and accounting for all funds associated with this chapter and providing access to all program books of account and other records to state auditors.

j) Maintaining a systematic means of capturing and reporting to the department all required community-based services program data, specified in paragraph (5) of subdivision (a) of Section 9102.

(k) The governing body of each participating area agency shall establish a process within its area plan for requesting and providing a hearing for the programs specified under this chapter and Chapter 7.5 (commencing with Section 9540). A hearing shall be provided upon the. request of either provider whose existing direct services contract is either terminated prior to its expiration date or reduced in scope outside of the state or federal budget process, or any applicant that is not selected in a direct service contract procurement process due to the alleged presence of a conflict of interest, procedural error or omission in solicitation request, or the lack of substantial evidence to support the award.

NOTICE TO RESPONDENTS

For the assistance of all Respondents, Penal Code Section 933.05 is summarized as follows:

How to Respond to Findings

The responding person or entity must respond in one of two ways:

1. That you agree with the finding.
2. That you disagree wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons for the disagreement.

How to Respond to Recommendations

Recommendations by the Grand Jury require action. The responding person or entity must report action on all recommendations in one of four ways:

1. The recommendation has been implemented, with a summary of the implemented action.
2. The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.
3. The recommendation requires further analysis. If the person or entity reports in this manner, the law requires a detailed explanation of the analysis or study and timeframe not to exceed six months. In this event, the analysis or study must be submitted to the officer, director or governing body of the agency being investigated.
4. The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefore.

Time to Respond, Where and to Whom to Respond

Depending on the type of Respondent, Penal Code Section 933.05 provides for two different response times and to whom you must respond:

1. **Public Agency:** The governing body of any public agency must respond within ninety (90) days. The response must be addressed to the Presiding Judge of the Superior Court.
2. **Elective Officer** or **Agency Head:** All elected officers or heads of agencies who are required to respond must do so within sixty (60) days to the Presiding Judge of the Superior Court, with an information copy provided to the Board of Supervisors.

2005-2006 GRAND JURY MEMBERS

Doug Clough, Foreman
Donald R. Brooks, Foreman Pro-tempore
Collen Young, Recording Secretary
Peri Curry
Rita Clayton
Iris Klara Capriola
Mary Ann Dante
Fran DelGizzi
Van Dossey
Fredrick (Fritz) Engel
Michael Powell
Michael J. Johnson
Floyd Knapp
Lorrainne McLaughlin
Ivonne Ramos Richardson
Teresa Stapleton
Loren Theodore
Rene (Ray) Van Asten
Harlan J. Yelland

Former Members: Karen Eller
Michael Crowley