



Santa Cruz County Civil Grand Jury

2014-2015 Response Packet

Parcel Tax Oversight Committee - Oversight or Overlook

Accountability in Santa Cruz City School District

Santa Cruz City Schools, Board of Education

Due date: 90 Days (by Aug. 16, 2015)

Submitted: 6/22/15

When finished, email the completed response packet as a file attachment to:

grandjury@co.santa-cruz.ca.us

Instructions for Respondents

California law PC § 933.05 requires that those responding to a Grand Jury report must provide a response for each individual finding and recommendation within a report, not a generalized response to the entire report. Explanations for disagreements and timeframes for further implementation or analysis must be provided.

Please follow the format below when preparing your response.

Response Format

1. Find the Responses Required table that appears near the end of the report. Look for the row with the name of the entity you represent and then respond to the Findings and/or Recommendations listed in that row using the custom packet provided to you.
2. For Findings, indicate one of the following responses and provide the required additional information:
 - a. AGREE with the Finding,
 - b. PARTIALLY DISAGREE with the Finding and specify the portion of the Finding that is disputed and include an explanation of the reasons therefor, or
 - c. DISAGREE with the Finding and provide an explanation of the reasons therefor.
3. For Recommendations, select one of the following actions and provide the required additional information:
 - a. HAS BEEN IMPLEMENTED, with a summary regarding the implemented action,
 - b. HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE, with a timeframe or expected date for implementation,
 - c. REQUIRES FURTHER ANALYSIS, with an explanation and the scope and parameters of an analysis or study, and a timeframe for that analysis or study; this timeframe shall not exceed six months from the date of publication of the grand jury report,
 - d. WILL NOT BE IMPLEMENTED because it is not warranted or is not reasonable, with an explanation therefor.

If you have questions about the response report please contact the Grand Jury by calling 831-454-2099 or by sending an e-mail to grandjury@co.santa-cruz.ca.us.

How and Where to Respond

1. Please download and fill out the Response Packet provided to you for your responses. Please respond to each finding and recommendation. Be sure to save any changes you make to the packet.
2. Print and send a hard copy of the Response Packet to:
The Honorable Judge Rebecca Connelly
Santa Cruz Superior Court
701 Ocean Street
Santa Cruz, Ca 95060
3. Email the completed Response Packet, as an attachment, to the Grand Jury at grandjury@co.santa-cruz.ca.us.

Due Dates

Elected officials or administrators are required to respond within 60 days of the Grand Jury report's publication. Responses by the governing body of any public entity are required within 90 days.

Penal Code § 933.05

1. For Purposes of subdivision (b) of § 933, as to each Grand Jury finding, the responding person or entity shall indicate one of the following:
 - a. the respondent agrees with the finding,
 - b. the respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.
2. For purpose of subdivision (b) of § 933, as to each Grand Jury recommendation, the responding person shall report one of the following actions:
 - a. the recommendation has been implemented, with a summary regarding the implemented action,
 - b. the recommendation has not yet been implemented but will be implemented in the future, with a timeframe for implementation,
 - c. 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 director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of the publication of the Grand Jury report, or
 - d. the recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.
3. However, if a finding or recommendation of the Grand Jury addresses budgetary or personnel matters of a County department headed by an elected officer, both the 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 department head shall address all aspects of the findings or recommendations affecting his or her department.
4. 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.
5. During an investigation, the Grand Jury shall meet with the subject of that investigation regarding that 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.
6. 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 presiding 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.

Findings

Finding 1: The operations and activities of the Santa Cruz City Schools Parcel Tax Oversight Committee lack the transparency required for public oversight committees, including a website with posted meeting times and locations, agendas, minutes, and membership for the current year and prior historical records.

- AGREE**
 PARTIALLY DISAGREE - explain disputed portion below
 DISAGREE - explain below

Response explanation (required for responses other than “Agree”):

Finding 2: The Parcel Tax Oversight Committee has not complied with operating rules defined by the Board of Education with respect to quorum or length of term.

- AGREE**
 PARTIALLY DISAGREE - explain disputed portion below
 DISAGREE - explain below

Response explanation (required for responses other than “Agree”):

Finding 3: The Parcel Tax Oversight Committee has not consistently tracked the attendance or responded to continued absences of its appointed members.

- AGREE**
 PARTIALLY DISAGREE - explain disputed portion below
 DISAGREE - explain below

Response explanation (required for responses other than “Agree”):

Finding 4: The Parcel Tax Oversight Committee has not provided annual oversight reports in any consistent or predictable format accessible to the general public.

- AGREE**
 PARTIALLY DISAGREE - explain disputed portion below
 DISAGREE - explain below

Response explanation (required for responses other than “Agree”):

Finding 5: The lack of publicly available information regarding open positions on the Parcel Tax Oversight Committee leaves taxpayers who are not associated with Santa Cruz City Schools unaware of opportunities to serve on the Parcel Tax Oversight Committee.

- AGREE**
 PARTIALLY DISAGREE - explain disputed portion below
 DISAGREE - explain below

Response explanation (required for responses other than “Agree”):

Finding 6: For the 2013-14 school year (the first year of the new Measures I and J) the Parcel Tax Oversight Committee failed to meet, monitor expenditures and report to the community.

- AGREE**
- PARTIALLY DISAGREE** - explain disputed portion below
- DISAGREE** - explain below

Response explanation (required for responses other than “Agree”):

Finding 7: Neither the Parcel Tax Oversight Committee nor Santa Cruz City Schools has been able to verify that the Parcel Tax Oversight Committee has met its responsibility to monitor expenditures and report annually to the community.

- AGREE**
- PARTIALLY DISAGREE** - explain disputed portion below
- DISAGREE** - explain below

Response explanation (required for responses other than “Agree”):

With the exception of 2013-2014, the Parcel Tax Oversight Committee has met annually since its formation to review and monitor parcel tax expenditures and has reported its findings to the Board. However, the reports have not had a consistent format or timeline.

Finding 8: Santa Cruz City Schools Board of Education has not defined the form that the annual report should take.

- AGREE**
- PARTIALLY DISAGREE** - explain disputed portion below
- DISAGREE** - explain below

Response explanation (required for responses other than “Agree”):

Finding 9: Administrative and clerical duties have been assigned to the counselors, counseling secretaries, and library staff, who are funded by parcel tax money. The use of parcel tax money to pay for administrative and clerical costs is contrary to the intent of the measure language.

- AGREE**
- PARTIALLY DISAGREE** - explain disputed portion below
- DISAGREE** - explain below

Response explanation (required for responses other than “Agree”):

The ballot language of the parcel taxes currently supporting District library services and counseling programs prohibits the use of parcel tax revenues for administrator salaries or benefits. (See Exhibits A, B, and C.) In accordance with these restrictions, parcel tax funds have been used to support school library services, which include credentialed librarians and

other resources, and counseling services, which include credentialed counselors and other resources. No parcel tax revenue has been expended for administrators' salaries or benefits and no "administrative duties" have been assigned to classified staff supporting those programs.

The District further notes that funding of "clerical duties" in support of programs and services funded by parcel tax revenues is not contrary to the language of the parcel tax measures. Classified staff providing library and counseling services to students may perform clerical duties directly related to support of those programs. Such expenditures are wholly appropriate and within the parameters set forth in the parcel tax language.

Finding 10: Santa Cruz City Schools failed in its obligation to provide annual information regarding the allocation of parcel tax funds.

- AGREE**
 PARTIALLY DISAGREE - explain disputed portion below
 DISAGREE - explain below

Response explanation (required for responses other than "Agree"):

Santa Cruz City Schools provides updates on all expenditures, including parcel taxes, at a minimum of three times each year through the Interim Budget Reports to the Board. Further, the Parcel Tax Oversight Committee receives regular updates from District staff on parcel tax expenditures. Parcel Tax Budget Summaries provided to the Committee through March 2, 2015 are available on the District website at: <http://www.sccs.santacruz.k12.ca.us/community/parcel-tax-oversight-committee-ptoc.html>. In addition, the District is subject to annual external audits of all expenditures and these audit findings are reported to the Board.

Finding 11: The Board of Education has failed to follow its own explicit commitments for the proportional allocation of parcel tax funds.

- AGREE**
 PARTIALLY DISAGREE - explain disputed portion below
 DISAGREE - explain below

Response explanation (required for responses other than "Agree"):

The Board has allocated all parcel tax revenue in accordance with the requirements of each voter-approved parcel tax measure. In October 2005, the Board approved proposed funding percentages for revenue received from Measures A and B. However, Measures A and B have now expired. Moreover, the text of current parcel tax Measures I, J, and P does not contain language requiring the Board to allocate funding percentages to programs and services supported by the measures. (See Exhibits A, B, and C.) Accordingly, the Board has not taken action to allocate specific funding percentages for services and programs supported by Measures I, J and P.

Finding 12: The Parcel Tax Oversight Committee, Board of Education Trustees, and Santa Cruz City Schools staff disagree concerning the Parcel Tax Oversight

Committee's role in making expenditure recommendations.

- AGREE**
 PARTIALLY DISAGREE - explain disputed portion below
 DISAGREE - explain below

Response explanation (required for responses other than "Agree"):

Finding 13: The Board of Education has failed to provide a formal charge to the members of the Parcel Tax Oversight Committee.

- AGREE**
 PARTIALLY DISAGREE - explain disputed portion below
 DISAGREE - explain below

Response explanation (required for responses other than "Agree"):

Finding 14: The Board of Education has failed to require the Parcel Tax Oversight Committee to comply with the Brown Act.

- AGREE**
 PARTIALLY DISAGREE - explain disputed portion below
 DISAGREE - explain below

Response explanation (required for responses other than "Agree"):

Recommendations

Recommendation 1: Santa Cruz City Schools District should reconstruct and make available on its website an institutional historical record of the Parcel Tax Oversight Committee's activities. This record should include but not be limited to the official committee charge, membership, and annual reports for the entire span of the committee's existence, 2003 to the present. Where these records are unavailable, the website should note that absence.

HAS BEEN IMPLEMENTED

HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE - indicate timeframe below

REQUIRES FURTHER ANALYSIS - explain scope and timeframe below (not to exceed six months)

WILL NOT BE IMPLEMENTED - explain below

Response summary, timeframe or explanation:

This recommendation has been implemented to the extent that records are available. The District updated the website for the Parcel Tax Oversight Committee before the Grand Jury Report was issued. The updated website now includes, among other elements: the Committee's charge; a description of current parcel tax measures; its current membership; meeting dates, times, and locations; downloadable agendas and minutes; Parcel Tax Budget Summaries; information regarding applicability of the Brown Act; and to the extent feasible, past records and reports of the Committee. Where records are not available, the website notes their unavailability. The District has also added a link to the new Parcel Tax Oversight Committee Bylaws adopted by the District's Board of Education at its May 20, 2015 meeting. (See link to Bylaws at: <http://www.sccs.santacruz.k12.ca.us/community/parcel-tax-oversight-committee-ptoc.html>.)

Recommendation 2: The Santa Cruz City Schools website for the Parcel Tax Oversight Committee should include the Brown Act requirement, posted meeting times and locations, agendas, minutes, and membership, both for past and upcoming meetings. (F1, F14)

HAS BEEN IMPLEMENTED

HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE - indicate timeframe below

REQUIRES FURTHER ANALYSIS - explain scope and timeframe below (not to exceed six months)

WILL NOT BE IMPLEMENTED - explain below

Response summary, timeframe or explanation:

This recommendation has been implemented to the extent records are available. As noted above in the District's response to Recommendation 1, the District's website has been updated to include, among other elements, all Parcel Tax Oversight Committee meeting dates, times, and locations for the current year, a reference to the applicability of the Brown Act to the Committee, and current Committee membership. Meeting and membership information will continue to be posted and updated going forward. Minutes, agendas, and membership information for years prior to 2014 are not available. (See <http://www.sccs.santacruz.k12.ca.us/community/parcel-tax-oversight-committee-ptoc.html>).

Recommendation 3: The Parcel Tax Oversight Committee should ensure that all its members are apprised of the rules and regulations governing their activity, and its officers must require compliance with those rules. Rules should be established for addressing the issue of persistent non-attendance. (F2, F3, F6, F7)

HAS BEEN IMPLEMENTED

HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE - indicate timeframe below

REQUIRES FURTHER ANALYSIS - explain scope and timeframe below (not to exceed six months)

WILL NOT BE IMPLEMENTED - explain below

Response summary, timeframe or explanation:

Following the appointment of new members to the Parcel Tax Oversight Committee (PTOC), Assistant Superintendent of Business Services, Jim Monreal, provided an overview of the Committee's role and responsibilities to the PTOC at the Committee's March 2nd 2015 meeting. At the Committee's April 20, 2015 meeting, Mr. Monreal also reviewed the requirements of the Ralph M. Brown Act as applicable to the Committee. (See PTOC Minutes, available at: <http://www.sccs.santacruz.k12.ca.us/community/parcel-tax-oversight-committee-ptoc.html>.)

At the March 25, 2015 Board meeting, before the Grand Jury Report was released, SCCS Administration brought forward draft PTOC Bylaws for first reading by the Board. These Bylaws were then reviewed by the PTOC for their input at the April 20, 2015 PTOC meeting. A final version of the Bylaws was approved and adopted by the Board at its May 20, 2015 meeting. Among other matters, the Bylaws address the issue of persistent non-attendance by Committee members at Section 5.8. A link to the PTOC Bylaws has been posted on the District website. (See link to Bylaws at: <http://www.sccs.santacruz.k12.ca.us/community/parcel-tax-oversight-committee-ptoc.html>.)

Recommendation 4: The Santa Cruz City Schools Board of Education should clarify its position on the percentages for funding priorities to which it committed in 2006, and either explicitly revise those percentages or instruct the District business office to comply with those percentages in its budget. (F11)

HAS BEEN IMPLEMENTED

HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE - indicate timeframe below

REQUIRES FURTHER ANALYSIS - explain scope and timeframe below (not to exceed six months)

WILL NOT BE IMPLEMENTED - explain below

Response summary, timeframe or explanation:

This recommendation will be partially implemented. As discussed in Finding 11, the District's Board has allocated all parcel tax revenue in accordance with the requirements of each voter-approved parcel tax measure. (See Exhibits A, B, and C.) In October 2005, the Board approved proposed funding percentages for revenue received from Measures A and B. However, Measures A and B have now expired. Therefore, the Board clarifies its position that current parcel tax Measures I, J, and P do not require the Board to allocate funding percentages to programs and services supported by the measures and that, accordingly, its Board has not taken action to allocate specific funding percentages for programs supported by Measures I, J and P. Pursuant to this clarification, the District will not "explicitly revise those percentages or instruct the District business office to comply with those percentages in its budget."

Recommendation 5: Santa Cruz City Schools business office should reconstruct from its financial records the parcel tax expenditures for all the years since the parcel tax was collected and post these on its website. (F10)

HAS BEEN IMPLEMENTED

HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE - indicate timeframe below

REQUIRES FURTHER ANALYSIS - explain scope and timeframe below (not to exceed six months)

WILL NOT BE IMPLEMENTED - explain below

Response summary, timeframe or explanation:

The District has implemented this recommendation. Parcel tax expenditures for the years 2002-2003 to March 2015 are posted on the District's website. (See <http://www.sccs.santacruz.k12.ca.us/community/parcel-tax-oversight-committee-ptoc.html>.)

Recommendation 6: The required Parcel Tax Oversight Committee annual report at the end of the fiscal year should be prepared in advance and included in the Board book, presented orally at a Board meeting, distributed to local media, and published on the Santa Cruz City Schools website. (F8)

HAS BEEN IMPLEMENTED

HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE - indicate timeframe below

REQUIRES FURTHER ANALYSIS - explain scope and timeframe below (not to exceed six months)

WILL NOT BE IMPLEMENTED - explain below

Response summary, timeframe or explanation:

Guidelines for the PTOC Committee Annual Report are outlined in the Bylaws adopted by the Board at its May 20, 2015 meeting. Specifically, the Bylaws provide, at Section 3.3(C), that the Committee shall “[p]repare and present to the Board, in open session, an annual written report (“Annual Report”) which will include: (1) a statement indicating whether the District’s parcel tax revenue expenditures for the preceding year were made in accordance with the stated purpose of each parcel tax measure; and (2) a summary of the Committee’s proceedings for the preceding year.” The Bylaws further provide that the Annual Report “shall be made available to local media and the public and shall be posted on the District’s website.” (See link to Bylaws at: <http://www.sccs.santacruz.k12.ca.us/community/parcel-tax-oversight-committee-ptoc.html>.) When the PTOC presents their Annual Report to the Board on June 17, 2015, it will be presented both orally and in writing, made available to local media and the public and posted on the District website.

Recommendation 7: The Santa Cruz City Schools Board of Education should solicit applications from the public at large whenever vacancies occur or terms expire among Board appointed seats. (F5)

HAS BEEN IMPLEMENTED

HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE - indicate timeframe below

REQUIRES FURTHER ANALYSIS - explain scope and timeframe below (not to exceed six months)

WILL NOT BE IMPLEMENTED - explain below

Response summary, timeframe or explanation:

As set forth in Section 3.3 of the Bylaws adopted by the Board on May 20, 2015, “the Board of Education will solicit applications from the public at large for Board-appointed seats as vacancies occur. Notice of such vacancies and information regarding the application process will be advertised in the local media and published on the District’s website. Applications will be made available in the District Office and on the District website.” (See link to Bylaws at: <http://www.sccs.santacruz.k12.ca.us/community/parcel-tax-oversight-committee-ptoc.html>.)

Recommendation 8: Future parcel tax language should be more precise about the specific responsibilities of the Parcel Tax Oversight Committee, especially regarding the advisory nature of their oversight, required public reporting, and Brown Act compliance. (F8, F12, F13, F14)

HAS BEEN IMPLEMENTED

HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE

- indicate timeframe below

REQUIRES FURTHER ANALYSIS - explain scope and timeframe below (not to exceed six months)

WILL NOT BE IMPLEMENTED - explain below

Response summary, timeframe or explanation:

The limited space allocated to a proposed ballot measure is inadequate to cover the purposes and specific responsibilities of the PTOC. Thus, the Board-adopted PTOC Bylaws address these issues. (See link to Bylaws at <http://www.sccs.santacruz.k12.ca.us/community/parcel-tax-oversight-committee-ptoc.html>.)

Recommendation 9: Future parcel tax language should more accurately reflect the intent and priorities of the SCCS regarding spending priorities by including funding percentages where appropriate. (F9, F11)

HAS BEEN IMPLEMENTED

HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE

- indicate timeframe below

REQUIRES FURTHER ANALYSIS - explain scope and timeframe below (not to exceed six months)

WILL NOT BE IMPLEMENTED - explain below

Response summary, timeframe or explanation:

This recommendation will not be implemented. The current parcel tax language set forth in the text of Measures I, J, and P clearly states the intended purpose and priorities of each measure with regard to support of specific District programs and services. (See Exhibits A, B, and C.) As discussed in the District's response to Finding 11, Measures I, J, and P do not require the District to allocate specific percentages of funding to supported programs and services. This provides the District with the flexibility needed to make funding decisions within the parameters outlined by each measure that are responsive to changing budgetary and staffing priorities. For example, the amount a program costs varies based on the costs of individual employees. Newer employees will cost less and more experienced employees will cost more. As the majority of the cost of programs funded by the parcel taxes is salaries of individuals that support student programs, the amounts for each program will vary based on the individual employee's experience, which will vary from year to year. For example, if two librarians who are at the top of the pay scale with longevity choose to retire, librarians hired to replace the retirees may not be at the top of the pay scale, thus significantly shifting percentages of expenditures without any impact to the programs or services offered to students. Assigning specific funding percentages does not give the District the flexibility it needs to adjust funding to address shifting budgetary priorities over the course of each school year.

Recommendation 10: The Santa Cruz City Schools Board of Education should provide

the Parcel Tax Oversight Committee with a formal charge. (F13)

HAS BEEN IMPLEMENTED

HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE - indicate timeframe below

REQUIRES FURTHER ANALYSIS - explain scope and timeframe below (not to exceed six months)

WILL NOT BE IMPLEMENTED - explain below

Response summary, timeframe or explanation:

At Section 2.2, the Board-adopted PTOC Bylaws provide, in part: "The Committee's charge is to review and report on the expenditure of parcel tax revenues and to ensure said revenue is expended in accordance with the stated purposes of each parcel tax measure." The Committee's charge is also posted on the District website. (See <http://www.sccs.santacruz.k12.ca.us/community/parcel-tax-oversight-committee-ptoc.html>.)

Recommendation 11: The Santa Cruz City Schools Board of Education should require the Parcel Tax Oversight Committee to comply with the Brown Act. (F14)

HAS BEEN IMPLEMENTED

HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE - indicate timeframe below

REQUIRES FURTHER ANALYSIS - explain scope and timeframe below (not to exceed six months)

WILL NOT BE IMPLEMENTED - explain below

Response summary, timeframe or explanation:

At Section 2.3, the Board-adopted PTOC Bylaws require the Committee to, among other things, "abide by the provisions of the Ralph M. Brown Act (the "Brown Act") (Gov. Code § 54950 *et seq.*) and all rules of conduct established in these Bylaws." (See link to Bylaws at: <http://www.sccs.santacruz.k12.ca.us/community/parcel-tax-oversight-committee-ptoc.html>.)

At the April 20, 2015 PTOC Meeting, Assistant Superintendent Jim Monreal, provided training for the Committee on the Brown Act requirements as applicable to the PTOC. This training will be renewed whenever new members are added to the PTOC Committee and will be reviewed annually at the first meeting of each new fiscal year. (See PTOC Minutes, available at: <http://www.sccs.santacruz.k12.ca.us/community/parcel-tax-oversight-committee-ptoc.html>.)