

RESPONSE TO GRAND JURY REPORT

Report Title: The Community Service Funds: A Revisit after 12 Years

Report Date: January 2, 2013

Response by: Marin County Board of Supervisors

FINDINGS

- We agree with the findings numbered: 3, 4, 8
- We disagree wholly or partially with the findings numbered: 1, 2, 5, 7, 9


RECOMMENDATIONS

- Recommendations numbered _____ have been implemented.
- Recommendations numbered 1, 2, 4, 5, 6, 9, 11 have not yet been implemented, but will be implemented in the future.
- Recommendations numbered 10 require further analysis.
- Recommendations numbered 3, 7, 8, 12 will not be implemented because they are not warranted or are not reasonable.

(Attach an explanation.)

Date: March 26, 2013

Signed: _____


Matthew H. Hymel

Number of pages attached 6

Marin County Board of Supervisors
Response to Findings and Recommendations from Grand Jury Report
"The Community Service Funds: A Revisit After 12 Years"
January 2, 2013

FINDINGS

- F1. There is little County publicity or other general notice of the CSF and of the application process and no mention of the CSF on the County's web site. This deficiency tends to restrict the number of potential beneficiaries.**

Response: Partially disagree. Although the program is not widely publicized, it has been in place for over 20 years and is well known by the non-profit organizations that generally are the recipients of the service contracts.

- F2. The process of applying for grants is not publicly documented and the application for grants is not available on the County's web site. This further limits potential beneficiaries.**

Response: Partially disagree. Currently, the request form is posted on the Board of Supervisors' District 5 webpage. Starting in FY 2013-14, it will be clearly posted on the County website for the revised countywide program.

- F3. A review of CSF disbursements over the past three years did not indicate any evidence of improprieties or any other irregularities.**

Response: Agree.

- F4. A thorough review of six recipient entities over the past three years concludes that their grants were not used in any manner other than intended.**

Response: Agree.

- F5. The Grand Jury's review of disbursements over the past three years disclosed that a number of organizations received multiple grants during a single year or over consecutive fiscal years. This suggests that recipients, beyond the "one-time" grant objective that the CSF purports to achieve, may inappropriately rely upon the CSF grants.**

Response: Partially disagree. We agree that agencies may have received multiple allocations over the past three years. We do not agree that the current program is limited to one allocation each fiscal year. In our revised program guidelines, we have clarified that funding is approved for the current year only and approval does not indicate support for future funding.

F6. One example of an apparent conflict of interest was discovered in the Grand Jury's random selection of recipients. A Supervisor recommended that a multi-county organization of which that Supervisor was a board director, request a grant. The grant was a minuscule portion of the recipient's overall funding, and its Marin activities were similarly a small portion of that recipient's activities. The Grand Jury questions the propriety of such direct steering of CSF funds to an organization that had questionable needs for the funds and would not have sought the funds without the encouragement of the Supervisor.

Response: Since we are not aware of the specific circumstances, we cannot agree or disagree with this finding.

F7. There are no consistent records available regarding requests that were denied. Thus, the process and basis for rejections is unclear and possibly inconsistent.

Response: Partially disagree. Although we agree that there are not consistent records of requests that were denied, we do not necessarily agree that basis for the rejection is unclear or inconsistent.

F8. Apparently, there are no minimum or maximums for individual CSF grants. Occasionally, CSF disbursements have been for very small amounts, resulting in the cost to administer the distribution exceeding the amount distributed. Conversely, at least one Supervisor has aggregated multiple years' allocations to create a larger grant than would otherwise be available.

Response: Agree.

F9. The Supervisors have direct control of the CSF disbursements to the recipient organizations, resulting in the appearance of possible quid pro quo and political patronage, and consequently, strong criticism in the local press. This arouses citizen concerns about the CSF, and its potential for

connecting disbursements to political support, and lessens confidence in County government fairness.

Response: Partially disagree. Although allocations are recommended by individual Supervisors, the requests are reviewed and processed by the County Administrator to ensure that the services are appropriate and provide a public benefit. In addition, the allocations are approved in an open session of the Board of Supervisors. To date, there has been no public opposition to any specific allocation.

F10. Supervisors discretionary funds such as the CSF are on the wane in California counties. Existing funds continue to be questioned and criticized by the public and by the press, to the detriment of taxpayer confidence in fair and objective local government.

Response: We cannot agree or disagree with the finding since we have not done a comprehensive review of other California counties. Although we have not done a formal review, we are aware of similar programs in other counties such as in San Diego and Los Angeles.

RECOMMENDATIONS

The Marin County Civil Grand Jury recommends that:

- R1. The process to apply for grants and the criteria used to approve or reject potential projects should be readily found on the County's website with an explanation. A link to the website page should be included in each Supervisor's web page. This should be done promptly and in any event, prior to the beginning of FY 2014.**

Response: This recommendation will be implemented. Beginning in FY 2013-14, community service request forms and a description of the program guidelines will be posted on our County website.

- R2. Information regarding organizations receiving funds and those denied funds, with the amounts requested, should be made available on the County's website. Ideally, this would be included in the CSF link recommended above in R1. This, too, should be done prior to the beginning of FY 2014.**

Response: This recommendation will be partially implemented. As part of the revised program, funding recommendations will come to the Board as a policy

item. The staff report will include the amount of all sponsored requests and the staff recommendations for funding.

- R3. To foster broadening of the CSF grants, entities receiving grants should not be eligible to receive a grant in the next fiscal year. Additionally, only one distribution should be made to an organization in any fiscal year.**

Response: This recommendation will not be implemented. Although we are not recommending restricting eligibility to one-time allocations, in our revised program guidelines, we have clarified that funding is approved for the current year only and approval does not indicate support for future funding.

- R4. A Supervisor should not recommend that any organization of which the Supervisor or a family member is an officer, director, or otherwise plays a policy role, request or receive a grant.**

Response: This recommendation will be implemented. This recommendation was approved as part of the revised program guidelines.

- R5. Minimum and maximum amounts of individual grants should be established. The Grand Jury recommends a minimum of \$500, in order to defray government administrative costs of \$400 per distribution. A limit of \$5,000 per grant is recommended as this maximum would help insure that grants are awarded to more recipient organizations.**

Response: This recommendation will be partially implemented. The revised program will include a minimum of \$1,000 and a maximum of \$10,000 to improve program efficiency.

- R6. CSF funds presently carried over from prior fiscal years (approximately \$530,000) should not be used in this year's CSF program, and should instead be returned to the County General Fund. Similarly, funds allocated to a fiscal year that are unused should be returned to the general fund. CSF rollovers to the following fiscal year should be eliminated.**

Response: This recommendation will be partially implemented. Starting in FY 2013-14, we will not carryforward unused community services funds. However, the carryforward funds from prior years will be set-aside for future consideration by the Board of Supervisors for one-time community needs.

- R7. Funds should not be allocated to the CSF if there was a deficit in the general fund the previous year or if other County departments are asked to**

cut their budget for the next fiscal year.

Response: This recommendation will not be implemented. Over the past several years, to respond to our budget challenges the board has reduced the program by approximately 36% from \$550,000 to \$350,000 per year in FY 2012-13. The revised program that was approved by the Board for next fiscal year will be reduced by an additional \$50,000 to \$300,000. Given the benefits this program provides to the community it would not be good public policy to eliminate the program arbitrarily. The Board has and will continue to make informed budget decisions to minimize the adverse impacts of any budget shortfalls.

R8. No CSF funds should be used for any recipient's ongoing program. These grants should be "one-time" disbursements, by the County's own description.

Response: This recommendation will not be implemented. Although we do not want to restrict community services allocations to only one-time purposes, our criteria to leverage funds will tend to favor one-time community projects.

R9. CSF grants should be restricted to not-for-profit entities.

Response: This recommendation will be implemented with the inclusion of other governmental agencies.

R10. The County Auditor-Controller should conduct spot audits of at least five randomly selected recipient entities each fiscal year to confirm and document that grants are used as requested.

Response: This recommendation requires further analysis. Over the next six months, the Director of Finance will report to the Grand Jury regarding the scope and frequency of spot audits that his staff will provide.

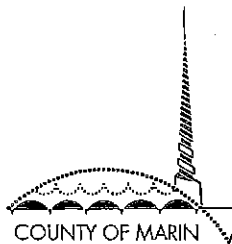
R11. Control of both the approval of applications and the associated disbursements should be removed from the Supervisors and assigned either to newly established district committees or to the appropriate county administrative office (e.g. HHS or CAO).

Response: This recommendation will be partially implemented. Given that the community service allocations are for small dollar amounts, it would not be cost-effective or meet our goal of being responsive to emerging needs if the Board of Supervisors and their aides were completely removed from providing

input on funding requests. Therefore, under the revised program for FY 2013-14, the Supervisors would need to sponsor a request for it to be considered by the County Administrator for funding.

R12. If the Supervisors cannot agree to implement the above recommendations, then the Grand Jury recommends that immediate steps be taken to terminate the CSF.

Response: This recommendation will not be implemented. Although the Board is not agreeing with every recommendation that the Grand Jury recommends, the Board's revisions to the program do address the concerns of the Grand Jury while allowing the many community benefits of the program to continue.



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March 20, 2013

Honorable James R. Ritchie
Presiding Judge
Marin County Superior Court
3501 Civic Center Drive
San Rafael, CA 94903

Dear Judge Ritchie:

The Marin County Board of Supervisor's response to the FY 2012-2013 Civil Grand Jury Report "The Community Service Funds: A Revisit after 12 Years" is enclosed. The enclosed document responds to all of the requests made for responses from the Board of Supervisors, the Department of Finance, the Department of Health and Human Services, and County Administration.

Respectfully submitted,


Judy Arnold
President, Board of Supervisors

Enclosure

cc: Civil Grand Jury ✓