2024-2025

CONSOLIDATED FINAL REPORTSANTA CRUZ COUNTY CIVIL GRAND JURY



Rainbow

THE REPORTS

"Climate Action" Demands Outreach
Honoring Commitments to the Public
Navigating the Building Permit Process AGAIN
Handcuffing and Transport
Human Trafficking in Santa Cruz County
If You Can't Measure It, You Can't Manage It.



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June 30, 2025

Honorable Katherine Hansen, Grand Jury Supervising Judge Superior Court of California, County of Santa Cruz 701 Ocean St. Santa Cruz, CA 95060

Dear Judge Hansen,

On behalf of the 2024-2025 Santa Cruz County Civil Grand Jury, it is with great pride that we present our Consolidated Final Report to the residents of Santa Cruz County. Our grand jury saw its role as trying to shine a light on opportunities to make local government run better.

As I summarize our work in this letter, I am reminded of some of your initial instructions. I feel we have honored your instructions throughout our term. Some of these included:

- Working together with patience, tolerance and respect.
- Seeking advice from the Assistant County Counsel where appropriate.
- Being mindful of the various statutory provisions mentioned in your instructions, which we believe we have complied with.
- In our role in the evaluation of the operations of local government, ensuring that our reports demonstrate a strong understanding of the facts.
- Selecting topics without prejudice, political or private motivations.

At the beginning of our term, there were many topics that the jury considered. Unfortunately there are not unlimited resources, and our selection of reports was based on many factors, such as the severity of the issue, potential health impacts, public safety benefits, cost savings, or improvement in government transparency. Our topic selection was also informed by the correspondence we received, public documents, local news, and prior grand jury reports.

One of our mandated responsibilities is to inquire into the condition and management of the public prisons within the county. Our statement on this item is enclosed after this letter.

Many hours were devoted to our work by the jurors. As we complete our term, I am gratified that an overwhelming majority of the surveyed jurors felt that the work was "very satisfying" or "extremely satisfying". The jurors represent people with significant experience in professional, volunteer, and community service roles. Collectively, these experiences made our work better.

In addition to the work of the grand jury, many agencies are also overseen by accreditation organizations, auditors, and others charged with ensuring compliance with regulations. The grand jury is not intended to replace those functions.

The findings and recommendations contained in our reports are based on the facts gathered in our investigations. The jurors hold themselves accountable to a very high standard in checking the facts to develop the findings and recommendations. While we are an oversight body composed of citizens, our work is respectful of the complexities involved in managing local government. As agencies respond to the findings and recommendations, it is our hope that they do so with the same level of respect and diligence. We hope that the findings and recommendations are not dismissed as if "they don't know what they are talking about". In the case of the grand jury, "they" are citizens of the county.

Throughout our work, we saw many instances of local government staff who come to work every day with the best of intentions to support the community. We want to acknowledge this work and thank them for their service.

Finally, we need to thank our support team, which includes the County Counsel and former jurors who voluntarily manage our systems. Without the work of Ann Jackson, Lorie Goudie, Kevin Dempsey, John Rible, David Heintz, Eric Decker, Suzanne Mann and many others, our work would not have been possible.

It has been an honor and privilege to be the foreperson this year. I come away with a deeper understanding of the complexities and challenges facing local government. I am also humbled by the tremendous support I received from the other jurors, particularly Tanya Champagne who served as Pro-Tem.

Sincerely,

Michael Weatherford, Foreperson

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2024–2025 Santa Cruz County Civil Grand Jury

DETENTION FACILITY INQUIRIES STATEMENT

OVERVIEW

Penal Code section 919(b) obligates the grand jury to "inquire into the condition and management of the public prisons within the county." In 2022, the California Attorney General issued an opinion (No. 18-103) stating the term "public prisons" includes "local detention facilities," and that a county or city jail is a typical example of such a local detention facility.

The purpose of this document is to provide information about how the Santa Cruz County Grand Jury fulfilled this duty. While Penal Code section 919(b) requires this inquiry, it does not require the grand jury to conduct an investigation or to write a report about local detention facilities. In fact, a report cannot be written based solely upon an inquiry. To write a report, a full investigation is required and all the facts in the report must be verified. (See Penal Code section 939.9.)

LOCAL DETENTION FACILITIES WITHIN SANTA CRUZ COUNTY

There are six local detention facilities within Santa Cruz County, five of which are operated by the county:

- 1. Juvenile Detention Center (Probation Department), 3650 Graham Hill Road, Felton, CA
- 2. Santa Cruz Main Jail, 259 Water Street, Santa Cruz, CA
- 3. Blaine Street Women's Jail, 141 Blaine Street, Santa Cruz, CA
- 4. Rountree Detention Center (Medium Security), 90 Rountree Lane, Watsonville, CA
- 5. Rountree Detention Center (Minimum Security), 100 Rountree Lane, Watsonville,

The grand jury fulfilled its duty to inquire into these facilities through a variety of methods.

- On January 10, 2025 the Santa Cruz County Probation staff gave an overview and tour of the Juvenile Detention Center to members of the Grand Jury.
- On February 4, 2025 the Santa Cruz County Sheriff Corrections staff gave an overview and tour of the Santa Cruz Main Jail, Blaine Street Women's Jail, and the Rountree Detention Center to members of the Grand Jury.

The grand jury reviewed documents requested from the Santa Cruz County Sheriff's Department and a Board of State and Community Corrections report "2023-2024 TARGETED INSPECTION, PENAL CODE SECTION 6031, WELFARE & INSTITUTIONS CODE SECTION 209, SANTA CRUZ DETENTION FACILITIES" dated January 7, 2025. The other local detention facility within Santa Cruz County is the Ben Lomond Conservation Camp, which is operated jointly by the California Department of Corrections and Rehabilitation and Cal Fire. The Grand Jury took no actions concerning the Ben Lomond Conservation Camp.

CONCLUSION

The grand jury's legal obligation to inquire into the condition and management of each local detention facility within the county was fulfilled by touring the facilities, making general inquiries to the staff, and reviewing recent regulatory reports.



2024-2025 SANTA CRUZ COUNTY CIVIL GRAND JURY

Photo Credits: Cover picture by Shmuel Thaler / Santa Cruz Sentinel,
Picture of Jurors is a personal photo.



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"Climate Action" Demands Outreach

County staff alone cannot meet our County's climate goals.

Summary

Santa Cruz County, like all other counties in California, was tasked with specific climate action goals by the State of California legislature in 2016 (Senate Bill 32) and again in 2022 (Assembly Bill 1279). The County has responded with proposed written actions that will advance the stated climate goals. But making a meaningful dent in those goals requires citizen cooperation. The County has conducted minimal to no outreach to the community and has failed to achieve widespread citizen engagement in the effort to mitigate climate change, specifically in reducing the production of greenhouse gases (**GHG**) caused by vehicle emissions.

It is crucial to have increased citizen involvement in implementing climate action goals for the benefit of all. The Santa Cruz Grand Jury (**the Jury**) encourages the County's Office of Response, Recovery & Resilience (**OR3**) to engage with the citizens of Santa Cruz County to increase the community's understanding of the goals and gain the community's cooperation in reducing GHG's so that the County can achieve the larger goals established by the State of California.

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Background

"In 2016, the state passed Senate Bill (SB) 32, which requires California to reduce GHG (Greenhouse Gas) emissions by 40% below 1990 levels by 2030. In September 2022, Assembly Bill (AB) 1279 was signed, which establishes a statewide goal of carbon neutrality by 2045. Cities and counties across the state are working to reduce their own emissions to meet these goals and contribute to the achievement of California's emissions targets." – From the Santa Cruz County Climate Action and Adaptation Plan website.^[1]

Before 2016, Santa Cruz County (the County) had a Climate Action Plan in place. That plan was updated in 2022 in response to the Senate and Assembly bills mentioned above to become what is known as the <u>Climate Action and Adaptation Plan</u> (**CAAP**). The CAAP plan opens with the 2019 Greenhouse Gas (**GHG**) inventory. The CAAP "<u>Storymap Website</u>" was developed to communicate points in the plan to the public. [1]

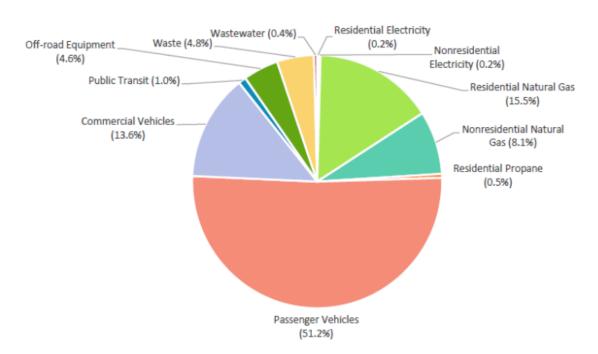


Figure 1. GHG Emissions by Category

Figure 1: 2019 Green House Gas Inventory breakout from the CAAP document. [2]

Notably, both the document and the website feature graphs indicating that tailpipe emissions from passenger vehicles are the single largest contributor of pollutants, accounting for 51.2% of the total (or 64.8% when including commercial vehicles). The CAAP document lists five strategies for the transportation sector to eliminate emissions, two of which directly address citizen choices.^[2]

These strategies are:

- Eliminate fossil fuel use from passenger and commercial vehicles
- By 2040, increase use of public transportation, walking, or bicycling for commute trips by 15%.

(There are minor differences between the language in the CAAP document and the CAAP Storymap Website. For example, these two items above have different numbers. For the remainder of the report, the Jury will reference the Storymap Website version, as it was specifically created for public viewing.)

The CAAP document and Storymap Website both emphasize "engagement and education necessary to implement the project or program" are critical components of each strategy. [1] [2]

Every day, residents make personal choices about their mode of travel for work, business, and leisure. The Jury has attempted to understand the County's engagement efforts directed towards county residents regarding transportation choices. The Jury refers to any approaches by County staff to educate and engage the residents of Santa Cruz County about the CAAP as "Outreach".

Scope and Methodology

The Jury investigated the County's attempts to notify and gain the cooperation of citizens in the reduction of tailpipe emissions by reviewing county documents, reviewing social media and publicity, and attending events. The Jury began its investigation by thoroughly reviewing publicly available documents from Santa Cruz County, the state of California, and the City of Santa Cruz. Questions were then developed for various members of the County who have knowledge of, or impact upon, the CAAP. Throughout the investigation, members of the Jury also visited various public event spaces, such as the County Fair, the Capitola Art and Wine Festival, the 'EVs for All' event in Watsonville, and various formal county meetings that had the topic of Climate Change action on the agenda. The Jury investigated various websites and web tools related to climate issues and viewed actions being undertaken by other counties in California.

The Jury's primary investigation emphasis focused on transportation for two reasons:

- 1. its size in comparison to other GHG emission sources overall, and
- 2. the necessity for civic engagement.

Though the primary focus remains on transportation, the Jury will tangentially mention other goals and strategies in the CAAP that might benefit from greater Outreach as well.

Two groups are primarily responsible for actions undertaken in the CAAP. One is the County's Office of Response, Recovery & Resilience (OR3). They are responsible for breaking down strategies into action items and tasks, monitoring achievement across various county departments and reporting their findings to the Board of Supervisors (BoS).

The second is the <u>Commission on the Environment</u> (**COE**). This is an appointed body intended to advise the BoS on climate issues and pending legislation. This Commission receives CAAP updates from OR3 or other sub-agencies assigned by OR3. The COE then informs the BoS. The COE meets six times a year but has no direct operational responsibility for the CAAP strategies/actions.

Investigation

The Jury, after reading the CAAP, noted that the transportation sector stood out as by far the largest contributor to emissions, accounting for approximately 65% of the total. This total is divided into passenger vehicle traffic at 51.2% and commercial vehicles at 13.6%. In viewing the CAAP goals for the next two decades, it is clear that the program goals are unachievable without significant reductions in GHG emissions from passenger vehicles. This concerning conclusion was verified by County staff. [3]

Since the County is tasked with reducing GHG emissions to well below 1990 levels and given the conclusion that significant reductions in passenger vehicle use are necessary to meet CAAP goals, the County must engage its population in these reduction efforts.

Storymap Website Created for Public Use

In December 2022, the CAAP <u>Storymap Website</u>, developed to explain the CAAP's purpose and actions to the public, was published online.

There are 30 strategies listed on the website.^{[1] [2]} For over two full years (December 2022 to date), the progress trackers on the Storymap Website have never moved from "Not Started 100%", indicating that no progress has been made.^[4]

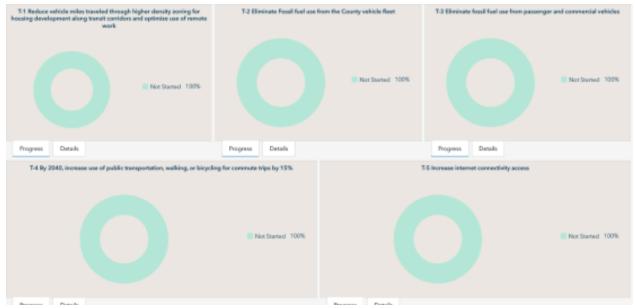


Figure 2: Screenshot of website example: County Transportation Progress Tracker set at "not started". [4]

Yet within the County's offices, the 30 strategies have been broken down into 167 different action items that are assigned to various work groups. [5] Work is occurring on these strategies and action items, but public report mechanisms such as the progress trackers do not reflect any action.

Why? The Jury was told that it can be difficult to quantify actual, sustained reductions in greenhouse gases. The Jury's review of the CAAP and the Storymap Website reveals that "progress" on a task is not defined solely as "sustained GHG reduction". The progress trackers are reporting on *actions taken* to address each strategy. Therefore, the Jury feels that progress related to the 30 strategies could be listed for public review. For example:

- the County's planning steps that should result in reductions;
- the number of sub-tasks created and assigned to County staff;
- how far along County staff is on achieving sub-tasks;
- the volunteer organizations working on specific actions with County guidance;
- the budgetary priority set for each strategy;
- grants obtained to achieve various strategies.

None of this progress is displayed on the publicly accessible CAAP Storymap Website. Any visitor to the site would likely question whether any progress has been made in the two years since its publication. However, much is occurring within County offices. The public's perception and reality are at odds because the website has not been updated. [6]

The shortfall in publicizing progress on the CAAP Storymap Website exists not only in the transportation sector displayed above but in *all 30 of the strategies*. Progress trackers for all strategies meant to inform the public about county progress are set to "Not Started 100%." The County paid a significant amount of money for the RINCON web development contract, part of which was the progress tracking measures. That part of the County's investment is not being utilized and, more critically, the public remains uninformed.

Interviews revealed that other methods of displaying progress measurements were discussed, but no alternate measures have been developed in the intervening two years. [3] [5]

Other Public Information Sources

There are two other major websites dealing with the CAAP actions:

- 1. The OR3 has a Climate Change section on their public website.
 - a. As of April 14, 2025, the website shows no published updates about the CAAP for over two years.
 - b. The "Newsletters" and "Press Releases" buttons for OR3 also show no updates in the past two years.^[7]

In interviews, the Jury was informed that OR3 newsletters containing updates have been published over the past two years. However, members of the Jury who signed up for newsletters last year have received nothing to date.

- 2. The COE county website was similarly stagnant: [8]
 - a. The latest Biennial report is dated 2022. A new one is overdue.
 - b. The latest Letter to the Board of Supervisors is dated 2022.
 - c. In their latest March 26, 2025 meeting, the COE belatedly approved several prior meeting minutes that were missing from their public website. Before the March 26, 2025 meeting, the most recent minutes were from May 2024, leaving nearly a year-long backlog. [9]

It should be noted here that in 2019-2020, a prior Santa Cruz Grand Jury found the County and cities within the county were not regularly updating their website communications for various reasons, and the entities responded that they would improve their practices.^[10]

Cities within the county have made some attempts to reach out to the public on climate issues. The City of Santa Cruz has sought input from the public via web posting. [11] [12] [13] The City of Watsonville sent a flyer out with a utility billing that addressed home composting. [14] Through testimony, the Jury learned that some public engagement happened at "Trunk or Treat" and the National Night Out, but that engagement was focused on fire preparedness. [3]

In neighboring areas, Monterey County has a CAAP website that solicits feedback and provides education to the public.^[15] The San Francisco Grand Jury has recommended public engagement in Climate Action efforts.^[16]

The City of Santa Cruz and the counties of Monterey and Santa Cruz have joined together to engage Ecology Action to run local, citizen-aimed websites. (See for example Resilientsantacruzcounty.org for Santa Cruz.) These websites enable community members to list the climate actions they have personally made to encourage other community members. Unfortunately, without publicity, these websites receive little public engagement. None of the local websites hit their modest participation goals by the end of 2024.^[17]

The County of Santa Cruz might qualify for a grant from the Monterey Bay Air Resources District (**MBARD**) to cover the costs of tri-county publicity efforts by allying Santa Cruz, Monterey, and San Benito counties.

The County's OR3 is charged with implementing the CAAP and has a long list of volunteer agencies involved in climate actions. But there is little to no evidence of coordination of efforts or successful Outreach to the community at large.

Other climate-focused efforts do exist in the county. These efforts are run by volunteer groups such as Bike Church, Sempervirens, and Earth Day, and non-profits such as Ecology Action (with programs like 'EVs for Everyone' and 'Modo'). These organizations do good work but are not mandated to communicate with the citizenry.

Reaching out to John Q. Public

The websites above are all places an engaged citizen might seek out climate change information. But what about John Q. Public? John Q. is a busy person who doesn't surf the web — especially not for info about County programs! With 2.5 kids, a good job, and a hectic schedule, John Q. isn't actively seeking information on the climate. Santa Cruz averages two cars per household^[18], so John Q. is driving that GHG-emitting vehicle without a second thought. John Q. is a part of that 51% passenger vehicle traffic problem.

The County needs to actively reach out to John Q. Low-cost methods of Outreach might include:

- Public Service Announcements on TV or radio
- Fact sheets on the County's official Facebook page and social media
- Flyers included in mailed utility bills, property tax bills
- A booth at the County Fair
- Leafleting at tourist events

Would John Q. become a part of the solution if they were to learn an EV purchase can save money in the long run? Might John Q. win management's attention if they started a ride-share group at work? John Q. could claim bragging rights if they lost weight by walking to the local stores instead of driving. Would John Q. want to see their photo on the side of a bus, praising their decision to bus to work instead of driving?

We live in a society thirsty for "human interest" stories. A campaign of recognizing other John Qs within the community could build pride, interest in similar actions, and cement the commitment of the larger public to the goals of the CAAP. (This effort can be scaled up to include local businesses. A green business award is a similar low-cost way to heighten awareness of efforts made on behalf of all.^[19])

As stated in the San Francisco Grand Jury report on similar issues: 16 "The public needs to know what is being currently done to adapt to climate change, as they will be the taxpayers, ratepayers, and floodplain dwellers affected by the success of the city's resilience efforts. The same need for communication holds for Santa Cruz County taxpayers, ratepayers, and John Q. Public, present and future.

Conclusion

"Everybody knows" drunk driving is dangerous, yet we still mount campaigns to raise awareness. "Everybody knows" that wood houses burn down in fires, yet fire departments still develop websites about fire-wise landscaping. And "everybody knows" that gasoline-fueled cars emit pollutants. Unfortunately, to date, the County has no public campaign to directly address this largest pollutant source in the county.

Passenger vehicle use is the largest single polluter shown in the CAAP. The goal given by the State of California to the County covers *all* emissions. Yet the Jury was told that Outreach was not the County's job. [3] [5] As currently assigned, the responsibility for achieving CAAP goals rests with the County OR3.

The County has admitted that it cannot meet its state-mandated climate emission reduction goals without the cooperation of the community at large. Since climate change represents an existential threat to all citizens, the Santa Cruz County Grand Jury urges the County to reprioritize climate Outreach.

Findings

- **F1.** The County's need for Outreach to raise awareness of passenger vehicle greenhouse gas (GHG) reduction goals is not being addressed by staff in significant ways.
- **F2.** Responsibility for the County's Outreach efforts isn't clearly defined. Even interested citizens have trouble finding updates.
- **F3.** The County Staff and the Commission on the Environment (COE) charged with reporting to superiors (i.e., Board of Supervisors) don't stay current in publicly publishing their actions regarding the Climate Action and Adaptation Plan (CAAP).
- **F4.** Staff charged with instigating/tracking/coordinating efforts required by the CAAP do not consider public Outreach part of their task.
- **F5.** Money was spent to create progress trackers on the CAAP Storymap Website, but no one is updating the progress.
- **F6.** Money has been spent to create another interactive website (Resilient Santa Cruz) for the interested citizen, but that website is not being publicized, and the modest participation goals have not been met.
- **F7.** County web pages and social media specifically created for reporting to the public have been allowed to languish and are not populated with recent news items on CAAP goal progress.

Recommendations

- **R1.** The Board of Supervisors should assign an office to own the task of proactive Outreach related to the CAAP. This assignment can either be County-only or in coordination with other agencies and local counties. (For example, working with MBARD or putting flyers into residents' utility bills.) Completion date: January 31, 2026. (F1, F2, F3, F4, F5, F6, F7)
- **R2.** The Board of Supervisors should require OR3 to update all public-facing websites every quarter and post on their social media to reflect the CAAP actions being taken within the County offices. Completion date: October 1, 2025, and ongoing. (F3, F4, F5, F7)
- **R3.** When the County spends money or staff time on any climate efforts addressing the state-mandated CAAP, the Board of Supervisors should ensure these actions are publicized to inspire and inform the taxpaying citizens. Completion date: within 90 days of any significant expenditure. (F1, F2, F3, F4, F5, F7)

Required Responses

Respondent	Findings	Recommendations	Respond Within/ Respond By
County Board of	F1, F2, F3, F4, F5,	R1, R2, R3	90 Days
Supervisors	F6, F7		September 2, 2025

Invited Responses

Respondent	Findings	Recommendations	Respond Within/ Respond By
Director, OR3	F1, F2, F3, F4, F5, F6, F7	R2, R3	60 Days August 1, 2025

Definitions

- AB-1279 California Assembly Bill 1279, one of two bills establishing Climate Goals for California Counties.
- CAAP the 2022 Climate Action and Adaptation Plan.
- **CAP** Climate Action Plan, an acronym used by some areas to describe current or former county/city plans addressing climate change.
- **COE** Commission on the Environment. A Santa Cruz County commission charged with tracking climate activities at state and county levels and advising the Board of Supervisors as appropriate.
- **Ecology Action** a non-profit organization with various climate-related projects, including the development of websites for community engagement.
- GHG Greenhouse Gases, determined to be responsible for global climate change and the target for reduction of the legislature bills.
- MBARD Monterey Bay Air Resources District.
- OR3 Santa Cruz County's Office of Response, Recovery & Resiliency.
- RINCON a contracting company hired by the County to establish the 2019 Santa Cruz Greenhouse Gas Inventory and create the County's public website on the subject.
- SB-32 California Senate Bill 32, one of two bills establishing Climate Goals for California Counties.

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https://www.facebook.com/countyofsantacruz

Site Visits

Watsonville Library, Commission on the Environment public meeting (and online).

Santa Cruz County Fair

Capitola Art and Wine Festival

EVs for All, Watsonville

Board of Supervisors public meetings (online)



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Honoring Commitments to the Public

Looking Back at 2022-2023 Civil Grand Jury Recommendations and Actions Taken by County Agencies

TRENDING NOW . . . Local agencies are getting it done!

Government entities in Santa Cruz County are implementing changes to improve operations. These changes are intentional and adhere to what they agreed to do. When this happens, our community benefits.

The value of Grand Jury reports is realized when government agencies meet their expressed commitments and improve their transparency and efficiency. Typically, it takes two years for results to be measurable.

California Penal Code section 933.05 requires follow through from government agencies on these commitments. Therefore, each year the new Santa Cruz County Civil Grand Jury looks back at reports published two years ago. The purpose is to evaluate progress on recommendations and achievements of county agencies.

The 2024-25 Grand Jury found that, in general, commitments were kept. The recommendation details, along with a brief summary of agency actions taken to address each recommendation are included in the remaining pages of this report.

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Background

Each year, a new Grand Jury is empaneled to investigate county agency practices with an eye toward improvement. The Grand Jury writes reports with facts, findings, and recommendations for change that should streamline county operations. The goal is to improve government efficiency and effectiveness, as well as promote accountability and transparency. The agency reviewed in the report has an obligation to respond.

Each agency investigated by the Grand Jury receives a copy of the Grand Jury report and a response packet that includes the instructions. The agency sends its responses to the presiding judge of the Superior Court along with a copy to the Grand Jury. Elected officials must respond within 60 days, and governing bodies are required to respond within 90 days. The responses by these agencies are to include an explanation or summary of their commitment and a timeframe or expected date for completion.

Timeline Overview

- In 2023, the Grand Jury published reports with findings and recommendations.
- In 2023, 60 to 90 days after report publication, local agencies responded to each recommendation with one of the following four choices:
 - a. Recommendation has been implemented
 - b. Recommendation has not yet been implemented, but will be in the future
 - c. Recommendation requires further analysis
 - d. Recommendation will not be implemented
- ❖ In 2025, the Grand Jury reviewed the 2023 Recommendations. When the response was b or c, the Grand Jury examined what actions were taken during the past two years by the local agencies. The purpose was to determine if commitments were kept.
- ❖ In this report, the Grand Jury asks and answers, "Was it done?" and if not completed "What is the current status of completion?"

Readers interested in a more comprehensive look at the Grand Jury reports and responses are encouraged to read the original reports. All reports may be found in the Reports section of the Santa Cruz County Civil Grand Jury website: <u>Santa Cruz Grand Jury</u>.

Scope and Methodology

In 2023, the Grand Jury completed their investigations and submitted their final reports and recommendations to the county department or agency that was the subject of the investigation. The 2024-25 Grand Jury (Current Jury) looked back two years to determine the disposition of the recommendations made by the 2022-23 Grand Jury (Prior Jury).

The Prior Jury investigated eight aspects of local government. The Current Jury reviewed local government responses to all eight reports from the Prior Jury. After examining all recommendations, the Current Jury focused our investigation on the following four reports:

- 1. Cyber Threat Preparedness
- 2. Envisioning the Future of our Jails
- 3. Diagnosing the Crisis in Behavioral Health
- 4. Code Compliance Division Out of Compliance

Through online research, document requests, and confidential interviews the Current Jury examined the follow-up actions addressing the original 2023 recommendations and determined the current disposition of each recommendation.

The 2024-25 Grand Jury examined the 2023 report recommendations when the response was "has not yet been implemented, but will be in the future" or "requires further analysis".

Investigation

The Current Jury reviewed recommendations and responses to the Prior Jury reports and found that, in general, commitments were kept.

In this section, the 2023 Recommendations are provided for context. The Current Jury's assessment as to whether the agency implemented each recommendation is also included. Was it done? If not completed, what is the current status of completion?

The current disposition is indicated along with a brief statement of the actions taken by local agencies to address each recommendation. A summary is included below.

Current Disposition of 2023 Recommendations	Quantity
DONE 🗹	22
IN PROGRESS Expected completion in 2025	1
IN PROGRESS Expected completion in 2026	1
Has not been implemented due to funding	1

<u>NOTE</u>: The 2023 Recommendations quoted in this Investigation section are taken from the Prior Jury reports which can be found here: <u>2022-2023 Grand Jury Reports and Responses</u>

1. Cyber Threat Preparedness

Cyber attacks targeting computer information systems, personal digital devices or smartphones, increase every year, with the largest number of attacks typically hitting California. The Prior Jury investigated the level of preparedness of the County of Santa Cruz (County) and the four cities of Santa Cruz, Watsonville, Scotts Valley, and Capitola to understand the cybersecurity practices that were in place, the cyber threat environment, and the potential consequences of a cyber attack.

The County and cities would benefit from cyber threat information shared across the county, enabling greater knowledge of potential threats and shared ideas for threat mitigation. With proper cybersecurity measures in place, our county and cities could take advantage of the cybersecurity grant opportunities available from federal and state agencies. [1] [2] [3] [4]

A) 2023 Recommendations for the County of Santa Cruz

Recommendation 1

"Santa Cruz County should prepare and implement a Cybersecurity Plan by the end of 2023, ensuring that city officials and all staff are well aware of the plan details, their responsibilities, and associated policies."

DONE 🔽

The County of Santa Cruz has a Cybersecurity Plan which was approved by the Board of Supervisors (BOS) in March 2024. [5] [6] [7] In June 2023, a regional Cybersecurity group was formally convened. This Cybersecurity Consortium was formed by the County and is led by the Chief Information Security Officer (CISO) of the Information Services Department (ISD). [8] The group meets regularly, enabling and promoting valuable information exchange among agencies in the county. [9] [10] The effectiveness of the Consortium became apparent while the participants worked as a group to create a Cybersecurity Plan template for all cities. Within a six to eight month period, the Consortium enabled everyone to have their own Cybersecurity Plan. [11] [12]

Recommendation 2

"By the end of 2023, the county should revise and expand its Incident Response Plan to clearly delineate the steps it will take in response to a cyber-attack, the responsibilities of identified officials, and the coordination required with state and federal officials for each type and level of cyber-attack. A detailed plan is a requirement for continuity of county operations in a cyber incident."

DONE 🔽

The County of Santa Cruz has revised and expanded its Incident Response Plan per the recommendation. The most recent version is effective as of February 1, 2025. [7] [10] [13]

There is a very strong Information Technology (IT) coalition within the state of California called California County Information Systems Directors Association (CCISDA). Only county IT employees in California are permitted to become CCISDA members. Our County CISO attends the CCISDA conference. The frequent exchange of information and the comparison of experiences between counties is very helpful. [14] [15] [16] [17]

B) 2023 Recommendations for the City of Santa Cruz

Recommendation 5

"By Fall 2023, Santa Cruz should identify and implement creative approaches to hiring and retention so they can maintain a fully staffed IT Department despite the competition with surrounding counties. The City should investigate potential partnerships with one or more of the 18 California colleges and universities with National Centers of Academic Excellence in Cybersecurity."

DONE 🔽

The City of Santa Cruz has implemented innovative hiring and retention strategies, resulting in IT vacancy rates consistently remaining between 0% and 5% since Fall 2023. They are conducting targeted outreach through professional networks such as the Municipal Information Systems Association of California (MISAC), while also supporting internship and mentorship programs to develop local talent and strengthen career pipelines.^{[18] [19]}

Recommendation 6

"By Fall 2023, the City of Santa Cruz should assign one individual responsible for cybersecurity. Adoption of a managed service provider arrangement will boost its security posture, although it does not eliminate the need for a dedicated security lead within the City's IT Department."

DONE 🔽

The City of Santa Cruz has expanded its IT Department staff from 23 to 26 full-time positions, including the addition of a Cybersecurity IT Manager. This senior-level management role is responsible for developing, enhancing, and overseeing the City's cybersecurity initiatives, significantly strengthening its overall security posture. [18] [19]

Recommendation 7

"By the end of 2023 or sooner, the City of Santa Cruz should develop and implement a Cybersecurity Plan that encompasses all aspects of information security."

DONE 🔽

The City of Santa Cruz has developed and published a comprehensive Cybersecurity Plan, detailing all aspects of information security. This plan is reviewed and updated annually by the Cybersecurity IT Manager to ensure continued effectiveness and alignment with best practices.^[18]

Recommendation 8

"By the end of 2023 or sooner, the City should complete an Incident Response Plan with sufficient detail for city officials to use as a step-by-step guide in the event of a cyber incident."



The City of Santa Cruz has successfully created and published a detailed Cybersecurity Incident Response Plan. The plan outlines the designated Incident Response Team and their roles/responsibilities, a step-by-step guide for handling cyber incidents, and annual reviews and updates led by the Cybersecurity IT Manager to ensure ongoing relevance and alignment with best practices.^[18]

C) 2023 Recommendations for the City of Watsonville

Recommendation 10

"Watsonville should conduct an evaluation of its recently expanded IT Department, critical IT upgrades, and the status of cybersecurity measures by the end of 2023. Based on this assessment, the City should allocate existing or newly identified resources to ensure cybersecurity is adequately addressed going forward."

DONE 🔽

The City did an evaluation of its IT Department, approved a position reclassification, and hired staff to focus on cybersecurity as a major job function. All cyber issues in Watsonville are handled by their IT Department, which reports directly to the City Manager. Additionally, in December 2024 the city hired a Deputy City Manager who works closely with the IT Department. [20] [21] [22] [23]

Recommendation 11

"Given the size of Watsonville, the City should have a dedicated position for cybersecurity by the end of 2023, to ensure adherence to best practices, mitigation of potential threats, and education of city staff and leadership."

DONE 🔽

A position reclassification was approved and staff have been hired to focus on cybersecurity as a major job function. The IT Department has a dedicated position, Cybersecurity IT Analyst, who reports directly to the IT Director. In adhering to best practices, the approach taken by the IT Department is that cybersecurity is an ongoing program. [23] [24] [25]

Recommendation 12

"By early 2024 or sooner, Watsonville should prepare and implement a Cybersecurity Plan that addresses all of the best practices for strong cyber hygiene."

DONE 🔽

The City of Watsonville worked with other local agencies and the County and created a Cybersecurity Plan in September 2023. [23] [26] [27]

Recommendation 13

"By early 2024 or sooner, Watsonville should prepare and implement an Incident Response Plan with sufficient detail to serve as a guide in the event of a cyber attack."

IN PROGRESS Expected completion in 2025

The City of Watsonville applied for and was awarded a State and Local Government Cybersecurity grant. This is a federal grant, and the funding status is unknown at this time. However, funds have been identified in the city's IT budget, and a vendor has been selected. The project kickoff begins in April 2025, and includes an incident response plan, playbooks, and training. A training exercise will be conducted where the participants engage in a simulated, discussion-based activity that tests the incident response plan. Team members discuss their roles and responses to a simulated emergency or crisis to identify gaps in plans and procedures. The Incident Response Plan should be completed in the summer of 2025. [4] [23] [28] [29] [30] [31] [32]

Recommendation 14

"Upon completion of IT structural upgrades and a higher level of cyber maturity, and by the end of 2023, Watsonville should participate in local, regional, and state information sharing initiatives."

DONE 🔽

Along with participation in the Northern California Regional Intelligence Center (NCRIC) and Multi-State Information Sharing & Analysis Center (MS-ISAC), the City subscribes to California Cybersecurity Integration Center (Cal-CSIC) information sharing. The City of Watsonville IT Department is involved and participates regularly in the Cybersecurity Consortium, led by the ISD of Santa Cruz County. Watsonville's IT Director meets regularly with the CISO of the County. [23] [33] [34] [35] [36]

D) 2023 Recommendations for the City of Scotts Valley

Recommendation 16

"Working with its IT contractor, by Fall 2023, Scotts Valley should write and implement a Cybersecurity Plan that is shared with all city officials to demonstrate comprehensive security measures and executive-level cyber threat awareness."

DONE 🔽

In September 2023, the City of Scotts Valley created a Cyber/Information Security Plan. This plan is intended to be updated as new cybersecurity threats and advancements progress.^{[37] [38]}

Recommendation 17

"By Fall 2023, Scotts Valley should write an Incident Response Plan that clearly delineates the steps it will take in response to a cyber attack, the responsibilities of identified officials, and the coordination required with state and federal officials for each type and level of cyber attack."

DONE 🔽

In November 2023, the City of Scotts Valley created a very detailed Cyber Incident Response Plan. This plan establishes City-Wide cyber incident response capability including the formation of the City of Scotts Valley Cyber-Incident ResponseTeam (CIRT). The document details the specifics outlined in the recommendation along with contact information for the CIRT, Cyber Best Practices, and Guidelines to Follow for various types of incidents. [38] [39]

Recommendation 18

"Scotts Valley should participate in local, regional, and state cybersecurity organizations for information sharing by the end of 2023."

DONE 🔽

The City of Scotts Valley participates regularly in the regional Cybersecurity Consortium. The CISO of the County, who leads the Consortium, is part of CCISDA, a very strong IT coalition within the state of California. The City of Scotts Valley and participants of the Consortium benefit from leveraging CCISDA's collective experiences and a robust level of information sharing. [8] [15] [16] [40] [41]

E) 2023 Recommendations for the City of Capitola

Recommendation 21

"Capitola should establish and implement a Cybersecurity Plan by the end of 2023. Several resources exist to provide a foundation or templates for these plans including NIST Guidelines, CISA resources, and Cal-CSIC guidance."

DONE 🔽

The City of Capitola issued a Cybersecurity Plan in September 2023. [42] [43]

Recommendation 22

"By Fall 2023 Capitola should prepare an Incident Response Plan that provides detailed guidance for a city response to a cyber attack."

DONE 🔽

The City of Capitola issued an Incident Response Plan in 2023 and updated the plan as recently as October 2024. [44]

2. Envisioning the Future of Our Jails

Santa Cruz County is a compassionate community. The Prior Jury published a report challenging the Sheriff's Department to improve the treatment and safety of jail inmates living with mental illness and to develop innovative and effective post-release reentry programs. The question was posed, "In the real world, with the funding constraints in this County, what is the best solution to both the aging Main Jail and to the distressingly high recidivism rate?" The Current Jury followed up on the 2023 Recommendations and evaluated the actions taken and determined current dispositions.

2023 Recommendations

Recommendation 3

"After Blaine Street, the second unit at Rountree should be reopened as soon as sufficient staffing is available, and preferably by the end of 2023."

DONE 🔽

The Blaine Street Women's Facility houses non-violent, minimum-security women. Blaine Street was reopened in 2023. Rountree is a medium security facility located in an unincorporated area of southern Santa Cruz County. The second unit at Rountree, Unit "S", officially opened in March 2025. With significant staffing increases over the past year, the Sheriff's Office felt in a strong position to open the unit. [45] [46] [47]

Recommendation 5

"The Public Defender's Office should receive funding in the next budget cycle to provide adequate anti-recidivism programs."

DONE 🔽

The 2024/5 Public Defender's Office Budget includes funding for holistic care. This holistic model involves connecting people to stabilizing services and supports efforts to reduce recidivism. The Supplemental Budget adds 1.0 Full Time Equivalent (FTE) Senior Social Worker II, 1.0 FTE Attorney II, and 1.0 FTE Department Administrative Analyst as new positions to support Community Assistance, Recovery, and Empowerment (CARE) Act services. The CARE courts were implemented December 1, 2024. [48] [49] [50] [51]

Recommendation 7

"The Sheriff's Office should commission a study to determine the most effective use of the three jails and any modifications to existing facilities needed to house the expected jail population into the future. This study should be completed by the end of 2024."

Has not been implemented due to funding

While conducting further analysis, the Sheriff's Office and County Administrative Office explored the best approach to carry out this study. The County issued a Request for Proposal (RFP) from qualified consultants to provide professional services for a needs assessment and received two proposals. The County states that due to cost they will not complete the Needs Assessment for the Jail. [52] [53] [54] [55]

3. Diagnosing the Crisis in Behavioral Health

The Prior Jury investigated the Santa Cruz County Behavioral Health Division (BHD) of the Health Services Agency. The report noted the longstanding and serious staffing shortage at the BHD is a contributing factor to many issues faced by the agency. Issues discussed in the report include lacking the capability to transition from locked to unlocked psychiatric care (step-down) and services for marginalized groups such as racial minorities and those involved with the criminal justice system. Until the staffing level is significantly improved, expecting improved service in any of these areas is unreasonable. The 2023 Recommendations included implementing changes to address these issues.

2023 Recommendations

Recommendation 5

"To eliminate the frequent offloading of the Behavioral Health Division **(BHD)** clients to local hospital emergency departments, the Board of Supervisors and BHD should evaluate ways to increase the number of Crisis Stabilization Program chairs and psychiatric beds available, which may include planning for another adult Psychiatric Healthcare Facility. This evaluation and planning process should be completed by the end of 2023."

DONE 🔽

As of June 2023, the Crisis Stabilization Program **(CSP)** stopped serving youth and focused 100% on adults. As a result, capacity for adults in the CSP, operated by Telecare, increased from 8 to 12 chairs. This has resulted in minimal diversions to hospital Emergency Departments. The 12-chair capacity for adults has been reached on less than five occasions since July 2023, and since that time there has been only one diversion due to chair capacity.^[56]

As part of the Crisis Now Innovation Project, BHD is conducting an ongoing evaluation of current services. The goal is to identify gaps in the crisis continuum of care and develop recommendations to address those gaps by June 2025. [56]

Recommendation 6

"The Behavioral Health Division should improve the services provided by the Mobile Emergency Response Team and the Mobile Emergency Response Team for Youth by improving staffing and expanding coverage to 24/7. This should be completed by the end of 2023."

DONE 🔽

Santa Cruz County's Behavioral Health Division in partnership with the Family Service Agency of the Central Coast began providing 24/7/365 mobile crisis response services in December 2024. Thanks to a grant from the California Department of Health Care Services, BHD now provides after-hours crisis response for our local communities. This includes providing mobile crisis response without involving law enforcement, unless there is a safety concern. This approach is in response to identified needs of at-risk and marginalized individuals. In addition, the BHD has clinical staff available on-call 24 hours a day to provide clinical consultation as well as Telehealth services. Both teams are capable of transporting individuals to services needed to further stabilize the crisis being faced. [57]

Recommendation 7

"The Behavioral Health Division should ensure that there is a smooth transition plan and back up plan for the treatment of children and youths from the current Crisis Stabilization Program to the planned new facility in Live Oak other than diverting them to emergency departments. This should be completed by September 30, 2023."

DONE 🔽

In 2024, BHD developed a transition plan, establishing a cooperative community project, which is partially funded by a grant from Dominican Hospital.

Watsonville Community Hospital **(WCH)** was identified as the preferred Emergency Department for youth on 5585 behavioral health crisis holds. (In California, a "5585 hold" refers to a 72-hour involuntary psychiatric hospitalization for a minor, under 18, experiencing a mental health crisis.) Through this cooperative community project, youth are evaluated by WCH Emergency Department physicians and staff. Youth-centered Behavioral Health treatment, support, consultation and coordination are provided by Pacific Clinics, 12 hours/day, 7 days/week.

The permanent Youth Crisis Stabilization Unit is currently slated for completion in late Summer 2025. There will be an overlap of care between the current WCH site and the permanent location to help mitigate any uncertain circumstances. [56]

Recommendation 8

"The Behavioral Health Division should request sufficient funding from the County to provide adequate step down care so patients do not relapse and need yet more care. This request should be in place by the end of 2023."

DONE 🔽

BHD has implemented new rates and services as mandated by California Advancing and Innovating Medi-Cal **(CalAIM)**. In the current Fiscal Year 2024-25, the County contributed an additional \$400,000 from Measure K funds to support residential mental health treatment for persons experiencing homelessness.^[56]

4. Code Compliance Division - Out of Compliance

The Code Compliance Division is responsible for investigating homeowners and businesses. One area of responsibility includes those operating short-term rentals who may not be following applicable county codes.

The Prior Jury found that while the Code Compliance Division was earnest and well-meaning in carrying out their mission, they also faced challenges. They were extremely short staffed, had an enormous backlog of cases, and lacked basic professional organizational procedures, practices, and policies. The Prior Jury report highlighted additional areas where the department was especially lacking:

documentation, employee training and education, and quality assurance. In addition, the report identified problematic issues of the Planning Department as a whole that impact the Code Compliance Division's performance.

It was the position of the Prior Jury that the department should run transparently, productively and efficiently. When the Prior Jury reports were published, the Code Compliance Division was part of the Santa Cruz County Planning Department. A change has since occurred where the Planning Department and Public Works Department were integrated to form the Community Development and Infrastructure Department (CDI). The Code Compliance Division is now part of the CDI.

2023 Recommendations

Recommendation 4

"The policies and procedures manuals for the Planning Department and Code Compliance Department should be completely reviewed, updated as prescribed in the policy and procedures manual, and digitized. Each section should be dated, and all future revisions should include date markings for any changes. This process should be completed by the end of 2023."

IN PROGRESS **Expected completion in 2026**

The Code Compliance Manual was reviewed and fully revised for clarity in June 2024. It is available online. [58]

In 2022-23, the Planning Department and Public Works Department were integrated to form the Community Development and Infrastructure Department. Since combining these departments, "an effort has been underway to review the policies and procedures of both departments in order to update and create a single set applicable to the whole department. Due to multiple reviews, including reviews by Personnel and the Union, (the county expects) this effort to take another year before it is ready for distribution."^[59]

Recommendation 10

"The Code Compliance Department should add recommended time frames for the Flow Chart described in the policy and procedure manual by the end of 2023."

DONE 🔽

The referenced flow chart was removed from the Policies and Procedures Manual as it was overly complicated and not very helpful. Instead, timelines were incorporated into the individual procedure memos in the Code Compliance Manual. Also, accessible in the newly developed CDI website is additional information regarding the code compliance process and timelines.^[58]

Conclusion

We have evaluated the outstanding progress made by our local government towards improving operations. When the agencies accept the recommendations, follow through and meet their expressed commitments, our community benefits from increased government transparency and accountability.

2025 Findings, Recommendations, and Commendations

Findings

Cyber Threat Preparedness

F1. The City of Watsonville does not have an Incident Response Plan. Funds have been identified in the city IT budget, and a vendor has been selected. In April 2025, the kickoff for this project begins. Items covered in the project are an incident response plan, playbooks, training, and cybersecurity scenarios that test the incident response plan.

Envisioning the Future of Our Jails

- **F2.** The Blaine Street Women's Jail was reopened May 19, 2023. Incarcerated persons earn the privilege to move from the Main Jail to this minimum security women's facility.
- F3. The "S" unit of Rountree detention center was re-opened in March 2025.
- **F4.** The County issued a Request for Proposal for a needs assessment and received two proposals. The County states that due to cost they will not complete the Needs Assessment for the Jail.

Code Compliance Division - Out of Compliance

- **F5.** The Code Compliance Policies and Procedures Manual was reviewed and fully revised for clarity in June 2024. It is available online.
- **F6.** There is no evidence that the Policies and Procedures Manual for the Planning Department is updated and available online.
- **F7.** In 2022-23, the Planning Department and Public Works Department were integrated to form the Community Development and Infrastructure Department. Since combining these departments, there is an effort underway to create a single set of policies and procedures, applicable to the whole department.

Recommendations

Cyber Threat Preparedness

R1. The City of Watsonville should develop a formal Incident Response Plan with sufficient detail to serve as a guide in the event of a cyber attack. They should complete the plan by October 31, 2025. (F1)

Envisioning the Future of Our Jails

R2. In the next budget cycle, the County of Santa Cruz Board of Supervisors should include the funds to complete the Needs Assessment for the jails. The goal of this assessment is to determine the most effective use of the three jails and any modifications to existing facilities needed to house the expected jail population into the future. The Needs Assessment for the Jails should be completed by October 31, 2026. (F4)

Code Compliance Division - Out of Compliance

R3. The recently formed Community Development and Infrastructure Department (CDI) should review the policies and procedures of both the Public Works and Planning Departments and create a single set applicable to the whole CDI. Each section should be dated, and all future revisions should include date markings for any changes. This set of policies and procedures should be completed by the CDI and posted online by April 30, 2026. (F6, F7)

Commendations

- C1. The Santa Cruz County Civil Grand Jury commends our County CISO for regularly attending the semi-annual conference of CCISDA (California County Information Services Directors Association). The frequent exchange of information and the comparison of experiences between counties is very helpful. In addition to leading the Consortium, the CISO also now leads an internal group involving IT, the Sheriff's office, District Attorney, Human Services, and other offices as needed.
- C2. The City of Santa Cruz remains committed to strengthening its cybersecurity resilience framework and continuously improving its workforce strategies and response capabilities. The Santa Cruz County Civil Grand Jury commends the City of Santa Cruz for protecting the community by prioritizing its Information Technology Department including hiring a Cybersecurity IT Manager. We also commend the City of Santa Cruz for successfully creating a comprehensive Cybersecurity Plan.
- **C3.** The Santa Cruz County Civil Grand Jury commends the City of Scotts Valley for protecting the local community by hiring a local Scotts Valley firm for administering its Cybersecurity framework and response capabilities.

- **C4.** The Santa Cruz County Civil Grand Jury commends the Sheriff's Office for the services provided to the women at Blaine Street since reopening in 2023. Blaine Street is the minimum security women's facility in Santa Cruz. Earning the privilege to move from the Main Jail to Blaine Street gives the women a sense of self-worth and pride in their accomplishments. They are appreciative of the vast services offered at Blaine Street and take advantage of these programs to better themselves. The evidence of support for one another as women is a result of the incredible staff, and the programs and services offered.
- **C5.** The Santa Cruz Civil Grand Jury commends the Sheriff's Office for recognizing the need for a dedicated dental clinic and dental services at the Rountree facility location. The benefits are indeed significant for all involved.
- **C6.** The Santa Cruz County Civil Grand Jury commends the Public Defender's Office for providing funding for holistic care.
- **C7.** The Santa Cruz County Grand Jury commends the Santa Cruz County's Behavioral Health Division for effectively improving access to care, and promoting the mental well-being of our community.
- **C8.** The Santa Cruz County Civil Grand Jury commends County Behavioral Health for providing 24/7/365 mobile crisis response services. Also notable, as part of the Crisis Now Innovation Project, Behavioral Health is conducting ongoing evaluation of current services. The goal is to identify gaps in the crisis continuum of care and develop recommendations to address those gaps.

Required Responses

Respondent	Findings	Recommendations	Respond Within/ Respond By
Watsonville City Council	F1	R1	90 Days / September 15, 2025
Santa Cruz County Sheriff	F4	R2	60 Days / August 18, 2025
Santa Cruz County Board of Supervisors	F4, F6, F7	R2, R3	90 Days / September 15, 2025

Definitions

- 2023 Recommendations: Recommendations from the 2022-2023 Grand Jury Reports. The reports are available on the Santa Cruz County Civil Grand Jury website: 2022-2023 Grand Jury Reports and Responses
- **24/7/365:** 24 hours a day, 7 days a week, and 365 days a year; available or happening without interruption, all the time, every day, and every hour.
- **5585:** In California, a "5585 hold" refers to a 72-hour involuntary psychiatric hospitalization for a minor (under 18) experiencing a mental health crisis.
- BHD: Behavioral Health Division
- Cal-CSIC: California Cybersecurity Integration Center
- CalAIM: California Advancing and Innovating Medi-Cal is a multi-year initiative by the California Department of Health Care Services to transform and improve the Medi-Cal program, California's Medicaid system
- CARE Act: Community Assistance, Recovery and Empowerment Act: https://www.chhs.ca.gov/care-act/
 - The CARE Act creates a new pathway to deliver mental health and substance use disorder services to the most severely impaired Californians who too often suffer in homelessness or incarceration without treatment. The CARE Act moves care and support upstream, providing the most vulnerable Californians with access to critical behavioral health services, housing and support.
- CARE Court: The CARE Act allows certain adult people to ask (petition) a court
 to create a voluntary CARE agreement or a court-ordered CARE plan for
 someone with untreated schizophrenia or other psychotic disorders.
 https://www.gov.ca.gov/wp-content/uploads/2022/03/Fact-Sheet_-CARE-Court-1.pdf
- CCISDA: California County Information Systems Directors Association. https://ccisda.org/
 - MISSION: Empowering Excellence in Technology Leadership: Uniting Trust, Innovation, and Collaboration for Lasting Impacts to our communities. VISION: Improving the lives of our residents and visitors by leveraging CCISDA collective experiences and developing and maintaining innovative technology to better serve our communities.
- CDI: Community Development and Infrastructure
- CIRT: Cyber-Incident ResponseTeam
- CISA: Certified Information Systems Auditor certification is the standard achievement for auditing, monitoring, and assessing IT and business systems
- **CISO:** Chief Information Security Officer: a senior-level executive who oversees an organization's information, cyber and technology security.
- County: County of Santa Cruz
- CSP: Crisis Stabilization Program

- Current Jury: 2024-2025 Grand Jury
- Cyber Resilience Framework: A structured approach that helps organizations
 prepare for, respond to, and recover from cyber threats, ensuring business
 continuity and minimizing the impact of incidents.
- Cybersecurity Plan: An aggregate of directives, regulations, rules, and practices that prescribe how an organization manages, protects, and distributes information
- FTE: Full Time Equivalent
- FY: Fiscal year
- Grand Jury: Santa Cruz County Civil Grand Jury
- Incident: An occurrence that actually or potentially results in adverse consequences to an information system or the information that the system processes, stores, or transmits and that may require a response action to mitigate the consequences.
- **Incident Response Plan:** A documented strategy that outlines how an organization will respond to and recover from an incident.
- Incarcerated Person: Someone who is confined or imprisoned in a jail, prison, or other correctional facility. There are different classifications of incarcerated persons.
- ISD: Information Services Department
- IT: Information Technology
- MISAC: Municipal Information Systems Association of California
- MS-ISAC: Multi-State Information Sharing & Analysis Center
- NCRIC: Northern California Regional Intelligence Center
- NIST: National Institute of Standards and Technology
- **Prior Jury**: 2022-2023 Grand Jury
- RFP: Request for Proposal is a document used by organizations to outline their needs for a specific project or service and invite vendors to submit proposals outlining how they would meet those needs and the amount it would cost.
- Step-Down: The transition from locked to unlocked psychiatric care
- WCH: Watsonville Community Hospital

Sources

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Reports from the 2022-2023 Santa Cruz County Civil Grand Jury 2022-2023 Grand Jury Reports and Responses

Community Development and Infrastructure Department (CDI) https://cdi.santacruzcountyca.gov/

Site Visits

Detention Centers in Santa Cruz County
Main Jail
Blaine Street
Rountree
Juvenile Detention Center



701 Ocean Street, Room 318-1 Santa Cruz, CA 95060 (831) 454-2099 grandjury@scgrandjury.org

Navigating the Building Permit Process AGAIN

"Site Plans, Septics, and Plan Checks, oh my!"

Summary

If you want to build or remodel in Santa Cruz County, you often have to apply for a building permit. The Unified Permit Center website lists a dozen types of permits, each with its own set of requirements. The task ahead is not only confusing, but also daunting.

The Santa Cruz County Civil Grand Jury (**the Jury**) has learned that securing a building permit is considered by many professionals and homeowners to be one of the most costly, time-consuming, and exasperating endeavors undertaken in the County.

Time is money for the applicant, and while safety should not be compromised, the building permit application process should proceed efficiently without costly delays.

In the aftermath of the LA County wildfires and the loss of 11,500 homes to the deadly and destructive flames, the whole state of California is looking at innovations to speed up the recovery process following a natural disaster. The County of Santa Cruz should be doing the same. The Jury recommends that the Board of Supervisors direct the Unified Permit Center to modify the rules for permitting by exploring other jurisdictions' best practices, emphasizing customer service, reviewing the fee structure, and streamlining the permit process.

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Background

The process of obtaining a building permit in the County of Santa Cruz (**the County**) has been examined by previous Santa Cruz County Grand Juries before, once in 2002-2003, again in 2012-2013, and most recently in the 2023-2024 CZU fire rebuild report. The current Jury (2024-2025) examined concerns about complexity, costs, and extended time frames associated with the permitting process. The shift to an online permitting system, encouraged in part by the COVID-19 pandemic, has helped standardize some steps; and improved the processing speed within the County departments.

At the same time, the online system has put the application process further out of reach for infrequent or unsophisticated permit applicants. Homeowner applicants must now rely on subject area experts such as architects and engineers; for building permit submissions, which greatly increases project costs. Thus, the promise of a paperless system online gives with one hand and takes away with the other. The current online system is notoriously finicky about formatting. The online permitting system rejects submissions for minor formatting issues, such as incorrect date formats, or the use of "illegal" characters such as dashes or slashes, adding to time and cost for builders and owners.

The California Building Code is updated every three years. These changes create a more challenging environment for applicants and the County staff. While regulations continue to evolve, the process of building itself has remained largely unchanged. Wood frame structures are still built upon concrete foundations, with the Underwriters Laboratory (**UL**) listed wiring and stout metal plumbing fixtures. Examples of Building Code updates include:

- a greater concern for the environment;
- more extensive heating, insulation, and cooling requirements;
- a growing consideration for seismic and septic safety;
- fire concerns in the urban/wilderness interface;
- introduction of new materials developed for construction use;
- and clean water concerns.

Over the past decade, the County has experienced several shocks. The COVID-19 pandemic required many County workers to work remotely, driving the County to invent new ways of working. Furthermore the CZU lightning complex fires created an emergency, resulting in a flood of building permit applications and the "need for speed" as County residents were without homes. In response, the County adopted several major changes, including the utilization of 'outside' plan checks, the consolidation of several departments into Community Development and Infrastructure (**CDI**) department, and the creation of the Unified Permit Center (**UPC**). These practices, for better or worse, have lessons for us to study and learn from.

Scope

The Jury specifically limited its investigation to permits issued in the unincorporated areas of the County. Practices in cities within the county, as well as cities and counties statewide, were also considered to provide comparisons.

The Jury posed the following questions: Does the current residential building permitting process and the requisite paperwork create unnecessary cost overruns and delays for construction professionals and resident home builders and home improvers? Can the process be improved?

Permits fall into two categories:

- 1. Ministerial permits cover most single-family homes on standard lots with unsurprising features. They follow a checklist of standards and don't require much judgement by the County. If the project checks all the boxes, then a permit is issued. [2]
- 2. Discretionary permits require judgement to be applied to the permit application because they include features like lot line adjustments, zoning changes, land use changes, uncommon height or floor area, exceptions to lot line setbacks, or they fall under special California Coastal Commission rules. Sometimes, discretionary permits require public hearings. [3]

This report considered only ministerial permits.

Methodology

The Jury interviewed individuals from a variety of subject areas. Most of these individuals (architects, civil engineers, contractors) have worked extensively with the County. For comparison, the Jury made an effort to find experts who also were familiar with the permitting processes in other jurisdictions. In addition, the Jury spoke with homeowner applicants and County staff involved in permitting, reviewed County building permit fees, the online worksheet, and fee structures in other counties. Because of the vast variation in project characteristics, which affect costs, this report is based on qualitative research. A building project may involve a few County regulations or many, such as a hillside or a soils report, fire road access, water diversion, or environmental habitat considerations. The costs and time involved in satisfying each applicable regulation make it impossible to describe an "average" project with accurate data.

Investigation

All building, planning and construction in the State of California is controlled by the California State Building Code, which is verbose, complicated, and weighty. The Code – <u>Title 24 Part 2</u>, <u>Volumes 1 and 2</u> – in print form has 1,720 pages, and weighs in at 80 pounds. Every three years, the Code is updated and revised by the State.

So You Need a Building Permit

Any trip through the permitting maze is largely dependent on the scope of the project, the requirements relevant to the project in the Building Code, and the number of other applicants for building permits already in line. Your plans may have to be reviewed by many County departments or just a few.

Some small builds and repairs don't require a permit. Some examples are a child's jungle gym, a small storage shed, and interior work like painting, tile work, or new flooring. No permit, no fee.

EZ Permits are available for certain types of straightforward construction and repair work, such as minor kitchen or bath remodels, trade work (electrical, plumbing, or mechanical), sheetrocking, siding, replacement windows, replacement roofing, and exterior doors. These types of permits do not require the applicant to submit drawings and can result in immediate online approval, with the payment of fees. Quick turnaround, low fee.

Beyond that, larger projects such as a full room addition, the construction of a second story, or installing a swimming pool require a plan set and review by several departments before a permit is issued.

Listed below are the departments in the County that are involved in residential building permits and may review project plans. This list was provided by the Unified Permit Center (**UPC**). [4]

- Zoning
- Building Plan Check
- Environmental Planning
- Addressing
- DPW (Department of Public Works) Transportation
- DPW Stormwater
- DPW Sanitation (if on sewer) -or-
- Environmental Health Land Use (if on septic)
- DPW Encroachment Driveway Review
- Environmental Health Hazmat
- Measure J
- Housing
- Fire Department (not part of the UPC but advisory to the UPC)

To reduce costs, the Jury favors changing some EZ Permits to permit-free jobs, and reclassifying some standard building permits to EZ Permits. Both moves will save applicants money and time, as well as free up the permit staff to review more complex projects.

Not all building departments across the State categorize jobs the same way, which indicates discretion is allowed. For example, the Jury found several counties in California, plus the cities of Watsonville and San José, have moved replacement windows to the no-permit-no-fee list. Santa Cruz County hasn't chosen to do this. Why not? [5] [6] [7] [8]

Unified Permit Center and the Ombudsman

In 2022, the Santa Cruz County Board of Supervisors (**BoS**) approved the restructuring of the County departments. A part of that restructuring included most of the various departments listed above as being involved in the residential permit process and also created the Unified Permit Center. The County staff the Jury spoke with thought this improved their working conditions.

The UPC hired a manager to oversee the organization. In addition to managerial duties, that position's job description also includes the following: "provide conflict resolution, develop a comprehensive approach to resolve customer service concerns; identifies and facilitates process improvements that result in a user-friendly permit process for both customers and staff." These tasks essentially define an Ombudsman. The concept of an Ombudsman grew out of a Swedish idea to have government agencies be more customer service-oriented.

The UPC needs an Ombudsman - a dedicated staff member who is the liaison between the public and staff to explain and resolve any conflicts and assist people through the permit process.^[6]

The Jury wants the UPC to receive the greatest possible benefit from the role of Ombudsman. Rather than combining the responsibilities of a manager and an Ombudsman into one position, the Jury would like to see a full-time Ombudsman position and a full-time manager position. Additionally, the role of the Ombudsman needs to be publicized so that applicants know whom to address when they have concerns.

Another Bump in the Road

Chronic under-staffing in the County's Environmental Health Department was often cited by interviewees as the reason for delays in permitting.^[10] Environmental Health is responsible for a host of needs, notably reviewing, approving, and issuing septic systems and wells permits. A shortage of environmental health specialists is a statewide problem not easily overcome. Most of the counties are not able to fully staff environmental health positions and thus have to rely on trainees.^[10]

Whenever homeowners are building a new house or add to an existing structure, the permit approval process requires a septic or sewer approval, depending on the waste system at that property. Most of the building sites in the unincorporated areas of the County have a septic system. The Environmental Health Department must do a site

evaluation whenever an application for a new build is filed to determine where to place the septic system and what kind of system will work best with the topography and soils on that property. If the application is for an addition or a rebuild as a result of a fire or some other disaster, and there is a septic system already on the property, that system will need to be evaluated to make sure it's adequate for future use.

Unexpected Requirements Cost Applicants Money and Time

Adding to the angst of the homeowner is the very possible delay or denial that comes as a result of "surprise" requirements imposed on their application. An example might be the County requiring an extra soil test that requires hiring an expert to do the work and will certainly add time to the project. Both the expert and the delay can significantly increase the cost of the project.

If the homeowner obtained a home improvement loan of \$200,000 at 8% interest, each month costs the homeowner \$1,600 per each month of delay. Add on the potential increase in costs of some building materials as a result of the current tariffs.

The Jury heard many tales of unexpected requirements resulting in added costs to residents. These surprises often strained relationships between customers and builders due to interrupted services, extended unlivable conditions, losing contractors to other jobs, and extra mortgage payments during project delays.

Examples of Unexpected Requirements Identified Through Jury Interviews:

Rural Soundproofing? Contractor Larry was building a new home on 50 acres with no neighbors in sight. The County required soundproofing for the house. Larry's research showed this requirement has been on the books since the 1960s but had not been enforced on any of his jobs over the past 25+ years, nor those of his professional cohorts. To do the soundproofing, Larry would have to charge an additional \$60,000 to cover the costs of adding drywall underneath the stucco. Additional costs accrue due to the necessity of changing window and door specifications to accommodate the increased wall thickness. Larry successfully asked to have the requirement exempted, but this change request incurred time and financial costs.^[11]

Toasty Toes. Builder Sandy submitted building plans that included warm tiles in the kitchen. The plan checker crossed out the warm tiles, calling it "optional electric." Sandy called the plan checker to protest. To keep the heated pad, Sandy would have to submit a change order and get new energy calculations at additional cost. The change order would take six weeks for the plan checker to respond. Rather than delay the project and increase the cost, the customer gave up the heated pad. [12]

Belt and Suspenders Building. Builder Ripley had a job lined up to stucco over the existing siding of a home. He submitted his application. Ripley had already given his client an estimate for the work based on his 25 years of experience. The County told him he needed to apply a new type of rainscreen under the stucco, even though the house had a rainscreen under the existing siding.

Ripley asked where he could find this product, as he had never heard of it. The person at the counter did not know. The rainscreen material was so new, it could not be found at local suppliers. After searching the internet and calling around, the rainscreen was found and shipped in – resulting in additional costs and further delays. The new rainscreen doubled the cost of the bid to the customer. [13] Sadly, Ripley felt his customer's anger and may have lost that long-time customer.

Yet Another Bump in the Road. Houses that burned in the CZU fire could be rebuilt "as is" without requiring a septic system upgrade. Applicants soon reported that their plans were rejected as the County required a pre-digestor to be added to the system. Pre-digestors add approximately \$100,000 to the cost of the re-build at a time when applicants were already under financial stress. One outside expert was able to get the requirement removed 50 different times! Why was it necessary for a citizen expert to repeatedly point out the CZU recovery rules to the County contractor? While it is true that this requirement was added to the applications by an outside plan check company, that company was retained by, and presumably overseen, by the County. The County should ensure that its citizens are not burdened by expensive and time-consuming requirements and equipment.

Outside Plan Check

To facilitate CZU fire recovery, the County contracted with professional plan check companies in an attempt to speed up the permit processing. [15] Today, when the volume of applications is high, outside plan check companies are still used. The Jury was told that the determination to use outside plan checkers is made based on several factors, one being the amount of time an application has been listed without assignment on the "aging report". If the permit application has been on the aging report for 14 days, it is considered for outsourcing. [16] [17]

The UPC currently handles up to 300 new housing plans a year. Starting in 1969, the State of California has required counties and cities to plan for new building development to accommodate the anticipated population growth in their area (the Housing Element). In 2024, the BoS accepted the State's 2024–2031 Housing Element requirement of 4,634 new units to be built across the County. This requirement adds approximately 650 new builds per year. This number of added units will triple the demand for plan check at the UPC^[18] and increase the County's reliance on outside plan check professionals.

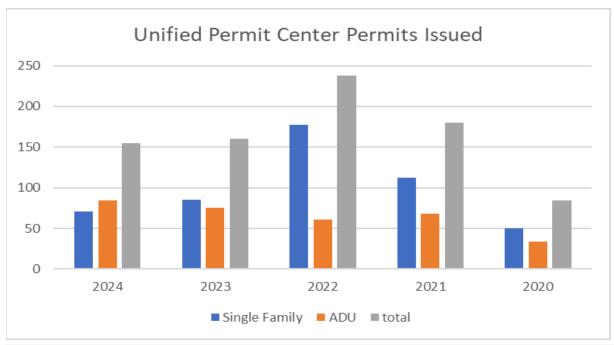


Figure 1. Number of permits issued over a five year period. [19]

Costs of Professionals and Materials Go Up During Wait Times

In any building project, one can observe the adage "time is money" holds true - delays inevitably drive up costs. With various recent shocks to the country due to climate disasters (tornados, wildfires, flooding), the pricing of replacement materials goes up, and the availability of building professionals goes down.

In light of the recent fires in Los Angeles, the Governor of California has issued warnings about price gouging: "... one executive order extends provisions of California law that prohibit price gouging in Los Angeles County in building materials, storage services, construction, and other essential goods and services..." from now through January 7, 2026.^[20]

Professional assistance (structure, plumbing, electrical, septic) is also negatively affected by high demand. Building professionals often relocate from one jurisdiction to another to meet disaster demand. This movement can leave the original regions, like Santa Cruz County, short on contractors. The LA fires may have an adverse impact on Santa Cruz's building demand.

Economic uncertainty also results in high material prices. According to the Trading Economics Website, "Lumber futures traded above \$610 per thousand board feet in February 2025, a near three-month high as mill closures and trade uncertainty exacerbated supply pressures". [22] The fire may have happened in Los Angeles, but the demand for materials there drives up the cost everywhere.

Politics also contributes to uncertainty. Example: In 2024, a California farmer, anticipating the purchase of a prefabricated barn, had the luxury to apply for his building permit when he was ready. But in January 2025, he realized the price of the barn he intended to purchase may increase with new tariffs. He could not confidently buy the barn from a foreign supplier without the building permit, and he suddenly needed that building permit application to move quickly.^[6]

The Permit Streamlining Act

The California Permit Streamlining Act and its subsequent modifications is a complex piece of legislation^[23] intended to speed up the building permit process. "Under the Permit Streamlining Act (the "PSA"), Government Code Section 65920, et seq., the application phase is supposed to be quick and efficient."^[24]

How does the Permit Streamlining Act work in the County today? Unfortunately, the Jury found widespread agreement from industry professionals, homeowners, and journalists that the Act has not markedly improved response time or efficiency in the County Planning Department. [11] [13] [25] [26] [27] [28] [29] [30] [31] [32] [33] [34] [35] [36] [37]

A consultant's report noted that Santa Cruz Permitting has a "culture of no" or "...resistance to approval ... rooted in development processes." This resistance can result in repeat submissions, which increase delay and costs. The professionals the Jury spoke with each had at least one story of delay. This situation is not unique to the County. But the professionals who have worked in other jurisdictions expressed that Santa Cruz is known for excessive delays. [28] [35] [39]

A Slippery Slope. The Spring rains of 2023 caused a landslide on the Hill family property in Santa Cruz County. The landslide affected portions of the driveway and left four feet of mud in the property's workshop. The Hills communicated with the County and two engineers about repairs less than five days after the slide. They hired appropriate professionals to submit plans for the rebuilding of the hillside. The reports were finalized, and permitting fees were paid in Spring 2023. [40] The County then requested another study two months later. Another fee was paid in late Summer 2023, and the receipt from the County noted that the filing was complete. [41] However, the permit itself was not issued. At the end of the year, the family contacted the County once again and was told that the County was unaware that their required documents had been submitted months before! [42]

Because Santa Cruz County has a moratorium on winter grading for large projects from the beginning of October until April 15th of each year, [43] the family had to tarp their hillside for another rainy season and simply "hope for the best" in what was deemed by the County 12 months earlier as an emergency.

The Hills did everything right, and the Permit Streamlining Act should have ensured they received the permit within 30 days. Instead, the Hills had to wait over 12 months to fix the hillside.

Removing Barriers for Do-It-Yourselfers (DIY) and Small Builders

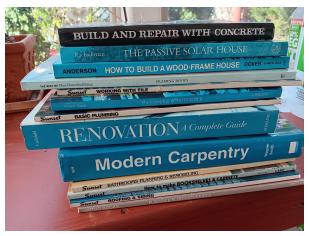


Figure 2: Books on do-it-yourself home improvement. [44]

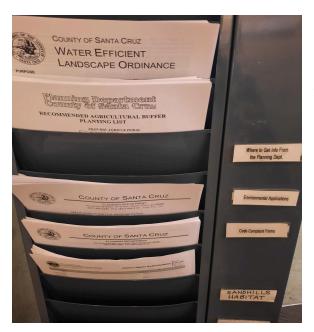
It should come as no surprise that enthusiastic homeowners or small builders skirt the permitting system altogether, since the online permit application portal represents a barrier to access.

However, software-tracked submissions can improve the efficiency of the UPC if planners from one department can see the comments from other departments and can track the required support documentation. From the perspective of the plan checkers, the electronic system enhances productivity. [6] [17]

Current tracking software is helpful only to one side of the equation – the County Planning staff. Any new system needs to be helpful and efficient to homeowners and builders as well.

Consideration needs to be given to all users since the entire county will live with the new software for many years. A system that is not user-friendly imposes a tax in time, frustration, and exclusion for the citizenry, ultimately motivating users to avoid the County's permitting system altogether.

The Jury believes new software should include tracking components that allow all parties to expedite the approval process.



Spanish Language Materials

An in-person visit to the Planning Department at 701 Ocean Street revealed several racks of documents for applicants submitting a permit request. All but two are printed in English. We could find only two documents printed in Spanish. [18] [45] A significant portion of the citizenry in Santa Cruz County (35.2% [46]) is of Hispanic descent, and this demographic is also well represented within the building trades. The lack of Spanish documentation is an added barrier and burden for the County's Spanish speakers.

Figure 3: Permitting documents available only in English. [45]

Learning from Others' Best Practices

As mentioned earlier, long wait times and high costs for building permits are not unique to the County. The Jury investigated other California jurisdictions that also struggle with high costs, high growth, and the updates to the building code every three years. Through this investigation, the Jury identified several improvements that Santa Cruz County may wish to consider.

It is outside the expertise of the Jury to recommend any one of these approaches over others. We suggest that the County take the time to review the solutions presented below and consider which ideas are worth pursuing within our local environment.

Trusting and Training

The City of San José has kicked off an experimental program called the Best Prepared Designer Program. Briefly, this program covers a limited list of projects such as small additions, interior remodels, and skylights. Under the program, qualified designers, engineers, and contractors who have completed and passed a one-day City training are permitted to submit plans without undergoing the standard plan-check process. For these projects, the building permit is issued immediately. The work standard is assured through the building inspection process and a random review of a small number of plans. Deviations from appropriate building practices on the part of the designer, engineer, or contractor can result in their elimination from the program. This is a trust-based system with appropriate checks and balances that allow smaller projects to be accomplished without the time and expense of a plan check.

Plan Check Help

The City of Fremont has kicked off an Appointment Plan Check pilot program^[48] where an applicant with an approved project type such as small residential additions, remodels, Accessory Dwelling Units (**ADUs**) or Junior Accessory Dwelling Units (**JADUs**) can meet with the Plan Checker over Zoom to review their entire submission. The goal is to complete the plan check and issue the permit in one meeting.

Ombudsman

The County of Sonoma has named an Ombudsman whose job is divided into two complementary parts: assisting with individual permits that are experiencing significant delays regardless of the cause, and continuous process improvement for the entire Permitting Center. The Ombudsman's goal is to find the "better, faster, cheaper" way to approve building permits. [6]

Fee Structure Philosophy

Sonoma County also performs an extensive costing audit every few years that turns the normal practice on its head. The conventional approach, which the County of Santa Cruz utilizes, is to look at the last period's cost to maintain the department, and divide that cost between the permit types that came in. This method may justify the expenses already incurred, but it does nothing to encourage reductions in future costs. In contrast, Sonoma begins with this question: "What should a permit cost for a project?" They build from there to discover what their staff levels *should* be and where cost reductions can be found. This audit method focuses more on customer value and encourages cost reductions overall.^[6]

No Permit, No Fee

There are permit-less projects defined by the California Building Code, but there are also gray areas where some jurisdictions have decided that not imposing a fee is the best approach. Low-income residents in the County of Santa Cruz would welcome a no-fee or low-fee approach.

An example of where this approach can be undertaken is with replacement windows. In the City of Watsonville, a homeowner can replace their windows without seeking a permit provided that the dimension of the windows requires no adjustment to the home's framing. On the other hand, the County of Santa Cruz has a sliding scale of costs for replacement window permits.

Potentially, there is a host of small-fee permits, discussed later in the section on illegal building, that might be better handled by a building inspector or made fee-free.

Education

The County of Sonoma uses YouTube videos to inform when residents need a building permit. Santa Cruz County should also consider adding an educational component to the UPC websites. Every three years, when the State Building Code is updated, the County could put together short YouTube film clips clarifying the most important new requirements that would be helpful to the homeowner and the small builder (see Belt and Suspenders Building example). For a small cost in time and effort, published educational components could make the county a source of information rather than a group to be avoided. [50] [51] The standard notices sent to consumers each year such as tax notices or utility billings, could be a vehicle for spreading information.

Publicize

Finally, a best practice observed in another county is to publicize their work. This idea covers a few bases.

- 1. Better understanding among the people who use the departments
- 2. Better understanding of the user's perspective by the department staff
- 3. The ability to clarify both good work coming from the permit center and a conduit to publicize upcoming changes.

Regularly scheduled attendance at BoS meetings, occasional participation in community events (Rail and Trail meetings, Habitat for Humanity builds) would raise the profile of County permitting services. All these events take staff time, but help create a more transparent bureaucracy. [6]

Taking Expert Advice

The BoS recognized that there were problems with permitting and has enlisted the services of Baker Tilly, a consulting firm, to review the functions within the Unified Permit Center. The Jury is pleased with the recommendations the report has made. Baker Tilly focused on processes within the Building Department. The Jury has focused on cost reductions for the homeowner. Acceptance by the BoS of the recommendations from both Baker Tilly and the Jury should lead to a happy outcome for all.

Illegal Building: Why does it exist, and how prolific is it?

Educated guesses from professionals in the field regarding the percentage of illegal building as a part of all construction starts at 20% and reaches as high as 50%. [27] [52]

There are three main reasons for illegal building:

- 1. The person did not know that their project needed a permit
- 2. The person thought getting permits would cost too much and take too long
- 3. The person thought they could not build what they wanted if they had to obtain a permit.

Reason #1 for illegal building is a lack of knowledge that the project required a permit. The Jury took a straw poll of approximately 30 members of the public, and most were unaware that replacing a water heater, reroofing, replacing windows, or fences were projects that needed a permit in the County. For many citizens, these projects represent routine maintenance, and having to pay for a permit seems excessive or governmental overreach.^[35]



Figure 4: Illustration of illegal building.[53]

Confusion arises when close-by jurisdictions have different requirements. The County requires a permit to replace a window while the City of Watsonville, which is also in Santa Cruz County, does not.^[49]

Homeowners get no help from the trades: according to the Jury's straw poll, professional installers and salespeople for appliances do not regularly inform customers that permits may be required for installation.

One homeowner had a leaking water heater, and when the plumber couldn't repair it, he installed a new one without informing the homeowner that a permit was required for the work. When the same homeowner purchased a gas stove, the merchant recommended an installer who created a natural gas connection, again without informing the homeowner that a permit was required. In the homeowner's mind, this is routine maintenance, so they saw no reason to investigate further whether a permit was needed.

Reason #2 has been illustrated throughout this report. Time and cost are critical elements of a homeowner's decision-making process. The perception of high costs and long wait times may drive some people to skirt legalities and build without permits, despite the risk of incurring fines.

Reason #3 is illustrated with this true story gleaned from an interview with a reputable, well-regarded contractor. The contractor met with a client who wanted to convert her garage because she had a really small house. Code would not allow this conversion because of parking requirements. The client decided to do the project without a permit, so the contractor refused the job, but noted that about one quarter of the jobs they declined are done by someone else without permits.

Code Enforcement is reactive, not proactive. People who do get caught building illegally will be required to correct the build and possibly pay a fine, but the number of fines issued annually is not high.^[52]

The County loses revenue from permit fees not received, and it loses money from the unreported increased tax value from illegal builds. Since actual unpermitted activity is difficult to pin down, the Jury does not have an estimate of lost County revenues. But given that unpermitted building activity may be as high as 50% of all construction in the County, the dollars lost are significant. Building illegally can also create unsafe conditions for the current and future homeowners. And home insurance companies may deny coverage for illegal builds.

During this year's jail tour, the Jury noted that one of the vocational trainings offered to rehabilitate incarcerated people is to teach them building skills. Upon reentering the community, these individuals will have a better chance of getting a job. Yet the permitting process is so onerous that these new workers may resort to working without permits or leave the trade altogether. This situation is self-defeating.

Reconstitute the Building and Fire Code Appeals Board

When a building permit applicant does not agree with a decision made by the County, where do they go to redress that disagreement?

State law requires an appeals process.^[54] Santa Cruz County Code Chapter 12.12 describes the process that should be available to the public to address permitting disagreements.^[55] This Building and Fire Code Appeals Board (**BFCA Board**) was disbanded in 2010 by the BoS. ^[31] [56] [57]

Until it was disbanded, the BFCA Board was composed of independent building professionals, who are all volunteers, that met when an appeal was filed to consider the dispute. [58] [59]

Now, when applicants seek to appeal decisions, they are referred to a County employee, the Director of CDI, who determines if the appeal should go to the BoS. The Jury believes the decision is not independent but is reviewed from the perspective of the building/planning/permitting departments.^[31]

Some applicants have sued the County and won. [31] [60] This route probably cost both the applicants and the County more money than a proper appeals board would cost.

The County Code also requires the BFCA Board to be "specifically knowledgeable". [61] County Supervisors are not building professionals. [62] [63] The current "solution" to this problem is to require planning staff to write an extensive defense of their decisions which can be both costly and inherently biased. The BoS then relies on this information when making a decision.

Over the past five years, the BoS has not heard a single applicant grievance. This either means the system is working perfectly, or it means the system is effectively dead. Either conclusion is a black eye for the County. [11] [13] [25] [27] [28] [29] [30] [31] [32] [33] [34] [35] [36] [37]

Conclusion

The Santa Cruz County Grand Jury believes that the public and the professionals, both private and on staff, will benefit from a more customer-focused and efficient process for obtaining building permits.

With that objective in mind, the 2024-2025 Santa Cruz County Grand Jury respectfully submits the following findings and recommendations.

Findings

- **F1.** Excessive delays in the building permit process increase costs to applicants in cash, time, and frustration.
- **F2.** The permitting process has become so detailed and intricate that it often requires applicant homeowners to hire professionals to make submissions, thus increasing cost and time.
- **F3.** Homeowners are often unaware that ordinary household maintenance requires a permit, leading them to unknowingly have the work performed illegally.
- **F4.** Some people willfully ignore obtaining a building permit because they think it's too costly, it takes too long, or they think they can't get the improvement they want by obeying the law.
- **F5.** Ignoring obtaining building permits causes a loss of revenue for the County, both in one-time fees from permits and, more importantly, in ongoing tax revenue from improved property.
- **F6.** Professionals in the county can be difficult to find for a project because the permitting process is so difficult.
- **F7.** Applicants have a hard time tracking their project's progress because applications are not tracked end-to-end by permitting software.
- **F8.** The services of an Ombudsman could be utilized by tradespeople and homeowners to make the permitting process smoother and less costly.
- **F9.** The BFCA Board was disbanded, and the Appeals process, as currently constructed, is little known, not staffed by trade professionals, and therefore an ineffective means for resolving disputed decisions.

F10. The DIYer and the small contractors need the support and/or instant answers they get from a knowledgeable staff person at the counter. However that service no longer exists.

Recommendations

- **R1.** The BoS should have staff review best practices from other jurisdictions and then select strategies that will reduce costs and delays in our county's Permitting Services by January 1, 2026. (F1, F2, F7, F8)
- **R2.** The BoS should direct staff to adopt software that removes barriers to applicants and is comprehensive to all departments. The software should flag any permits that have been unaddressed for longer than two weeks to avoid application delays. This recommendation should be accomplished by January 1, 2026. (F7, F8)
- **R3.** The County of Santa Cruz should separate the Ombudsman duties from Manager of Unified Permit Center resulting in two separate positions: a full-time, dedicated Ombudsman and a full-time Manager. The resulting new staff position should be filled by June 1, 2026. (F7, F8)
- **R4.** The Ombudsman function should be clearly identified and publicized to make the public aware of the additional customer services that position provides. This recommendation should be accomplished by June 1, 2026. (F7, F8)
- **R5.** Santa Cruz County should develop a plan to educate the population about different permit types to reduce illegal builds through staff participation in community events, newspaper articles and/or other Unified Permit Center media involvements by Jan 1, 2026. (F2, F3, F4, F5, F6, F10)
- **R6.** Santa Cruz County should establish a walk-up front desk service four hours per workday to assist home-owners, non-building professionals and small contractors navigate the permit process. This service should be posted on the website, implemented by Jan 1, 2026. (F3, F4, F5, F10)
- **R7.** Santa Cruz County BoS should reconvene the Building and Fire Code Appeals Board, populated by seasoned building professionals, to adjudicate permit disputes quickly, publicly, and professionally, and with less cost. This recommendation should be accomplished by Jan 1, 2026. (F9)

R8. Santa Cruz County BoS should direct the Building Department and any other relevant departments to review the State code parameters that allow county adjustments for building permit fees and find the least-cost, least-delay alternative. Anything that can be free should be free. This recommendation should be accomplished by Jan 1, 2026. (F1, F2, F3)

Required Responses

Respondent	Findings	Recommendations	Respond Within/ Respond By
Santa Cruz County Board of Supervisors	F1–F10	R1–R8	90 Days / September 22, 2025

Invited Responses

Respondent	Findings	Recommendations	Respond Within/ Respond By
Director, CDI	F1–F10	R1–R8	60 Days / August 22, 2025

Definitions

- ADU: Accessory Dwelling Unit, or "granny flat".
- CDI: Community Development and Infrastructure Department
- JADU: Junior Accessory Dwelling Unit, a smaller unit attached to the main house.
- UPC: Unified Permit Center

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Site Visits

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Handcuffing and Transport

Can Watsonville Police Reduce Trauma?

Summary

Being handcuffed and taken to the police station, especially for a minor infraction, is a traumatic event. The trauma starts with the individual and propagates to the family and community. The Watsonville Police Department detains and transports a higher percentage of arrestees, rather than citing and releasing them in the field, compared to other law enforcement agencies in Santa Cruz County. Since transporting requires handcuffing, the Watsonville Police Department ends up handcuffing a higher percentage of individuals than other law enforcement agencies. There are simple ways to bring that number down.

The Santa Cruz County Grand Jury (**the Jury**) recommends more training with a focus on de-escalation. The Jury also recommends increased use of mobile breathalyzers and an increase in salaries to retain more experienced officers who are accustomed to using de-escalation techniques. Implementing these suggestions could lead to fewer trips to the police station and greatly reduce the trauma suffered by both the detainees and members of the community.

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Background

Research shows that handcuffing creates trauma. [1] [2] For those who are arrested, this trauma can manifest in many forms, including anxiety, depression and fear. In some cases, it can lead to serious post-traumatic stress disorder (PTSD). Additionally, handcuffing often causes physical injury including frequent damage to hands and wrists. [3]

For minor infractions, handcuffing is not a mandated practice. Arrestees can simply be cited and released in the field, without the need for transport to a police station or a jail facility. While being detained is inherently distressing, being released in the field typically results in less



Image of handcuffed individual^[4]

trauma than handcuffing and transporting the arrestee either to jail or to the local law enforcement office.

Across Santa Cruz County (**the County**), police training materials and policy documents say that handcuffing is at the discretion of the arresting officer. The practice across the County is that all those arrested and transported are handcuffed. [5] [6] Transporting requires the use of handcuffs.

There are numerous documented cases where arrestees placed in police vehicles without handcuffs have posed a risk to the officers and themselves. Therefore, to reduce the number of people handcuffed, one should start by reducing the number of arrestees transported. This means local law enforcement agencies should cite and release in the field whenever it is appropriate to do so. Some agencies, such as the Santa Cruz County Sheriff's Office, do this, while other agencies do not. The Jury specifically looked into the Watsonville Police Department's (**WPD**) use of handcuffs and its practice of frequently transporting minor infraction arrestees to the WPD station.

While the Santa Cruz County Grand Jury focused on handcuffing and the transporting of detainees in Watsonville, other related issues around public contact with the police are important. Multiple sources told the Jury that activities such as robberies, gang activities, or shootings in Watsonville cause increased tension among officers, thereby putting law enforcement on heightened alert. This may influence officer response and decision-making and can lead to officers choosing a more aggressive response such as handcuffing and transport in handling misdemeanor detainees.

Handcuffing and transport for minor infractions erodes the community's trust in officer's judgment. This heightened level of community and individual fear may lead to tension and escalation during routine stops. [10] [11] Also, some members of the civilian population have had negative experiences with the entire criminal justice system, including interactions with police officers, the District Attorney's Office, the Public Defender's

Office, and parole and probation officers. Their shared experiences can add to the fear and distrust among those cited or arrested, as well as their families and the broader community.

The Jury wanted to know if training or the use of crisis intervention teams could minimize the escalation of incidents and the amount of handcuffing and transporting, specifically in Watsonville.^{[12] [13]} Data shows that de-escalation techniques can reduce injuries to both police officers and arrestees, while improving community relations.^[14]

Scope and Methodology

The Jury reviewed available documents, including arrest logs and police reports, and conducted interviews to determine whether handcuffing is overused by the Watsonville Police Department for misdemeanor infractions. The Jury looked at the level of handcuffing across various police departments and the sheriff's office in the County. A key area of focus was the use of "cite and release" and whether the "release" happens at the scene or the police station. The Jury concentrated on investigating various policy and procedure manuals and training materials of the Sheriff's Office, the Santa Cruz Police Department, and the Watsonville Police Department.

The scope of this report includes the following:

- The "Cite and Release" policies of several law enforcement agencies within the County
- The "Use of Force" and "Handcuffing and Restraints" policies of several law enforcement agencies within the County
- The definitions of these terms, as defined by the leadership of these agencies
- The impact of these policies on the population involved.

The Methodology for the investigation included:

- Interviews with police department management
- Interviews with representatives of local non-profit groups who provide advocacy and support to detainees and their families
- Statutes and Guidelines
 - Policy and Procedure Manuals
 - Training Materials
- Process Documents
 - Police Reports
 - Arrest Logs
- Other:
 - Newspaper articles
 - Research articles on the trauma of handcuffing
 - Pay schedules for police officers.

Investigation

The Jury's investigation looked at the use of handcuffing people for misdemeanors across the County and how the Watsonville Police Department handcuffed individuals at a higher rate than the other law enforcement agencies.

Policy Discussion

Department policy manuals for law enforcement agencies within the County are available online. [15] [16] [17] [18] The policies of the <u>Santa Cruz County Sheriff's</u> Office and the police departments of the major cities within the county appear to be nearly identical. They are based on templates from Lexipol. [19] Lexipol is an entire risk management solution for public safety and local government that has developed comprehensive and continuously updated policies for public safety agencies.

The policy quotes shown in the sections below come from the <u>Watsonville Police</u>
<u>Department Policies and Procedures Manual</u>. Note that the wording is identical to the Santa Cruz County Sheriff's Office's Policies and Procedures and the Santa Cruz Police Department's Policies and Procedures.

Transporting Requires Handcuffing

The Jury specifically looked at how arrestees for a misdemeanor crime are treated. A misdemeanor crime is less serious than a felony crime and doesn't carry the potential to be sentenced to a California state prison. It is described as a crime where the maximum sentence is no longer than one year in a county jail. [20]

The WPD citing and releasing policy begins with policy 420.1, PURPOSE AND SCOPE, which states: "This policy provides guidance on when to release adults who are arrested for a criminal misdemeanor offense on a written notice to appear (citation) and when to hold for court or bail." [16] The Jury investigated how this policy is carried out in practice.

Policy 420.2 states, "It is the policy of the Watsonville Police Department to release all persons arrested on misdemeanor or other qualifying charges on a citation with certain exceptions (Penal Code §853.6)." The policy goes on to state: "... adults arrested for a misdemeanor offense, including a private person's arrest, shall be released from custody on a citation (Penal Code § 853.6)." [16] The Jury investigated how those exceptions are carried out and what "released from custody" means in practice.

The Jury reviewed more than 50 misdemeanor reports provided by the WPD, covering the period of May 2024. There are certain types of misdemeanors in which arrestees are automatically taken to jail, a hospital, or a sobering center, a practice that seems to be consistent across jurisdictions.^[21] The Jury did not investigate these.

In reviewing arrest logs and police reports, the Jury noticed that the WPD was less likely to release at the scene, compared to other jurisdictions for the following misdemeanors:

- Shoplifting or theft^{[22] [23] [24]}
- Vehicle code violations, including bicycle violations^[25] [26]
- Driving Under the Influence (DUI)[27] [28] [29] [30]

- Trespassing or homeless issues^{[31] [32]}
- Outstanding warrants. [33] [34] [35] [36]

The Jury noticed that for all of the above infractions, the WPD usually took people to the WPD station rather than releasing them at the scene. In contrast, arrest logs from other law enforcement agencies within the County indicate those agencies more frequently release on citation at the scene rather than handcuffing and transporting.^[37]

The WPD stated that all people arrested are handcuffed.^[38] After talking to other agencies, Jurors realized that this means that all people who are *transported* are handcuffed.^[5]

Being Handcuffed Is Traumatic

According to Lexipol, "Handcuffing generally constitutes a use of force and the application of the handcuffs must be reasonable." [39] The Los Angeles Police Department articulates its approach to handcuffing as follows: "Discretion in Handcuffing: The decision to handcuff a person is not based on rigid criteria. It is determined by the nature of each situation as perceived by the officer. To ensure the effective and appropriate use of handcuffs, it is necessary to place the responsibility for handcuffing with the involved officers." [40]

There are well-documented mental and physical adverse effects from handcuffing. The palpable fear of "What's next?" can lead to actions that escalate the encounter. Unreasonable use of force, in this case, handcuffing and transport, is seen as punishment. That punishment is not administered by other local law enforcement agencies. According to Police Officer Standards: "It is illegal and immoral for peace officers to use their authority and position to punish anyone. When peace officers become law breakers by engaging in acts of "street justice" they lose public trust and support."[41]

Options for Release Without Handcuffing

Law enforcement agencies have various options for handling minor infractions. These options help reduce community impressions of unfairness.

Cite and Release Without Transporting

There are incidents in which someone is retained in handcuffs and then later released at the scene with or without a citation. This is up to the officer's discretion. There are clear cases where handcuffing is warranted, such as if an officer observes fighting, domestic violence, or weapons. However, individuals detained for minor incidents like shoplifting, trespassing, and bicycle violations (and some minor automobile violations) are not regularly handcuffed by other law enforcement agencies within the County. [22] [23] [25] [31] [32] [42]

The Jury noticed that several of these types of incidents often resulted in handcuffs being used by WPD officers.

DUI - Release on Scene

When someone is stopped, whether on the street or while driving, on suspicion of being under the influence or driving under the influence, there is a concern for everyone's safety. Officers usually perform field sobriety tests and often take breath samples. With full testing conducted at the scene, releasing the individual to a responsible party becomes feasible. This approach is commonly practiced by other local law enforcement agencies.

As it stands today in Watsonville, individuals suspected of being under the influence are usually taken in handcuffs to the WPD station for further breath or blood testing to confirm the blood alcohol levels. [27] [43] [44] If a responsible person is available, the inebriated individual is released to their care. If no responsible party is available, the person is handcuffed and transported to the sobering center, hospital, or jail, as appropriate.

DUI - Start and Finish in the Field

When an inebriated person is transported, their car may be impounded.^{[30] [44] [45]} This compounds the problems and financial costs faced by the individual and their families. If all breath testing occurred on the scene, there would be less need for handcuffing and transport.^[46] The Jury found that the WPD could put a breathalyzer in every patrol car for slightly more than \$100 each.^{[47] [48]}

If a responsible person can come to the scene, fewer cars would need to be towed. For officers, this could reduce the needed paperwork, put officers back on patrol sooner, as well as reduce expenses and trauma for the arrestees.

Opportunities and Challenges

The Watsonville Police Department is an evolving agency. The following sections examine improvements aimed at better supporting the community.

De-escalation Techniques and Training

According to the document, <u>The Santa Cruz County Sheriff's Task Force On 21st Century Policing</u>, "Law enforcement agency policies for training on use of force should emphasize de-escalation and alternatives to arrest or summons in situations where appropriate." Also, California Senate Bill 230 requires guidelines for de-escalation alternatives to the use of force. [50]

People who work in the community have noted that officers' fears often keep them from using de-escalation techniques. Officers who lack de-escalation training may come to a situation as if they're in charge and then act in an aggressive manner. The Commission on Peace Officer Standards and Training (**POST**) found that "over about 18 months, the rate of use-of-force per month fell consistently with each sequential cohort of officers trained" in de-escalation techniques.

Watsonville Police say that all WPD training includes some sort of de-escalation-type scenario. [53] However, the Jury could find no evidence that the POST de-escalation

training course "<u>De-escalation Strategies and Techniques for California Law Enforcement</u>" is used by the WPD.^[54] This training material states, "De-escalation achieves control verbally before it should be accomplished physically."

"Donut Hole" in Officer Experience Years

In general, seasoned officers with more experience and training are more likely to use de-escalation techniques, including releasing on site.^[14] Unfortunately, the WPD has few officers with 3 to 13 years' experience because of the "donut hole effect."

The "donut hole effect" was caused by the California Public Employees' Pension Reform Act (**PEPRA**), which was approved in 2012 and took effect on January 1, 2013. [55] According to local law enforcement, this led to a donut hole in years of experience in the WPD force. [56] Officers hired before 2013 have better benefits and are less likely to move to another agency than those hired after 2013. As a result, newer officers often seek other employment and eventually take jobs in the San Francisco Bay Area, where the pay and benefits are better. [57] Below are some salary comparisons for new officers. The gaps widen with more years of experience.

Agency	Trainee	5 Years Service
Watsonville PD Officer	\$94,663	\$124,440
Santa Cruz County Sheriff Deputy	\$101,330	\$122,620
San Jose PD Officer	\$111,000	\$164,570

Table 1. Annual Salaries Comparison

Source: Pay schedules from Watsonville Police Department, Santa Cruz County Personnel Department, San Jose Police Department^{[58] [59] [60]}

Starting salaries for the Santa Cruz County Sheriff's Office are 7% more than the WPD. The San Jose Police Department pays officers 17% more than WPD. Commuting to San Jose can be a 100-mile round trip. While there is an emotional cost to the commute time, many officers feel that the commute is worthwhile given the higher pay.

Note that the salary gap increases with five years of service. The San Jose Police Department pays 30% more than the WPD pays for officers with five years of service. This could be a major issue for officer retention.

Cultural Improvements at the WPD

"Protect and Serve" has historically been the motto of many police departments. At the WPD, attitudes have evolved. The department's motto could now be said to be "Protect the Vulnerable From Harm." [61] There is a new belief within the WPD that police should treat all involved in the incident "like they're your own family member." [62] The vulnerable include everyone involved in an incident, including those arrested.

The attitude that "everybody is treated with dignity and respect" coming from the top at the WPD is a good step towards improving community relations.

The Jury found that every incident in Watsonville triggers the WPD to send out an anonymous survey about the public's experience. [63] [64] These surveys are reviewed weekly. [64] Sending surveys and carefully considering the responses improves transparency.

Another area of improvement is the use of Body Worn Cameras (**BWC**). [65] [66] [67] [68] Officers and community members feel that the use of BWCs has greatly reduced both real and perceived issues with officer conduct. For every use of force incident, BWC footage is reviewed by several officers in the management chain. [67] This evidence is stored in an international law enforcement database. Per Lexipol guidelines, the review of BWC footage should include all use of handcuffs.

The WPD has instituted a training module titled "Why'd You Stop Me?" [69] [70] [71] This training promotes positive interactions between community members and the police. This unique program increases transparency in policing to eliminate unnecessary escalations.

While these positive changes are commendable, handcuffing and transporting at the WPD are still at a higher rate than other law enforcement agencies within the County.

Conclusion

The main function of California's Civil Grand Juries is to promote transparency and accountability within departments and agencies of local government.

The following recommendations from the Santa Cruz County Grand Jury will help the Watsonville Police Department more effectively and efficiently engage with the people of Watsonville. This will reduce trauma for those cited for minor infractions and the other community members involved and will also improve relations with the community. Ongoing and straightforward communication between officers and the people they serve leads to officers being seen as positive role models and prevents crime.

Findings

- **F1.** While handcuffing is discretionary, Watsonville Department police officers tend to overuse handcuffing, even when a person is released at the scene.
- **F2.** The WPD handcuffs and transports a much higher percentage of misdemeanor violators to department headquarters than other law enforcement agencies within the County.
- **F3.** All local law enforcement agencies handcuff individuals transported to police departments, hospitals, sobering centers, or the County jail.
- **F4.** In Watsonville, second or third breath testing is done at the Police Department, requiring handcuffing for transport. If more breath testing were done in the field, fewer people would be transported to the WPD.
- **F5.** De-escalation training reduces the use of force, including handcuffing.
- **F6.** Instead of "Protect and Serve", Watsonville Police say their motto is now "Protect the Vulnerable From Harm." The WPD also says "everybody is treated with dignity and respect," and they treat everyone "like they're your own family member."
- **F7.** The WPD has a lower retention rate of officers with more than five years of experience.
- **F8.** The WPD salaries are at least 17% lower than the San Jose Police Department salaries.
- **F9.** Officers with more years of service in the department have better relationships with the community and more experience in de-escalation, leading to fewer negative interactions.

Recommendations

- **R1.** The Watsonville Police Department should update training materials and provide additional training about cite and release, so that more individuals are released in the field, and thereby reducing the number of people transported to Watsonville Police Headquarters. This should be completed by June 30, 2026. (F2, F3)
- **R2.** While the WPD does include de-escalation training in some courses, the Watsonville Police Department should require all officers to take the Police Officer Standards and Training De-escalation Training by June 30, 2026. (F5, F9)
- **R3.** The Watsonville Police Department should update training materials and provide training around handcuffing discretion so that more individuals are released on the scene without being handcuffed. This should be completed by December 31, 2025. (F1)
- **R4.** The Watsonville Police Department should install in every patrol car a certified breath testing apparatus so that multiple breath tests are completed in the field and fewer DUI misdemeanors are transported to WPD. This should be completed by December 31, 2025. (F4)
- **R5.** The Watsonville City Council should add incentives and raise officer total compensation for those with experience of zero to 15 years by 10% to 30% to reduce attrition, especially in regards to those officers with more than five years of experience. This should be completed by June 30, 2027. (F7, F8, F9)
- **R6.** The Watsonville Police Department should institute quarterly meetings with community groups to strengthen relationships with the community. These meetings should begin by October 1, 2025. (F9)

Commendations

C1. The Santa Cruz County Grand Jury believes that the management of the Watsonville Police Department is truly concerned about the safety of everyone in Watsonville. This is demonstrated by their desire to protect the vulnerable from harm and treat everyone with respect. (F6)

Required Responses

Respondent	espondent Findings Recommendations		Respond Within/ Respond By
Watsonville City	F1, F2, F3, F4, F5,	R1, R2, R3, R4, R5	90 Days /
Council	F8		September 16, 2025

Invited Responses

Respondent	Findings	Recommendations	Respond Within/ Respond By
Watsonville Police Department Chief of Police	F1, F2, F3, F4, F5, F7, F9	R1, R2, R3, R6	60 Days / August 18, 2025

Definitions

• WPD: Watsonville Police Department

• **DUI**: Driving Under the Influence

• PEPRA: California Public Employees' Pension Reform Act

BWC: Body Worn Cameras.

• POST: Commission on Peace Officer Standards and Training

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Human Trafficking in Santa Cruz County

Voices Unheard, Signs Unseen

Summary

Human trafficking is defined by the U.S. Department of Justice as a crime involving the exploitation of a person for labor, services, or commercial sex. The Grand Jury concluded that human trafficking goes largely unrecognized and unreported in Santa Cruz County. This report will show that there is a lack of training and prevention activities provided to youth, school administrators, teachers, and law enforcement. State and local mandates meant to curtail trafficking are often not enforced. Additionally, there is insufficient coordination among stakeholders to address the issue of human trafficking.

The Grand Jury recommends actions that will increase collaboration among responsible agencies to better recognize and respond to human trafficking, coordinate handling of cases to support prosecutions, and secure additional funding while providing more effective support for prevention and increasing public awareness of the problem.

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Background

Human trafficking is poorly understood, difficult to define, and therefore, acquiring solid data is scattered and fractured. Though the common perception is that human trafficking happens primarily in other countries, it is indeed a significant problem in the United States. California consistently reports a high volume of human trafficking calls in the US, according to data from the National Human Trafficking Hotline (National Hotline). California also ranks #8 per capita at 28.88 victims per 100,000 residents.^[1]

In 2023, California had approximately 1,128 reported cases involving 2,045 victims. Roughly 62% of these cases involved sex trafficking. [2] It is estimated by the National Institute of Justice (NIJ) that 85% of human trafficking cases go unreported. However, the NIJ also states that this 85% rate of underreporting is a minimum. [3] [4] This translates into potentially 5,000-10,000 cases per year in California. Young girls between the ages of 12-14 years old and boys between the ages of 11 and 13 years of age are especially vulnerable. [5] [6]

- One local service provider states that it gets 5-7 calls on average per week from victims and estimates that in any given week, there are 200 sex trafficking victims in Santa Cruz County.
- A different local service provider representative states that in the past three
 years, it has served approximately 20 human trafficking victims who were minors
 between the ages of 12 to 18. This is a significant number of cases considering
 that the agency serves victims of multiple types of crimes.
- Public presentations made by a third local service provider generate 8-10 human trafficking cases annually.
- The County Office of Education (COE) administration is aware of two reported cases of sex trafficking among their 800 at-risk students in the 2024-2025 school year and is aware of at least four other suspected cases within the past three to four years. [7] [8] However, other COE staff working with at-risk students reported being unaware of any cases of student human trafficking.

The California Department of Justice determined that human trafficking, both sex and labor trafficking, is the fastest-growing criminal enterprise globally and is increasing in California. This is because human trafficking is a very lucrative business. Unlike drug sales, the commodity (sex or forced labor) can be sold over and over.^[9]

Scope and Methodology

In its investigation of human trafficking in the County, the Grand Jury (the Jury) set out to determine the following:

- The prevalence of human trafficking in the County of Santa Cruz.
- The level of education and outreach to youth and other vulnerable populations for the prevention of human trafficking.
- Law enforcement challenges in the prosecution of traffickers.
- Resources available to provide services to victims of human trafficking.

The Jury's investigation consisted of 19 interviews with County and various City law enforcement officers, non-profit agencies focusing on serving human trafficking victims, actual human trafficking survivors, school administrators, County administrators, administrators from a neighboring county, farmworker advocates, and homeless outreach workers.

In addition, the Jury researched State and local laws and ordinances related to the prevention and monitoring of human trafficking and the funding for these activities. The Jury also surveyed a random selection of businesses in each of the County's five supervisorial districts for compliance with signage requirements. Finally, Jurors did extensive research on websites related to human trafficking, attended local public events intended to raise public awareness, and obtained supporting documentation from interviewees as well as filed Public Records Act requests.

Investigation

What is Human Trafficking?

The simplified US legal definition of human trafficking is:

The recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of involuntary servitude, peonage, debt bondage, or slavery. Or, for commercial sex acts in which the person induced to perform such acts is under 18 years of age or is forced, defrauded, or coerced. The coercion can be subtle or overt, physical or psychological. Exploitation of a minor for commercial sex is human trafficking, regardless of whether any form of force, fraud, or coercion was used.

In Santa Cruz County, recruitment, harboring, and coercion are consistently reported in human trafficking cases.

The Scope and Nature of the Problem

Human trafficking victims are often recruited via manipulation or coercion. They may be promised shelter, drugs, money, or romantic attention. Once lured in, they are commonly subjected to sexual exploitation, forced labor, coerced recruitment of others, violence, and trauma.

Local survivors and frontline workers interviewed report that victims often do not recognize themselves as being trafficked. The result is a population that remains largely hidden and underserved.

Human trafficking is a growing criminal enterprise nationwide and one of the most underreported crimes in California. Santa Cruz County is not immune. [12] [13]

The Super Bowl and World Cup events scheduled for 2026 in Santa Clara County will impact the County of Santa Cruz directly with an influx of tourism and money, both of which increase the likelihood of human trafficking activity. Closer to home, the future development of a large year-round event center in the City of Santa Cruz Downtown Expansion Plan will potentially bring a heightened need for public awareness regarding human trafficking in our area. [16] [17] [18]

Vulnerable Populations in Santa Cruz County

According to the United Nations Office on Drugs and Crime, women and girls make up 71% of all detected trafficking victims worldwide. About 51% of all trafficked victims are adult women, and 20% are girls under the age of 18, typically between the ages of 12 and 14. Men make up 29% of victims, 21% of whom are adult men, and 8% are boys, typically between the ages of 11 and 13. [19]

The illustration below shows some of the factors that leave victims vulnerable to traffickers' seductive tactics.

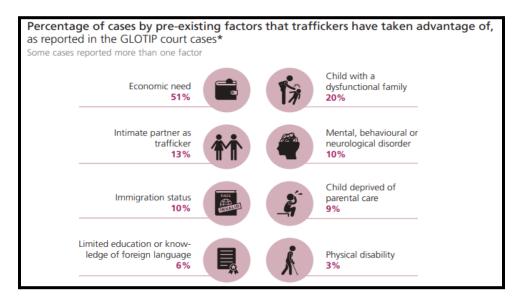


Figure 1: Pre-existing Factors Traffickers Take Advantage of [20]

Source: Global Report on Trafficking in Persons, 2020

In interviews with various service providers, law enforcement officers, and County administrators, several categories of vulnerable people who are disproportionately targeted by traffickers emerged.

- Youth in Foster Care: These minors are particularly vulnerable because most have come from dysfunctional homes. Many have suffered familial neglect and/or abuse. Traffickers target these youths, initially offering them the attention and nurturing they crave. They may be offered expensive gifts, drugs, or money. These youths may have been friended and groomed on social media a medium traffickers are skilled at using to build trust with their contacts. Youths may be led to believe they are in a romantic relationship with their captors, making victims more likely to be compliant.
- <u>School-aged Children</u>: Young children are among the most vulnerable due to their age and dependency on adults for their care. Sexual exploitation of these young children is most commonly perpetrated by a family member or a close, trusted friend of the family. Being victimized by adults who are responsible for their care leaves them with fewer options to speak out. They also lack the resources, know-how, or courage to reach out for help and may have experienced sexual exploitation for so long that it has become normalized.
- Homeless and Runaway Youth: These youths lack shelter, food, and money.
 Traffickers can immediately fulfill these unmet needs. In exchange, youths are asked to repay their traffickers by submitting to acts of sexual exploitation and/or engaging in criminal activities on behalf of their traffickers. Homeless and runaway youths will often choose to stay in abusive trafficking situations because the dangers are known, and they believe they are better off than they were in the situation from which they came.
- Young Adults Aged 18-25 Experiencing Poverty. Addiction, or Homelessness: As
 with minors, traffickers are able to offer these adults housing, food, and relative
 safety from the dangers of living on the streets. Addicts are lured by the prospect
 of access to the source of drugs they need to feed their addiction or forestall
 withdrawals.
- <u>Undocumented Agricultural Workers</u>: Undocumented workers, including unaccompanied minors, often come into the US with only the items they carry with them, leaving them vulnerable to offers of assistance meant to lure them into servitude. They likely do not speak English well, and many will have a limited education. Complaining about their abuse can result in being blacklisted by employers. Reporting abuse can also bring them to the attention of law enforcement, with the subsequent risk of being deported, especially in the current political environment.

Another factor not shown above is the use of social media. All youth who are on social media are vulnerable to traffickers. Known as "sexploitation", youth are increasingly coerced into posting nude photos of themselves on social media only to be later exploited and coerced by traffickers. Social media has created a platform for clever traffickers to lure and recruit youth of all socio-economic backgrounds. This practice continues to increase, and the nature of social media makes it difficult to detect and prevent.

The three composite examples below demonstrate how vulnerable youth can be exploited. All three have elements of recruitment, harboring, and coercion. Details have been provided by local service providers and are taken from actual local trafficking cases.

Sarah is a 15-year-old high school freshman who recently started dating John, a 17-year-old junior. Sarah believes she is in love with John and that their relationship is reciprocal. After two months of dating, John takes Sarah to a get-together with friends. He then asks her to have sex with his friend Mike. Sarah says, "But I don't want to have sex with your friend. I love you." John responds by saying, "If you loved me, you would do this for me." Reluctantly, Sarah agrees to have sex with Mike. John has made an arrangement with Mike to pay John to have sex with Sarah. Sarah has unwittingly become a human trafficking victim. After hooking Sarah in, John goes on to traffic her to other boys and men at parties in exchange for money, drugs, or alcohol. He has nude pictures of Sarah that he posts online to solicit customers.

Kathy is an 18-year-old who is invited to a party hosted by John, a trafficker. At the party, Kathy and her friends are provided alcohol and drugs. John offers Kathy what sounds like a great opportunity to make good money. He claims to be a professional photographer and offers her work as a model. He tells her a time and day to meet. After this meeting, Kathy decides to run away from home and drop out of school. John takes her on a shopping spree for the designer clothes she "needs" for modeling work. In exchange, she hands over her phone and identification. Kathy is now isolated, making it difficult for her to seek help. She is told that she now "owes" him for his gifts, and she must work off the debt. Soon, he is taking her from city to city, where she is forced into sex trafficking.

Mary was six years old when her uncle Bill first took her for an outing that resulted in him sodomizing her. He warned her not to tell her parents, and that he would hurt her little brother if she did. Uncle Bill began to take her to parties at his friend's house that always resulted in coerced sex acts she did not like, sometimes causing injury, and always involved other men who paid her uncle Bill with money, drugs, or alcohol. Sometimes, Uncle Bill would make videos of what she was forced to do with these men. She was afraid of her uncle's continued threats and did not want to upset her parents. Over time, she began to regard his sexual demands as normal. Even though Mary did not like what her uncle demanded she do, she focused on the reward of good food and nice clothes she would not have otherwise.

Indicators of Trafficking Activity

Signs of human trafficking are often masked by the presenting issues that bring victims to the attention of law enforcement or service providers. This means that most cases of human trafficking are unidentified, as many law enforcement officers are not properly trained to recognize cases of trafficking.

While not an exhaustive list, these are some key red flags indicating a potential trafficking situation: [21] [22]

Living conditions:

- Living with an employer
- Poor living conditions
- Multiple people in a cramped space

Physical appearance:

- Signs of physical abuse
- Malnourishment or extreme hunger
- · Suspicious tattoos or skin branding that is unexplained

Working/school conditions:

- Employer is holding identity documents,
- Unpaid or paid very little
- Under 18 and in prostitution
- Truancy

Suspicious Behavior:

- Inability to speak to the individual alone
- Answers appear to be scripted and rehearsed
- Submissive or fearful behavior

What Resources are Available to Human Trafficking Victims?

Below is a description of local providers of direct services to victims and their prevention activities. There are currently five such nonprofit service providers in the county. Links are provided for researching additional details on services provided by these organizations.

<u>Arukah Project</u>: Arukah provides direct services to human trafficking victims who contact Arukah through their 24/7 hotline. Arukah supports survivors of sex trafficking and also provides survivor-led trainings to schools.

Rising Worldwide: Rising is a Santa Cruz-based nonprofit dedicated to empowering survivors of human trafficking, gender-based violence, and extreme poverty. Rising provides free survivor-led training, mentorship, access to resources, and emergency financial support.

Monarch Services: Monarch is a County nonprofit that provides emergency shelter to survivors of domestic violence, sexual assault, and sexual trafficking. Other services include a 24-hour bilingual crisis line, legal advocacy, counseling, and support groups. Monarch also provides training. However, their trainers do not necessarily have any actual lived experience in human trafficking.

<u>The Coalition to End Human Trafficking in Santa Cruz and Monterey County</u>: The Coalition has grown a collaboration of organizations, businesses, and individuals working to end human trafficking in Santa Cruz and Monterey counties through education, advocacy, policy change, services for survivors, and prosecution of offenders.

<u>Catholic Charities of Monterey Bay</u>: Located in Watsonville, the agency serves migrant farm workers. Staff are trained to detect signs of trafficking among migrants and refer cases to appropriate local and state agencies for assistance, as well as providing trauma-focused bilingual care and counseling.

State Laws Regarding Prevention and Support Services to Minors

There are two State laws mandating enhanced prevention and support services for minor victims of human trafficking. Both of these laws provide for the allocation of funding to County child welfare agencies. This section gives an overview of these laws and their requirements.

Compliance with these laws will be discussed in a later section of this report.

SB 855 - Human Services Omnibus Trailer Bill for the 2014-15 Budget

SB 855 created the Commercially Sexually Exploited Children **(CSEC)** Program and requires the State of California to collect data from counties related to human trafficking cases and services provided. The law mandates a collaborative approach involving child welfare, probation, mental health, public health, and other relevant agencies.^[23]

The County of Santa Cruz participates in the CSEC Program and receives funding from the California Department of Human Services. These funds are provided to support the identification, protection, and specialized care of children and youth who are victims of, or at risk of, sexual exploitation. Counties are required to report back to the State on the allocation of CSEC funds as part of their County Biennial Call Report.

As the recipient of CSEC funds, Santa Cruz County's Family & Child Services (previously known as Child Protective Services) is required to form a multidisciplinary team and hold regular meetings for case reviews of identified minor victims and at-risk youth. This team is required to have representatives from child welfare, probation, mental health, public health, juvenile courts, the Sheriff's Office, and the County Office of Education. [24]

In the past five fiscal years, the County Human Services Department has received annual CSEC allocations ranging from \$136,000 to \$142,000, plus an additional \$6,555 in Federal funding for fiscal year 2024-25. Funds are distributed to local service providers as shown in Figure 2.

Total						
contract/purchase	Fiscal					
order amount	Year					
					Grand	
Vendor	2021-22	2022-23	2023-24	2024-25	Total	% Total
Monarch	\$65,000	\$65,000	\$65,000	\$61,750	\$256,750	43.84%
Rising Worldwide	\$25,000	\$25,000	\$25,000	\$23,750	\$98,750	16.86%
Diversity Center	\$25,000	\$25,000	\$25,000	\$23,750	\$98,750	16.86%
The Coalition	\$17,000	\$17,000	\$17,000	\$16,150	\$67,150	11.46%
West Coast Children's						
Clinic	\$300	\$14,000	\$18,000	\$12,000	\$44,300	7.56%
Encompass - Youth						
Advisory Board	\$10,000	\$10,000		\$0	\$20,000	3.41%
Grand Total	\$142,300	\$156,000	\$150,000	\$137,400	\$585,700	100.00%
CSEC Allocation	\$139,370	\$140,739	\$135,860	\$141,938	\$557,907	95.25%
Balance not spent/excess						
expenditures	-\$2,930	-\$15,261	-\$14,140	\$4,538	-\$27,793	-4.75%

Figure 2: CSEC Fund Disbursement Detail by Fiscal Year Source: Department of Human Services, Santa Cruz County [25]

AB 1227 - Human Trafficking Prevention Education and Training Act (2017)

AB 1227 is an update to SB 855 and requires California public schools to include education on human trafficking prevention in sexual health education classes for middle and high school students. It mandates that instruction be age-appropriate, medically accurate, and include information on how to recognize and avoid exploitation. The bill also requires school staff to receive training on how to identify and respond to signs of human trafficking. [26]

State Laws and Local Ordinances Regarding Human Trafficking Pending Legislation

AB 379 Survivor Support and Demand Reduction Act: This bill passed the California Assembly with a unanimous vote of 74-0 on May 15, 2025, and at the time of publication of this report is under consideration in the State Senate.

If passed into law, a key provision of this new bill would create a grant program through the California Office of Emergency Services to support district attorneys. This funding could be used to create specialized units for the vertical prosecution of trafficking cases. Vertical prosecution refers to the process of the initial investigation of a case through final disposition, including trial and sentencing. Such a process would streamline prosecutions.

AB 379 will also create a Survivor Support Fund, opening grant opportunities to community-based organizations that provide direct services and outreach to victims of sex trafficking and exploitation. [27]

Existing State Legislation

There are three existing critical California laws addressing the issue of sex and labor trafficking. The laws focus on public notice requirements and civil lawsuits against traffickers and those benefiting financially from trafficking. In brief:

SB 1193 - Human Trafficking: Public Notice Requirements: Requires certain businesses (such as bars, massage businesses, and transit stations) to post a notice with information on how victims of human trafficking can seek help, including the National Human Trafficking Hotline. SB 1193 also requires farm labor contractors to post human trafficking signage, according to the State Department of Industrial Relations. SB 1193 was expanded by AB 260, which requires hotels, motels, and bed and breakfasts to post the same human trafficking public notice. It also requires that staff be trained to recognize and report human trafficking. [28] [29]

<u>SB 225 - Human Trafficking: Civil Actions</u>: Allows victims of human trafficking to bring civil lawsuits against perpetrators and other responsible parties (such as businesses that benefited from the trafficking), even after criminal proceedings have ended. [30]

The Jury learned somewhat late in the investigation that AB 2130 requires all new emergency medical responders licensed on or after July 1, 2024, to also receive training to recognize and respond to victims of human trafficking. [31] [32]. Well-trained medical responders are better positioned to identify human trafficking victims than are law enforcement officers because of their perceived neutrality and the fact that they deliver medical care, not citations. [33] [34] [35] The Jury was unable to verify compliance of local fire and emergency medical responders in the county, but acknowledges the importance of them being properly trained to recognize victims of human trafficking to potentially collaborate with local service providers.

Local Ordinances

In addition to California laws, there are also local ordinances in effect at the County level and in each city within the county. These regulations focus on massage businesses and vary between cities and the County.

The codes for the Cities of Santa Cruz, Scotts Valley, and Watsonville are nearly identical. They each require massage businesses to be registered with the Chief of Police and require practitioners to be certified by the California Massage Therapy

Council **(CAMTC)**.^[36] The Chief of Police is responsible for enforcement and inspections in these jurisdictions. The County of Santa Cruz also requires certification with CAMTC, but in addition, restricts proximity to schools and playgrounds. The City of Capitola does not have any specific ordinances regarding massage businesses.^[37] [38] [39] [40] [41]

Why Are So Few Human Trafficking Cases Prosecuted?

In interviews with representatives of the Sheriff's Office, municipal police departments, and the District Attorney's Office, the Jury was told that there are very few cases of human trafficking identified and fewer still that are prosecuted. There are several reasons for the low number of reported cases.

- Perpetrators force victims to commit crimes in their stead to shield themselves from prosecution. Therefore, victims are at risk of being prosecuted for these crimes.^{[42] [43]} A common example is where a victim has been tasked with recruiting new victims and can herself be accused of trafficking. ^[44]
- Victims can be reluctant to report being trafficked because, unfortunately, they
 themselves have been sexually assaulted by police officers, or have heard from
 other victims of cases of such abuse. This was stated by both a law enforcement
 administrator and a trafficking survivor who has worked with multiple victims
 experiencing this abuse.^[45]
- Victims may come to the attention of police officers for incidents that are the result of being trafficked. [47] Law enforcement may respond to a case of domestic violence or a report of rape, both incidents that may have occurred because the person is being trafficked. If the victims are unwilling to declare being trafficked, an officer may cite them for prostitution, for example, an offense that will bar them from entry into any housing shelter in the future. [48]
- Victims can experience the Stockholm syndrome, where they identify with their captor and see that person as a protector or ,and so will not cooperate with police.

Interviews revealed that even when a victim of trafficking is identified and presented to the police, there are barriers to apprehending and prosecuting the trafficker.

Victims rarely remain in the jurisdiction of local law enforcement. Most victims are
moved frequently by their captors to avoid detection. Law enforcement may
begin an investigation when a victim is cooperating but must close the case when
the victim refuses to cooperate or leaves the area. [48] Investigations require law
enforcement time and resources, and these cases may never result in arrest or
prosecution. Even in the event of a completed investigation, the prosecution
process can take years to complete. [13]

 Victims can initially be cooperative with law enforcement, but they frequently return to trafficking. This occurs because shelter and other long-term support services are often not available. Jurors were told that victims who succeed in escaping trafficking have returned to their captors multiple times before finally severing ties.

Law enforcement agrees that human trafficking is a problem and does occur in the County. However, from their point of view, few cases of trafficking come to their attention. Other crimes are more easily identified, investigated, and prosecuted. [49] [50]

It is of note that in Grand Jury interviews with law enforcement for this investigation, the Jury perceived that officers are sincere in their desire to address the human trafficking problem in our County, but acknowledge that the obstacles outlined here are difficult barriers to overcome. [51] [52] [53] Later in this report, suggestions will be offered to help in the successful prosecution of more cases.

Santa Cruz County - A Feeder for San Francisco Bay Area Trafficking

Despite its relatively small size, the proximity of the County to the San Francisco Bay Area serves as a driver for recruitment and a transit point, connecting traffickers and victims with broader Bay Area networks. As mentioned above, major public events in the Bay Area are natural incentives for human trafficking.^[54] [55]

New venues being built and upcoming large events may also result in increased human trafficking activities.^[15] Planning for this growth has not been found in local agency documents.

There is Room for Improvement

In spite of obstacles to preventing, identifying, and prosecuting cases of human trafficking, there are areas where obstacles can be minimized or even overcome. Overcoming obstacles includes improving data collection, improving agency collaboration, enhancing prevention and awareness in school settings, among law enforcement agencies, and within the wider community, and complying with existing laws.

Inconsistent Data: Except for County Family & Child Services reporting requirements, the Jury found no evidence of a countywide effort to collect human trafficking data. Although the Federal Bureau of Investigation (FBI) gathers data on a broad scale regarding the number of human trafficking cases and other crimes reported, the data does not align with statistics reported locally. The FBI data shows zero cases of human trafficking in Santa Cruz County over a ten year period, [56] yet a 2018 Santa Cruz County Sheriff Operations Training Bulletin reported 37 children, youth, and young adults were confirmed to have experienced CSEC in the Tri-County Region between January 1, 2015 to December 31, 2016 and 54 children, youth and young adults were

suspected to have experienced CSEC. That report also stated that 690 children, youth, and young adults were identified as at risk of experiencing CSEC in the Tri-County Region (Santa Cruz, San Benito, and Monterey counties) during the same time frame. [57] [58] [59]

There are currently four human trafficking cases being prosecuted in Santa Cruz County Superior Court, all related to a single trafficker. [60]

The Jury found that while local law enforcement agents interviewed relied on data from the Polaris Project, which sponsors the National Human Trafficking Hotline, there is no collaboration among the agencies responsible for oversight of vulnerable youth to share information. This includes data gathered by the County Sheriff staff from the Internet Crimes Against Children (ICAC), a national data-gathering agency. These data yield significant numbers of potential cases of exploitation monthly. [61] [62] [63] [64] Furthermore, the Tri-County collaboration has dwindled due to a lack of regularly scheduled interaction and informational sharing opportunities. Because human traffickers are very mobile, it is important that there be regularly scheduled information sharing. [65] [66].

Neither law enforcement, nor child welfare staff, nor community nonprofit organizations share data on this issue with each other on a regularly scheduled basis.

There is a chasm between the figures shared with the Grand Jury from law enforcement and local nonprofit organizations on incidents of human trafficking cases they have encountered.

- A District Attorney's Office representative reported only two cases over the past four years, neither of which was successfully prosecuted.
- Information from the Watsonville Police Department reported there were no recent cases of human trafficking. However, a follow-up document stated that numerous cases were being reported and investigated each year, including cases of child trafficking.^[67]
- An administrator from the Santa Cruz Police Department was not able to cite the number of victims encountered since 2023, but guessed it's a single-digit number.
- A representative of the Sheriff's Office believes that there have only been two
 cases "in the last few months". The representative couldn't be more certain
 because data on crimes is categorized only by the Penal Code.

On the other hand, the number of potential trafficking cases, stated earlier in this report as provided by local service providers, is much higher.

A starting point to address the problem of human trafficking would be to have solid data on the number of cases collected countywide, as well as other data points on human trafficking activity in Santa Cruz County.

<u>Lack of Local Community, Government, Law Enforcement, and Nonprofit Collaboration</u>: The Sheriff's Office and the District Attorney's Office collaborate with Arukah Project and Monarch Services in some cases. However, this appears to be the limit of collaboration in our county.

There is currently no countywide team of stakeholders joining forces that is meeting regularly to coordinate and facilitate training, prevention activities, support services, or interdiction efforts. Such a group could collaborate to consolidate statistics and other data on human trafficking in Santa Cruz County. Quantifying the number of human trafficking cases, as well as collecting additional data on trafficking, would better enable the group to procure additional funding to address this problem. The CSEC multidisciplinary team and the tri-county steering committee's goals are different.

Multiple sources stated that the formation of law enforcement task forces specifically focused on human trafficking interdiction efforts would allow law enforcement to more directly and effectively address local human trafficking activity. Good data collected and consolidated by a human trafficking coalition could work toward procuring this funding. [69]

The District Attorney's Office did apply for grant funding, but was unsuccessful because it had only two cases that it had attempted to prosecute. If AB 379 is enacted into law, which appears likely, funding specifically designated for the District Attorney's Office to support vertical prosecution of human trafficking cases will become available.

The CSEC Program requires that a tri-county steering committee be established and hold quarterly meetings. The initial 35-member committee was chaired by the child welfare directors of the three counties. It included representatives from child welfare, juvenile probation, law enforcement, and other community partners. [70] [71] Meetings were disbanded in 2018 once protocols were established and the counties discontinued pooling CSEC funds for collaborative staff training. The child welfare directors from Santa Cruz, Monterey, and San Benito Counties continued to meet monthly, then quarterly, but have not held any meetings since May 2024.

<u>Training for Business, School Staff, and Students</u>: Local nonprofits specializing in human trafficking prevention, as discussed earlier, are available to provide low or no-cost training to students and staff, law enforcement, government staff, businesses, and the general public. Classes are led or supplemented by trafficking survivors. It was reported to Jurors that classes that include survivors are much more impactful, especially on students, than those led by non-survivors. Unfortunately, the Jury has also learned that these services are underutilized.^[72]

AB 1227 requires trafficking awareness training in grades 7-12. It also requires school staff and counselor training. Despite mandates, some local school administrators and agency representatives interviewed were unaware of training resources or have failed to implement trafficking prevention education.

Multiple County Office of Education staff interviewed could not recall when they last received any training specifically on this topic, but believe it was likely covered briefly in their required online training.^[73] Staff working with high-risk student cases report that it has been at least five years since they had training that touched on human trafficking.^[75] [76]

The Coalition to End Human Trafficking reports that it provides human trafficking prevention training by trafficking survivors to students at Juvenile Hall. This training has been very well received by these high-risk students.

<u>Training of Law Enforcement</u>: The Jury interviewed administrators and investigators in the District Attorney's Office, the Sheriff's Office, and Santa Cruz and Watsonville Police Departments regarding the depth and frequency of human trafficking training. The record of such training is spotty and, in some cases, can be improved.

- A representative from the District Attorney's office reports that there is a mandatory training requirement for human trafficking, but believes that it is not in-depth enough to enable officers to identify human trafficking victims.
- The Sheriff's Office is mandated by the State to provide sexual assault investigators with a weeklong training on a human trafficking component.^[77] Documentation from the Sheriff's Office shows that some staff have attended three different human trafficking related trainings since 2024. It is unknown how widely these trainings were attended.
- An administrator from the Santa Cruz Police Department believes that human trafficking training is provided in the Peace Officer Standards and Training in the police academy, but doesn't believe that it is included in ongoing training.^[78]
- The Watsonville Police Department received two hours of human trafficking training for detectives in 2019, but has no record of human trafficking training since that time.^[79]

Some local nonprofits discussed earlier in this report are available to provide low or no-cost training on human trafficking to law enforcement upon request.

<u>Convening of CSEC Meetings</u>: SB 855 requires that recipients of CSEC funds convene regular multidisciplinary team meetings to review human trafficking cases focused on minors.

A document received from County Family & Child Services states that the CSEC multidisciplinary team last met in November 2023. [68] When no new cases were reported, monthly meetings were cancelled. However, a public records request revealed that documentation submitted by the County to the State in February 2025 declares that among the duties that the CSEC Coordinator completes are "monthly or emergency multidisciplinary meetings". [80] [81]

While these meetings are cancelled because there are no new cases to discuss, in comparison, the Monterey County multidisciplinary team meets monthly and has a caseload of 30-40 minors. When there are no new cases to discuss, their team meets anyway to discuss progress on existing cases.^[82]

<u>Signage Compliance</u>: In spite of SB 1193 and AB 260, two laws requiring signage postings in a prominent place, a sample survey of all businesses across cities and unincorporated areas of Santa Cruz County found that only about 7% of businesses mandated to post signage are in compliance.

SB 1193 states that enforcement is typically handled by police or the Sheriff's Office, and the County's District Attorney representative conveyed that, as regards to signage requirements, their role is prosecution and not enforcement.^[83] [84]

The Jury was told by representatives of law enforcement that they believe human trafficking signage is important in raising overall public awareness and potentially providing help to victims of trafficking.

	Hotels/ Motels	Health Clinics	Alcohol Retailers	Hair/Nail Salons	Massage Businesses	Metros/ Airports	To	otal
	Posted/ Surveyed	Posted/ Surveyed	Posted/ Surveyed	Posted/ Surveyed	Posted/ Surveyed	Posted/ Surveyed	Posted	Surveyed
Santa Cruz	0/25	0/3	1/12	0/6	0/5	0/2	1	53
Scotts Valley	1/2	0/2	0/4	1/2	0/3	1/1	3	14
Watsonville	0/7	0/16	0/3	0/5	0/4	1/2	1	37
Capitola	2/2	1/2	0/2	0/5	0/3	0/0	3	14
Unincorporated*	0/3	0/1	0/13	0/6	1/2	1/1	2	26
Total	3/39	1/24	1/34	1/24	1/17	3/6	10	144
Compliance %	7.69%	4.17%	2.94%	4.17%	5.88%	50.00%	6.94%	
* Includes Aptos,	* Includes Aptos, San Lorenzo Valley, Live Oak, and Soquel							

Figure 3: Compliance with Human Trafficking Signage Requirement
Source: Survey conducted by Santa Cruz County Grand Jury, Spring 2025^[85]

Under SB 1193, farm labor contractors are also among those businesses required to post signs regarding human trafficking. In the case of farm labor contractors, the Santa Cruz County Agricultural Commission is responsible for enforcing the signage requirement.

In addition, a survey of farm labor contractor sites showed that where the required human trafficking signs were posted, they were not necessarily readily accessible to farm workers. Existing signs in both English and Spanish were faded, in small type, and generally in very poor condition.

The Jury also surveyed rest stops throughout the County and was unable to find any human trafficking signs. Rest stops are also required by SB 1193 to post human trafficking signs.

Human trafficking signs are required to list the telephone number and text message for the National Hotline. Two Jurors called this number multiple times and experienced a 30-minute wait for a callback. They also tried the text number listed on the sign. They were put into a continuous phone tree loop. A victim reaching out to a hotline is unlikely to be available for a callback and may be calling on a public phone. It is important for callers to get immediate help. Two local nonprofit organizations, Arukah Project and Monarch Services, each have a 24-hour hotline. Because these organizations are local and can provide real-time services, they could be added to local signs for a much better chance of receiving timely assistance. These organizations are equipped to provide emotional support as well as help locate immediate shelter and other basic needs.

Law Enforcement Compliance with Local Massage Business Ordinances: Local ordinances, including the County Code Section 5.08 regarding massage businesses, vary among jurisdictions. Consistency and coordination in enforcing and enhancing existing ordinances, or an overall County set of ordinances, could facilitate improved and consistent monitoring of human trafficking laws regarding massage businesses. One Sheriff's Office representative admitted that historically, Santa Cruz County has been more lax than other counties in licensing and inspection of massage businesses.

While most massage businesses are legitimate and do not engage in trafficking, local service providers are aware that some do. While conducting surveys for signage compliance, a few massage businesses visited by the Jury appeared to be suspicious. Regular inspections, enforcement of practitioner certification requirements, and compliance with signage requirements could result in curtailment of such activity.

Conclusion

Human trafficking does occur in Santa Cruz County, but goes largely unrecognized and unreported. Lack of data regarding human trafficking activity, lack of collaboration among stakeholders, insufficient training, and lack of compliance with state and local laws leave us in the dark as to the prevalence of human trafficking. As a result, the issue is not being adequately addressed, and the trafficking problem will continue unabated and possibly increase, unless proactive measures are taken. The Jury is hopeful that recommendations in this report to address the scourge of human trafficking in our community will be seriously considered and adopted.

Findings

- **F1.** There is currently no consolidated data being collected on Santa Cruz County human trafficking cases. This causes an understatement of the problem and makes it difficult for stakeholders to obtain additional funding.
- **F2.** The potential passage of AB 379 may provide grants for the District Attorney's Office for the prosecution of traffickers and grants for community-based organizations for direct services and victim outreach. This could provide the resources necessary to ultimately reduce human trafficking and reduce the likelihood of victims returning to trafficking.
- **F3.** The tri-county CSEC steering committee for the prevention of human trafficking has not met for a full year as of the publication of this report. Therefore, there is no active body that could potentially monitor trafficking cases across the tri-county area.
- **F4.** The County Family & Child Services CSEC-required monthly multidisciplinary team meetings have not been held since November 2023, despite biennial reporting otherwise to the State Department of Social Services. Therefore, known cases of human trafficking have not been properly overseen.
- **F5.** Staff and administration of the County Office of Education report they are not adequately trained and do not receive regular training regarding human trafficking as required by AB 1227. This is in spite of the fact that free training is available from local providers that could bring COE into compliance if enforced. This deficiency can lead to a failure in the staff's ability to identify cases of trafficking.
- **F6.** Very few businesses in Santa Cruz County are in compliance with SB 1193 signage requirements. This results in the reduction of community awareness of the problem and the likelihood that trafficking victims will be able to reach out for help.
- **F7.** Existing human trafficking signs at farm worker contractor sites are not readily accessible to farm workers and are in poor condition. This can result in farm workers being unaware of available resources and an inability to reach out for help.
- **F8.** The mix of County and local municipal ordinances regarding the licensing and inspection of massage businesses varies, possibly causing confusion and inconsistent enforcement of existing regulations.
- **F9.** Annual inspections are required of massage businesses in jurisdictions with massage business ordinances, but inspections are generally not being conducted. This can result in undetected human trafficking activity.
- **F10.** Calls to the National Human Trafficking Hotline on existing signs have unacceptably long wait times and can result in a lost opportunity to assist human trafficking victims.
- **F11.** Local nonprofit organizations have 24/7 hotline numbers that are staffed, and calls can be answered immediately or within minutes, greatly increasing the likelihood of contacting victims and providing assistance in real time.

- **F12.** There has been a lack of human trafficking presentations to law enforcement. Local law enforcement jurisdictions could request the no-cost training that is available from local human trafficking service providers. This can lead to officers learning to identify human trafficking victims and reduce further victim trauma.
- **F13.** Law enforcement task forces focused solely on human trafficking are very effective methods of detecting and preventing human trafficking activities. Such task forces could increase the rate of interdiction and the successful prosecution of human trafficking cases.

Recommendations

- R1. The Department of Human Services should designate a qualified staff member to take the lead in forming a countywide human trafficking coalition, including the District Attorney and the Sheriff's Office. Members should include stakeholders discussed in this report who are involved in the prevention and interdiction of human trafficking. The focus should include the consolidation of human trafficking data and the procurement of additional funds, potentially to fund law enforcement task forces. This should be completed by December 31, 2025. (F1,F2,F13)
- **R2.** The Program Manager of Family & Child Services should coordinate with Monterey and San Benito County peers for the purpose of reconvening the tri-county Commercial Sexual Exploitation of Children steering committee. This team would meet regularly to review and track intercounty human trafficking cases and activity in our region and participate in regional prevention activities. This should be completed by December 31, 2025. (F3)
- **R3.** The Program Manager of County Family & Child Services should resume and maintain monthly multidisciplinary team meetings, required as a condition of receiving Commercial Sexual Exploitation of Children funding, to review ongoing human trafficking cases and discuss other potential cases involving high-risk youth. This should commence by August 31, 2025. (F4)
- **R4.** Each law enforcement agency in Santa Cruz County, including the Sheriff's Office, Santa Cruz Police Department, Scotts Valley Police Department, Capitola Police Department, and Watsonville Police Department, should require law enforcement officers to receive an annual human trafficking awareness training, preferably led by human trafficking survivors. This should commence by December 31, 2025. (F12)
- **R5.** The County Office of Education should come into compliance with AB 1227, providing human trafficking-related training, led by survivors, to students and staff as required. This should be completed by February 28, 2026. (F5)
- **R6.** Santa Cruz County Board of Supervisors should adopt an umbrella countywide ordinance requiring human trafficking signage currently mandated by the State to be part of all existing permitting and licensing procedures for affected businesses. This should be completed by June 30, 2026. (F6)

- **R7.** Santa Cruz County Board of Supervisors should require that county-specific human trafficking awareness and support signs include at least one 24/7 local hotline number, and staff should collaborate with local non-profits providing support to human trafficking victims to develop an effective sign for countywide posting and distribution. This should be completed by June 30, 2026. (F10, F11)
- **R8.** The Santa Cruz County Agricultural Commissioner should come into compliance with SB 1193 by ensuring that existing human trafficking signs are refreshed annually. In addition, it should require all farm labor contractors to include the SB 1193 sign in employee handbooks for easy accessibility. A review for compliance should be done on an annual basis. This should commence by September 30, 2025. (F7)
- **R9.** Santa Cruz County Board of Supervisors should adopt a countywide ordinance regulating the licensing, employee certification, and inspection requirements for massage businesses consistent with California Massage Therapy Council certification and licensing requirements. This should be completed by June 30, 2026. (F8)
- R10. Local law enforcement agencies, including the Sheriff's Office, Santa Cruz Police Department, Scotts Valley Police Department, Capitola Police Department, and Watsonville Police Department, should enforce massage business licensing, certification, and inspection requirements. This should include compliance with SB 1193 signage requirements. Enforcement of existing ordinances should commence by September 30, 2025. However, if/when the Board of Supervisors agrees to the Jury's recommendation to adopt a countywide ordinance, law enforcement should come into compliance with this new ordinance within 30 days of adoption. (F9)

Required Responses

Respondent	Findings	Recommendations	Respond Within/ Respond By
Santa Cruz County Board of Supervisors	F1, F2, F3, F4, F6, F7, F8, F10, F11, F13	R1, R2, R3, R6, R7, R8, R9	90 Days / September 29, 2025
Santa Cruz County Sheriff	F1, F2, F6, F9, F12, F13	R1, R4, R6, R10	60 Days / August 29, 2025
County Superintendent of Schools	F5	R5	60 Days / August 29, 2025
Santa Cruz County District Attorney	F1, F2, F13	R1	60 Days / August 29, 2025

Invited Responses

Respondent	Findings	Recommendations	Respond Within/ Respond By	
Program Manager, County Family & Child Services	F1, F2, F3, F4, F13	R1, R2, R3	60 Days / August 29, 2025	
Director, Santa Cruz County Human Services Department	F1, F2, F3, F4, F13	R1, R2, R3	60 Days / August 29, 2025	
Santa Cruz County Agricultural Commissioner	F7	R8	60 Days / August 29, 2025	
Police Chief, City of Santa Cruz	F6, F9, F12	R4, R6, R10	60 Days / August 29, 2025	
Police Chief, City of Scotts Valley	F6, F9, F12	R4, R6, R10	60 Days / August 29, 2025	
Police Chief, City of Watsonville	F6, F9, F12	R4, R6, R10	60 Days / August 29, 2025	
Police Chief, City of Capitola	F6, F9, F12	R4, R6, R10	60 Days / August 29, 2025	
Director, Arukah Project	F10, F11	R7	60 Days / August 29, 2025	
Chief Executive Officer, Monarch Services	F10, F11	R7	60 Days / August 29, 2025	

Definitions

- CAMTC: California Massage Therapy Council
- **COE**: County Office of Education
- **CSEC:** Commercially Sexually Exploited Children
- NIJ: National Institute of Justice

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https://polarisproject.org/resources/us-national-human-trafficking-hotline-statistics

https://polarisproject.org/myths-facts-and-statistics/

Site Visits

Canvassing of all five County Supervisorial Districts for SB 1193 signage compliance.

Visited public events that included Farmworker Reality Tours and Rising at the Rio.

May 15, 2025 Monterey County Human Trafficking Symposium.



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If You Can't Measure It, You Can't Manage It.

The Challenges Facing the Management of High-Cost Beneficiaries in the Health Services Agency

Summary

For several years, the Santa Cruz County Health Services Agency has been made aware of deficiencies in tracking and reporting on their highest-cost clients. Since 2021, two external state-mandated reports recommended that the Health Services Agency develop a Level of Care tool for identifying and managing Behavioral Health and Substance Use Disorder patients. There is a large subset of these patients whose total cost of care is considerably above normal expectations. A recent accreditation report stated that 15% of clients account for 55% of the claimed services, clients who are labeled as high-cost beneficiaries by the external regulators.

High-cost beneficiaries present a complex challenge for Santa Cruz County. Effective strategies to address their needs require improvements in three major areas:

- 1. the administration and coordination of programs and services;
- 2. increased financial support of programs and staff, and
- 3. an enhanced focus on the underlying clinical issues resulting from homelessness, physical, and mental health conditions.

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Background

In California, the government-funded healthcare program is referred to as Medi-Cal. Medi-Cal offers plans and pays for healthcare for low- or no-income individuals, with some enrolled in Medi-Cal Managed Care plans. These plans feature provider networks (doctors, pharmacies, etc.) and cover standard health benefits, plus prescription drugs, and behavioral health. The behavioral health program for Medi-Cal enrollees in Santa Cruz County (the County) is a shared financial responsibility between the County and two Medi-Cal Health Maintenance Organizations (HMO's). Those two HMO's are Kaiser Permanente (Kaiser) and the Central California Alliance for Health (the Alliance). The majority of Medi-Cal beneficiaries in the County are enrolled through the Alliance. Specifically with respect to behavioral healthcare treatment, California has split the financial responsibility:

- The County is financially responsible for any costs in excess of Medi-Cal payments for clients with severe behavioral health and/or substance use disorders.
- The Alliance and Kaiser are financially responsible for any costs in excess of Medi-Cal payments for clients with mild to moderate behavioral health issues.
 The Alliance and Kaiser are also financially responsible for the majority of other healthcare services to these clients, such as preventative care, specialist care, hospitalization, surgeries, radiology, lab, and pharmacy.

The County's Health Services Agency (**HSA**) provides services to County residents under four broad categories: Behavioral Health, Environmental Health, Health Centers, and Public Health. The Health Centers serve approximately 15,000 Medi-Cal residents annually, offering primary care, substance use disorder (**SUD**) and mild to moderate behavioral health services to these clients. The Behavioral Health division serves about 5,700 Medi-Cal residents annually, addressing SUD and moderate to severe behavioral health issues.^[1] [2]

About 15-20% of those 5,700 behavioral health Medi-Cal patients in the County use more than half (55%) of the health services provided by HSA. [3] [4] In Fiscal Year 2022-2023, one individual incurred costs of \$1,574,102. In Fiscal Year 2023-2024, one individual incurred costs of \$667,209. [2] These two patients, and others like them, are known as High-Cost Beneficiaries (**HCB**) or High-Cost Utilizers. The 2024-2025 Santa Cruz County Grand Jury (**the Jury**) will use the term HCB for the remainder of the report.

HCBs are individuals who, due to frequent and repeated interactions with city and/or county agencies, incur substantial costs. These outliers are costly to the County not only when measured by dollars spent, but more importantly, the cost and time involved in managing HCBs strains the entire health care system. Such strains are cumulative and affect the availability of staff, bed space, and services. Every day, the needs of HCBs put pressure on the services and resources needed by the other clients.

While many of the services required by the State of California under Medi-Cal are paid through State and federal funding, that funding does not cover the total costs to the County. As a result, HSA's 2023-2024 budget required an additional funding of \$18.6 million from the County's general fund. [5]

Today, as Santa Cruz County faces an ever-shrinking budget while the need for services only increases, it is imperative that the County develop and implement cost-effective solutions to better manage their clients. In particular, the County needs to be able to better manage the cost burden of treating HCBs. They must be able to quickly identify these clients, understand the critical incidents that lead to any given patient becoming a high-cost client, and provide services that will improve patient outcomes. In the long run, better management will improve outcomes for all patients, control costs, and reduce the number of HCBs.

The Jury found that the HSA does not regularly report on the number of clients they serve, the frequency of services, or the types of services their clients use. The HSA does not have data benchmarks such as a Level of Care (**LOC**) tool that can lead to a better understanding of costs and utilization of the services provided to all HSA clients.

In addition to tracking and managing the HCB's, the Jury found that the clinical operations of HSA need to prioritize reporting tools for all clients. Through improved reporting, the leadership can gain a greater understanding of costs, monitor clinical productivity, and establish both data integration and reporting protocols with subcontracted entities.

Scope and Methodology

The Jury sought to understand the reasons why so many services are needed by individuals which then result in them becoming high-cost beneficiaries. The Jury wondered: if the number of HCBs could be reduced, how might that impact the County's general fund contribution to the HSA? How do various County and community agencies work with HCBs? How could Kaiser and the Alliance reduce the number of HCBs?

The Jury interviewed people from different agencies, including HSA divisions and departments. The Jury spoke with law enforcement to help understand the scope and severity of community issues around HCBs. And the Jury talked with County contracted service providers.

The Jury collected data on the costs incurred by HSA clients, reviewed documents that were prepared by external review agencies, and combed through data on websites including California's Department of Health Care Services, the HSA, and the Alliance. Finally, the Jury reviewed the mandated responsibilities for the County HSA to provide Medi-Cal services.

Investigation

Funding Behavioral Health and Substance Use Disorder Services

A substantial portion (95%) of the funding for Behavioral Health and Substance Use Disorders comes through Medi-Cal, which is a combination of Federal and State funds. Despite this, the operating costs of these services in Santa Cruz County exceed the Federal and State funding, which then requires a General Fund contribution from the County. General Funds paid towards Behavioral Health and SUD have been \$40,302,996 for the past 3 years. The following is a summary:

	Unduplicated Number of	Total Program Costs (excludes	Total Program			General Fund
	Behavioral Health and Substance Use	allocations of HSD	Costs per Patient per	Federal, State, and Insurance	General Fund	Support per Patient per
Fiscal Period	Disorder Patients	Administration)	Year	Funding	Support	Year
2021-22 Actuals	5,750	\$108,778,527	\$18,918	\$100,174,667	\$8,603,860	\$1,496
2022-23 Actuals	5,777	\$129,052,424	\$22,339	\$111,128,635	\$17,923,789	\$3,103
2023-24 Estimated Actuals	5,922	\$137,940,711	\$23,293	\$124,165,364	\$13,775,347	\$2,326

Figure 1. Summary of Santa Cruz County Behavioral Health Services Division Revenues, Expenses, and Patient Volumes [2] [6] [7]

As a result of the General Fund contributions to operate the program, the County is essentially the insurer or financial backstop for costs in excess of Federal and State funding. As an insurer, most healthcare organizations develop a number of tools and business models to manage the underlying risk. Those tools are put in place with identified benchmarks. As an example from the above figure, the Jury is unable to determine, because of a lack of benchmarks, if the level of expenditures or General Fund support was too much or too little per patient. The identified goal by the County HSA Director and County Executive Officer for FY 2026 is to significantly reduce the General Fund support. When making decisions concerning the ongoing funding for services, the HSA should be providing industry benchmark data or trending targets to the general public, its Advisory Commissions, and the Board of Supervisors.

One common management risk tool is the <u>Pareto Principle</u>, often referred to as the "80/20" rule. In the health care setting, this principle suggests that 80% of patient care costs and services are incurred by 20% of the clients. As a consequence, it is important as an insurer that the County and HSA have the mechanisms in place to effectively manage the high-cost beneficiary, approximately 20% of all clients.

In reviewing the program costs by service, the values on a "per patient per year" basis can be skewed, as some patients might access multiple programs. As an example, an "Access and Crisis" patient might also be included under "Substance Use Disorder" in the same year. Patients can receive care under multiple programs with varying funding sources and protocols. The total cost trends for the departments are shown below.

As an observation, salaries and benefits represent about 25% of the program costs, with the majority of costs arising from contracted services. Consequently, managing the total costs of care requires an important alignment between the County (as the insurer) and its vendors. Organizations like the Alliance have a larger share of medical delivery costs as contracted services and have developed tools to more closely monitor costs as HCB outlier cases unfold.

				Program Costs as a % of Total County Behavioral Health Service		
Behavioral Health Program Name	2024-25 Adopted Budget	2024-25 Estimated Actuals	2025-26 Proposed + Supplemental Budget	2024-25 Adopted Budget	2024-25 Estimated Actuals	2025-26 Proposed + Supplemental Budget
Substance Use Disorder	\$44,486,031	\$41,144,557	\$46,490,753	24.41%	24.52%	25.79%
Adult Mental Health	\$30,868,822	\$28,282,402	\$28,346,756	16.94%	16.86%	15.73%
Behavioral Health Administration	\$30,429,499	\$24,795,823	\$26,683,073	16.69%	14.78%	14.80%
Mental Health Managed Care	\$23,344,094	\$23,305,588	\$21,505,354	12.81%	13.89%	11.93%
Children's Mental Health	\$18,761,775	\$14,092,070	\$22,235,806	10.29%	8.40%	12.34%
Residential Mental Health	\$16,962,125	\$17,832,894	\$20,098,224	9.31%	10.63%	11.15%
Access and Crisis	\$8,137,014	\$6,818,499	\$6,706,731	4.46%	4.06%	3.72%
Behavioral Health Support	\$5,222,214	\$5,834,318	\$4,774,302	2.87%	3.48%	2.65%
Quality Improvement	\$3,464,249	\$3,617,496	\$3,416,301	1.90%	2.16%	1.90%
Specialty Mental Health	\$600,172	\$2,047,275	-\$4,458	0.33%	1.22%	0.00%
Total Expenses	\$182,275,995	\$167,770,922	\$180,252,842	100.00%	100.00%	100.00%
Salaries and Benefits as a % of Total	26%	24%	24%			
Services and Supplies as a % of Total	57%	57%	60%			

Figure 2. Expenses by Program Type
Santa Cruz County Behavioral Services Division [2] [6] [7]

The Jury sought to understand what mechanisms HSA has deployed to manage utilization and cost for patients seeking behavioral health and substance use disorder services. Those mechanisms could include the LOC tool that had been recommended in previous independent credentialing reviews.

Definition and Identification of High-Cost Beneficiaries

There is no standard definition of HCBs used by the County; the criteria vary from program to program.^{[9] [10] [11]} There is, however, general agreement that HCBs incur much higher-than-average costs to the County. The Jury learned:

- Identification of HCBs occurs through various methods, including attempts to track individuals with severe mental illness, homelessness, and frequent emergency room use, as well as those involved with the justice system. [9] [12] [13]
- Common factors contributing to high utilization of services include co-occurring mental health and substance use disorders, homelessness, chronic health conditions, lack of support for seniors, and justice system involvement. [14] [15]
- HCBs comprise at least 15% of the members served by Behavioral Health in the County (compared to 4.5% statewide) and account for over 55% of the claimed services (compared to 34% statewide).^[3]

Identifying HCBs has proved elusive because there are no system-wide or cross-provider data collection and reporting standards for identifying potential and current HCBs, the services they use, and the overall cost to the County.

County Health Services Programs and Resources

In addition to County-run clinics and staff, HSA has programs available to serve and help manage HCBs, as does the Alliance and the Santa Cruz County Sheriff's Office (**Sheriff's Office**). The Jury finds that each program provides critical services to HCBs and, although they have overlapping goals and likely clientele, too, there is little to no coordination for tracking clients that receive services from one or more of the following programs:

<u>Integrated Housing and Recovery Team</u> (IHART): An Integrated Housing and Recovery Team within the Behavioral Health Division that helps people experiencing homelessness and mental illness.^[16]

The <u>24/7 Mobile Crisis Response Team</u> was launched by the County in December 2024. In the words of their website:

Mobile Crisis Response Teams provide culturally responsive and clinically appropriate services in the community. We respond quickly to urgent behavioral health emergencies to help stabilize youth, support families and provide linkages to additional services. We help remove barriers to access by meeting individuals where they are, whether that's a park, school, or other safe site like a faith-based location. [17]

<u>Enhanced Care Management</u> (ECM): This Alliance program targets Alliance clients who meet their internal HCB criteria and other high-risk clients. The program provides cross-disciplinary case management for an individual's physical, mental, and social needs.^[18]

Focus Intervention Team (FIT): The Focus Intervention Team is a partnership between the Sheriff's Office and HSA that aims to provide services to individuals who are habitually arrested and also suffer from mental health or substance use disorders. This program aims to reduce recidivism by connecting individuals with necessary services, such as mental health treatment, substance use counseling, and housing assistance. FIT teams are staffed by deputy sheriffs and social workers who together identify each client's particular needs and work one-on-one with the client to secure the services, whether it is a new ID or driver's license, arranging medical appointments, or contacting a family member.^[13]

<u>Care Alert</u>: Launched January 2025, Care Alert is a voluntary registry that allows community members to share critical information about individuals with cognitive or behavioral challenges that may affect their safety, communication or conduct during interactions with 911, 988 (Suicide and Crisis Lifeline), or law enforcement. This is a proactive approach that can help ensure the individual receives appropriate care, minimize duplication of services, and potentially reduce health care costs. The Mental Health Advisory Board (**MHAB**) has recommended that Care Alert and the Mobile Crisis Response Team explore ways to share data. [19]

Other Resources for the County

Serving Communities Health Information Organization (SCHIO): Established in 1996 by local physicians, SCHIO is now a non-profit organization whose board includes members from the Alliance, HSA, both hospitals in the County, as well as other County health care providers and organizations. As a Health Information Organization, SCHIO facilitates the exchange of health information to improve care management, reduce redundancy, and enhance patient safety.

The Jury believes the SCHIO partnership has not been adequately leveraged, especially for monitoring HCBs. The Jury strongly suggests that as a member of the SCHIO Board, HSA, together with the Alliance, establish data-sharing for all County HCBs.

Mental Health Advisory Board: The MHAB provides advice to the Board of Supervisors (BoS) and the Behavioral Health Division. They are charged with reviewing and evaluating the community's mental health needs, services, facilities, and special problems. According to the County's website, MHAB provides oversight and monitoring of the local mental health system, as MHAB's stated goals include:

 Advise the Behavioral Health Division on current and ongoing issues and potential solutions as they relate to the quality and effectiveness of Behavioral Health Services for the County.

- Develop skills, identify resources, and utilize best practices to maximize the effectiveness of the Santa Cruz County Mental Health Advisory Board.
- Increase community awareness on issues, services, and solutions related to Behavioral Health to ensure inclusion and dissemination of accurate and relevant information.

MHAB's goals align with the goals noted in the April 2025 report released by the Rand Corporation: <u>Funding the Service Gap for Adult Outpatient Mental Health Services in California</u>.

The Jury believes the MHAB Board could be an advocate for improving coordination of care between the County and the Alliance and securing additional funding for County and Alliance programs. An initial step in this direction is MHAB's written request that the BoS find ways to allow data sharing between the two Behavioral Health programs.^[19]

Central California Alliance for Health. The Governing Board of the Alliance includes a member of the County's Board of Supervisors and the Director of the County's Health Service Agency. The Alliance has been a contracted health care partner with the HSA since 1996, almost 30 years. As a County health services contractor, the Alliance has helped meet the County's ever-increasing need for services by enrolling and insuring approximately 79,000 of the County's 82,000 Medi-Cal patients. [20] [21] [22] [23]

The Jury believes the County and the Alliance would both benefit from better integrated services, standards of care, and data sharing. The Jury also believes the Alliance is in a unique position to enhance funding of County behavioral health and substance abuse projects and programs.

A Special Program and Partner: The Central California Alliance for Health

The Alliance has an outsized and unique impact on County HSA services and HCBs because it has worked with the County for almost 30 years. The Alliance is a Managed Care Organization and insurer licensed to serve Medi-Cal clients. Since its inception in Santa Cruz County in 1996, the Alliance has grown to cover more than 440,000 Medi-Cal beneficiaries (99% of its members) in five central California counties: Mariposa, Merced, Monterey, San Benito, and Santa Cruz.

HCB Data and Metrics at the Alliance. The Alliance uses internal metrics and reports to track and manage high-cost clients, including clients with complex medical and social needs. Regular internal reports are generated, including monthly and quarterly reviews of utilization metrics and performance against strategic goals. Those tools and reports are appropriately directed towards healthcare services under the responsibility of the Alliance, but this does not include County responsibilities (like severe mental health or substance use disorders).

- The Alliance defines high utilizers as individuals with two or more chronic conditions and either four Emergency Department visits or three inpatient admissions within a rolling 12-month period.
- Defining criteria for HCBs also includes 30-day readmission rates, post-discharge follow-ups, and Enhanced Care Management enrollees.
- Approximately 2% of County Alliance members meet the Alliance's high utilizer criteria.
- An internal and confidential High Utilizer Dashboard provides the Alliance staff with detailed insights into demographics, chronic conditions, and care management for the Alliance's HCBs.

Behavioral Health Coordination with the County. The Alliance reports that it collaborates with the County's Mental Health Plan (MHP) to ensure effective care coordination for members receiving behavioral health services. This partnership includes interdisciplinary team meetings and regular data sharing to address member needs. This collaboration needs to be strengthened.

- According to the most recent credentialing report, about 15% of the County Behavioral Health patients consume over 55% of the resources.
- Most of these same patients are likely receiving other healthcare through the Alliance.
- It seems logical that both the County MHP and the Alliance make stronger efforts to collaborate on a Level of Care tool, as recommended by the external credentialing report.

The Alliance's Finances. The State requires the Alliance to maintain financial reserves, which are called its "<u>tangible net equity</u>" **(TNE)**. As of December 31, 2024, the required TNE for the Alliance was \$76 million, and the actual TNE was \$891 million. The Alliance has excess financial reserves that are \$815 million, or 11 times the required minimum.^[25]

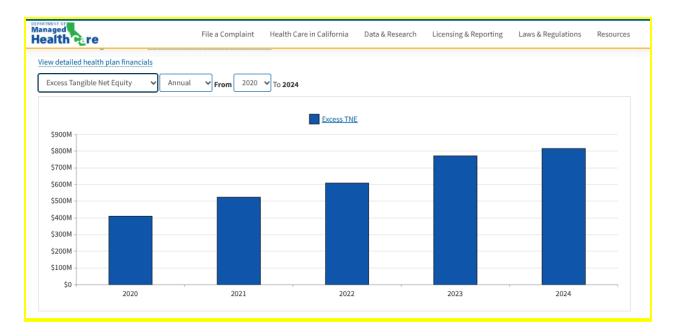


Figure 3. Financial Information (Excess Tangible Net Equity) for the Central California Alliance for Health as reported to the California Department of Managed Health Care^[25]

The governing board of the Alliance has established some guidelines on how the excess reserves shall be used. One of the opportunities that would be of mutual benefit to the Alliance and the County would be to leverage systems and tools to build a Level of Care tool, as recommended to the County during the most recent accreditation.

The Challenge for the County and the Alliance. The Alliance has been a contracted health care partner with the HSA since 1996, almost 30 years. During that time, the HSA budget for health services has decreased. For the coming fiscal year, FY 2025-26, HSA expects yet another decrease despite growing demand and increased costs. This spiral exacerbates the HSA budget gap between service costs and Medi-Cal funding, thus increasing what the County needs from the General Fund. HCBs can have a significant impact on the HSA budget and staffing levels. In FY2023-2024 the HSA needed \$18.6 million of County general funds to break even. [26]

During this time, the Alliance has regularly increased its annual budget, expanded its in-house services, added staff, and built a healthy cash reserve – its Tangible Net Equity. At the close of FY 2024, the Alliance posted a TNE that is 11 times the required minimum.^[25]

Partner Engagement. The County and the Alliance share many patients. County efforts to work with the Alliance to develop tools to assist coordinated care have yet to produce shared data or standard reports. [9] [18]

This Jury strongly believes that both parties should sit down and begin leveraging their relationship with the goal of better serving the County and Alliance's clients beyond these necessary financial exchanges. While challenges might arise concerning patient confidentiality, the parties could form appropriate contractual arrangements or management service agreements to coordinate the information.

The Jury strongly suggests that the County and the Alliance agree to expand their relationship by together developing, with their in-house staffs and funding, a Level of Care (**LOC**) tool. The LOC tool can be the foundation for, first, managing shared HCBs and, eventually, used by the County for all of its Health Care clients. This tool could also be used by the Alliance to manage the almost half a million clients it serves throughout five Central California Counties.

The County has Challenges

The Jury finds that behavioral health and substance use disorder programs across the County operate in silos. Each administers its own programs or clinics. Each collects its own client data. Each is funded separately. At the same time, all rely on a variety of sometimes overlapping funding sources to serve ever-growing and sometimes overlapping populations. Fragmentation hinders collaboration on services, finances, and program administration. [14] [18] [27] [28]

Administrative and Clinical Fragmentation. The County, the Alliance, the Sheriff's Office, and the County's two hospitals often treat the same HCB clients but, there is little to no coordination between programs that would allow staff to provide the widest array of services without duplication. Minimizing duplication could reduce patient costs and improve patient outcomes.^{[29] [30]} For example, an emergency room visit could automatically link a client to other needed services, such as a social worker or primary care provider visits, freeing the hospital social worker to meet with other patients.

Data Fragmentation: There is no comprehensive public report detailing the number of HCBs, their service utilization, and their associated costs. Data is regularly collected, but the County does not have standard, regular reports to document services used or costs incurred at the individual level. Throughout the review of the HSA, the Jury discovered that there are many reports prepared, but it is not clear what cost or utilization benchmarks the department was using to measure progress. As an example, a recently announced expansion of inpatient services, while laudable in addressing the impact of housing and behavioral health, does not have clear benchmarks to identify clinical or financial improvements. [31]

Information Sharing Restrictions: Privacy laws, such as the Health Insurance Portability and Accountability Act (<u>HIPAA</u>) and <u>Title 42 Code of Federal Regulations</u>, limit the sharing of mental health and substance use disorder information among agencies and programs. SCHIO and the California Health Foundation have developed methods for sharing data that allow for better care and better outcomes. The County is not making use of these methods.

Resource Constraints: Limited resources and staffing hinder the County's ability to provide comprehensive services and address the complex needs of HCBs. The situation is exacerbated with the latest County budget for the HSA, which reduces funding from \$313.1M in 2023-2024 to a proposed budget of \$304.1M for 2025-2026, as well as the proposed elimination of 74 positions. A 2023-2024 Grand Jury report addressed many of the staffing issues. [26] [32]

Homelessness and Housing: Homelessness is compounded by the high cost of housing and the housing shortage in the County. Both issues drive up the cost of services and also affect the County's ability to place clients in less costly settings as their health issues improve. [27] [33]

Continued Planning for CalAIM Initiatives

California Advancing and Innovating Medi-Cal (CalAIM) is a long-term plan by the California Department of Health Care Services to transform California's Medi-Cal program. It aims to improve the health and well-being of Medi-Cal members by integrating health and social services, focusing on whole-person care, and reducing complexity in the system.

There are several important initiatives under CalAIM that County leadership will be devoting resources to over the next two years, with some funding coming from the Behavioral Health Infrastructure Bond Act of 2024.

No later than January 1, 2027, the County must combine the administration of specialty mental health and substance use disorders into a single integrated specialty behavioral health program. Under CalAIM, patient behavioral health services are reimbursed regardless of initial diagnosis. There is a "no wrong door" policy that provides reimbursement for the initial diagnosis, even when patients later require other levels of care. Using CalAIM's Enhanced Care Management framework will result in greater coordination of clients with co-occurring conditions, addressing both physical health and behavioral health needs for both HSA and the Alliance. [34] [35]

Frameworks for Establishing Administrative, Financial, and Clinical Coordination

In March 2022, the California Healthcare Foundation released a report titled, "<u>How California Can Build On CalAIM to Better Integrate Physical and Behavioral Health Care</u>." Key components of the report that are relevant to the County and the Alliance for managing HCB's include:

 Physical and behavioral health providers often do not receive information about the co-occurring needs or treatment plans of their patients and therefore, are constrained in how they can deliver whole-person care. This fragmented care then leads to higher costs — people with serious behavioral health conditions incur greater spending on care, and these costs are largely attributable to increased physical health spending. For example, someone with a severe behavioral health condition may incur an injury that requires hospitalization.

- Efforts to improve physical-behavioral health integration must occur across various system functions, including financing, administration, and clinical care delivery.
- The building blocks of integration include:
 - Infrastructure such as data sharing and health information exchange.
 - A licensing and regulatory environment related to integrated care delivery.
 - Quality measurement that assesses outcomes across the full continuum of services.
 - o Provider readiness supports for integrated care delivery.
 - Payment methods and financial incentives for integrated practices, including the development of Value Based Purchasing (VBP) models across physical and behavioral health. VBP models are a type of health care delivery model where providers are paid based on the quality and outcomes of the care they provide, rather than just the quantity of services rendered. VBP aims to improve quality, efficiency, and patient experience while reducing costs.

In April 2025, the <u>Rand Corporation</u> released a comprehensive report: <u>Funding the Service Gap for Adult Outpatient Mental Health Services in California</u>. The report provides a detailed assessment of the discrepancy between existing mental health services available and what, financially and programmatically, is required to adequately serve the state's population. The report points out that 1 in 26 Californians (approximately 1,500,000) live with serious mental illness. In the County, that translates to potentially just over 10,000 County residents.

According to their data, a fully funded system capable of providing evidence-based outpatient mental health care for all eligible Californian adults who need services would be \$12.7 billion. The report concludes that such an investment is unlikely. At the same time, it again points out the discrepancies and realities of the ongoing financial and service challenges the County faces.

The report recommends that California improve mental health services by:

- developing care guidelines and training staff so the volume and scope of evidence-based care can be increased statewide.
- increasing outreach to ensure that all eligible individuals can receive the care they need.

 increasing funding across the mental health care system to ensure there is adequate workforce capacity to meet the needs of the 1 in 26 Californians who need mental and behavioral health services.

Under Federal Regulation 42, each state must conduct independent, outside reviews of their managed care organizations. These reviews must report on the quality of care and the program operations of each County's behavioral health and substance abuse programs. The Final Report included these recommendations for improvement:

- Investigate reasons and determine service patterns related to HCBs and level of care; consider implementing an LOC tool for adults.
- Develop and implement strategies for increased Information Services and analytic support.
- Explore the needs of contract providers to ensure that the necessary service capacity is maintained. This includes the timely contracting in order to reimburse for services provided.

These three reports offer a framework for the County HSA and the Alliance to collaborate. The reports also provide added evidence for the Jury's findings that the County does not effectively track and manage what is a growing unmet need for mental and behavioral health services; that the current services are under-funded and under-staffed; and that the County cannot measure this need and is struggling to manage it.

In addition to the above reports, these topic briefs published by the <u>California Health</u> <u>Care Foundation</u> provide additional examples and potential starting points for exploring coordination and integration of services, finances, and administrative functions.

- How California Can Build On CalAIM to <u>Better Integrate Physical and</u> Behavioral Health Care.
- How California's 1115 Demonstration, <u>BH-CONNECT</u>, Will Impact Behavioral Health Care for Medi-Cal Members.
- <u>Braiding Medicaid Funds</u> to Support Person-Centered Care: Lessons from Medi-Cal.

The Jury's Challenge to the HSA and the Alliance

The Jury has learned from confidential interviews and its own review of publicly available data, that designing and implementing processes and tools to improve outcomes for all HSA and Alliance clients, especially HCBs, could begin by using existing in-house expertise and collaborating with strategic partners such as the MHAB and SCHIO.

Therefore, the Jury challenges the HSA and the Alliance to develop an LOC and other tools that will prioritize the needs of HCBs by:

- improving administrative and clinical integration of behavioral and physical healthcare services.
- improving data sharing to reduce service overlaps.
- prioritizing housing for HCBs through increased capital funding from the Alliance.

The County's Directive to HSA

As part of the financial and operational planning process presented to the Board of Supervisors on May 6, 2025, the County Executive Officer developed the following Operational Plan Objective #91:

By December 2025, the Health Services Agency, in coordination with the County Executive, will establish a financial plan for the Santa Cruz County behavioral health system of care. [8]

A critical step in the plan is for the HSA to:

Provide clear documentation of the cost to offer core mandated and elective services and/or programs and any gap between that cost and available revenue.

Based on confidential interviews, the 2024-2025 Santa Cruz County Grand Jury finds that the HSA reporting structure does include data that can help meet this directive. However, the HSA does not have administrative processes or reports in place that can be readily tapped to meet the directive requirements. A significant commitment of staff time and resources is needed to ensure that HSA can meet the December 31, 2025 due date.

Findings

F1. Data: The Health Services Agency has not developed and deployed analytic, data-driven reports to address the financial challenges in managing the Behavioral Health and Substance Use Disorder services, despite recommendations from accreditation reviews. Data driven tools and regular reporting are required for the County to manage High-Cost Beneficiaries as well as all Behavioral Health and Substance Use Disorder clients.

- **F2. Administrative**: The Jury finds that many programs, such as the Focus Intervention Team, Integrated Housing And Recovery Team, 24/7 Mobile Crisis Response Team, and Enhanced Care Management, provide critical services to High-Cost Beneficiaries. Although they have overlapping goals there is little to no coordination for tracking clients that receive services from one or more of these programs. The lack of coordination leads to higher costs in an era of shrinking resources.
- **F3.** Clinical: Santa Cruz County does not have a Level of Care Tool to track and manage High-Cost Beneficiaries. The Central California Alliance for Health does have a Level of Care Tool to track and manage High-Cost Beneficiaries. The parties are partners in the delivery of services and their resources could be leveraged to create a unified Level of Care tool.
- **F4. Administrative:** Santa Cruz County programs and resources for High-Cost Beneficiaries, and all Health Services Agency behavioral health and substance use disorder services, are siloed and fragmented across HSA departments and contract providers. For example, clinical, financial, and operational benchmarks are not being used to report the cost of services and track patient acuity. As new programs are being developed, the financial, operational, and administrative targets are not established in advance or integrated into operations. County and Alliance collaboration and coordination can pave the way to overcome fragmentation.
- **F5. Data, Clinical & Administrative:** The Central California Alliance for Health (Alliance) has substantial financial reserves, and Santa Cruz County has seats on the governing board of the Alliance. Clinical, financial and operational collaboration between these agencies, who are both insurers and providers, needs to be better coordinated and integrated at all levels to improve treatment and outcomes for all clients.
- **F6. Administrative:** The Jury finds that the Serving Communities Health Information Organization and the Mental Health Advisory Board partnerships with Santa Cruz County could be better leveraged to have greater impact on Behavioral Health. Failure to leverage these partnerships results in missed opportunities to coordinate programs and services.
- F7. Compassion: Throughout the Grand Jury investigation, the Jury found that the staff and leadership of the Health Services Agency, Santa Cruz County Sheriff's Office, and the Central California Alliance for Health are compassionate in the treatment of people experiencing behavioral health or substance use disorder. Patients are treated with dignity and respect, despite sometimes difficult conditions.

Recommendations

- R1. Administrative Integration. The Board of Supervisors recently adopted Operational Plan #91 which calls for establishing a financial plan for the County behavioral Health system by December 31, 2025. Given the urgency of reduced funding, the Santa Cruz County Health Services Agency should provide a monthly progress report beginning August 1, 2025 to the Santa Cruz County Board of Supervisors on Operational Plan #91.
- R2. Ongoing External Reporting. Given the urgency of diminishing funding, the Santa Cruz County Health Services Agency should publish a monthly report on its public website no later than October 1, 2025. The website should summarize patient volumes, cost benchmarks, quality benchmarks, provider productivity, number of patients being tracked for high utilization, and number of patients enrolled in Enhanced Care Management (through the Alliance). An appropriate subset of reports specific to Behavioral Health and Substance Use Disorder should be provided to the Mental Health Advisory Board beginning October 1, 2025.
- R3. Ongoing External Reporting: In order to leverage their partnership with the Mental Health Advisory Board (MHAB) and raise public awareness around Behavioral Health in Santa Cruz County, the Health Services Agency and the Central California Alliance for Health should jointly report to the MHAB. Their reporting should occur at least bi-annually starting no later than June 30, 2026. Their report should discuss their collaborative efforts towards implementing a LoC tool, their progress towards developing value-based financing and should include Year-to-Date statistics on HCBs.
- R4. Ongoing External Reporting: At least bi-annually beginning no later than September 30, 2025, Health Services Agency (HSA) and the Central California Alliance for Health (Alliance) should meet jointly with Serving Communities Health Information Organization (SCHIO). The meeting agenda should include a review of the data HSA and the Alliance submit to SCHIO and the SCHIO data and reporting features that HSA and the Alliance use. The goal is to leverage their partnership and better integrate the dissemination of accurate information to health care professionals and law enforcement about the treatment and needs of their clients. The outcome of the meeting should be reported to the Mental Health Advisory Board.
- **R5.** Clinical Integration. Annually, beginning January 1, 2026, the Santa Cruz County Health Services Agency and the Central California Alliance for Health should review, align, and jointly publish their aligned clinical and program delivery methods and goals for all levels of Behavioral Health and Substance Use Disorder patients.
- **R6.** Administrative, Financial & Clinical. By July 1, 2026, the Santa Cruz Health Services Agency and the Central California Alliance for Health should have a shared database and shared criteria for identifying potential High-Cost

Beneficiaries. This Level of Care tool should track costs, services, and outcomes for not only Behavioral Health and Substance Use Disorder High-Cost Beneficiaries, but for all clients. The following California Health Care Foundation brief provides a starting point for building a more integrated system of care over the long term: Better Integrate Physical and Behavioral Health Care.

- **R7. Administrative Integration.** The Santa Cruz County Health Services Agency and the Central California Alliance for Health should develop a seamless administrative process that uses standardized and shared data, reports and goals. No later than December 31, 2026, a report shall be submitted to the respective governing boards outlining the processes established to integrate network management, provider payment, and data collection and reporting.
- **R8. Financial Integration.** On or before July 1, 2027, the County Health Services Agency and the Central California Alliance for Health should report to their respective governing boards the steps they have taken towards financial integration of all behavioral health services and substance use services using a value based financing process. Braiding Medicaid Funds described in the August 2024 Brief from the California Health Care Foundation provides a framework for achieving this necessary integration.

Required Responses

Respondent	Findings	Recommendations	Respond Within/ Respond By
Santa Cruz County Board of Supervisors		R1, R2, R3, R4, R5, R6, R7, R8	90 Days / September 24, 2025
Governing Board, Central California Alliance for Health	F3, F5, F7	R3, R4, R5, R6, R7, R8	90 Days / September 24, 2025

Invited Responses

Respondent	Findings	Recommendations	Respond Within/ Respond By
Director, Santa Cruz County Health Services Agency	F1, F2, F3, F4, F5, F6, F7	R1, R2, R3, R4, R5, R6, R7, R8	60 Days / August 25, 2025
CEO, Central California Alliance for Health	F3, F5, F7	R3, R4, R5, R6, R7, R8	60 Days / August 25, 2025

Definitions

- 24/7 Mobile Crisis Response Team: Provides culturally responsive and clinically appropriate services in the community 24 hours a day, seven days a week
- 988: Suicide and Crisis Lifeline
- Alliance: Central California Alliance for Health, a regional Medi-Cal managed care plan that provides health insurance for children, adults, seniors, and people with disabilities.
- **Behavioral Health:** The Behavioral Health Division of the Health Services Agency provides a wide range of prevention and treatment options for Santa Cruz County adults, children, and their families.
- CalAIM: California Advancing and Innovating Medi-Cal is a multi-year initiative by the California Department of Health Care Services to transform and improve the Medi-Cal program, California's Medicaid system
- County: Santa Cruz County
- ECM: Enhanced Care Management targets Alliance clients that meet their internal HCB criteria and other high-risk clients. The program provides cross-disciplinary case management for an individual's physical, mental, and social needs.
- FIT: The Focus Intervention Team is a partnership between the Sheriff's Office and the HSA that aims to provide services to individuals who are habitually arrested and also suffer from mental health or substance use disorders
- Fragmentation: The process or state of breaking or being broken into small or separate parts.
- FY: Fiscal Year
- HCB: High-cost beneficiaries
- HIPPA: Health Insurance Portability and Accountability Act
- HMO: Health Maintenance Organization
- HSA: Santa Cruz County Health Services Agency
- IHART: An integrated housing and recovery team within the Behavioral Health Division that helps people experiencing homelessness and mental illness
- Jury: The 2024-2025 Santa Cruz County Civil Grand Jury
- LOC: Level of Care
- Medicaid: A joint federal and state program that helps cover medical costs for some people with limited income and resources

- **Medi-Cal:** A public health insurance program which provides needed health care services for low-income individuals including families with children
- MCO: Managed Care Organization
- MHAB: The Mental Health Advisory Board reports to the Board of Supervisors.
 They are charged with reviewing and evaluating the community's mental health needs, services, facilities, and special problems. According to the County's website, MHAB provides oversight and monitoring of the local mental health system
- MHP: Mental Health Plan
- Pareto Principle: Also known as the <u>80/20 rule</u>, is a concept that states that approximately 80% of consequences come from about 20% of the causes.
- SCHIO: Serving Communities Health Information Organization was established in 1996 by local physicians, SCHIO now is a non-profit whose board includes members from the Alliance, the HSA, hospitals, as well as County health care providers and organizations. As a Health information Organization, SCHIO facilitates the exchange of health information to improve care management, reduce redundancy and enhance patient safety.
- SUD: Substance Use Disorder
- TNE: Tangible Net Equity State mandated financial reserves
- VBP: Value Based Purchasing, a payment model that incentivizes providers to deliver high-quality, cost-effective care and improve patient outcomes. It shifts the focus from fee-for-service to performance-based payments.

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