



2024-2025 Santa Clara County Civil Grand Jury

# Compliance Report

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June 11, 2025

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## INTRODUCTION

This Compliance Report, prepared by the 2024-2025 Santa Clara County Civil Grand Jury (2024-25 Civil Grand Jury), summarizes the responses from public agencies and officials to the 2023-2024 Santa Clara County Civil Grand Jury (2023-24 Civil Grand Jury) Final Reports. In cases where the response stated that further work would be done, the 2024-25 Civil Grand Jury requested an update. The final 2023-24 Civil Grand Jury Reports and the responses from the public agencies may be found on the [Civil Grand Jury Reports Archive website](#).

Each published report includes a list of elected officials or agencies required to respond to the Presiding Judge of the Superior Court within 60 or 90 days as specified by California Penal Code section 933.

California Penal Code section 933.05 is specific with respect to the content of the required responses. Under Section 933.05(a), for each finding, the responding party's response must:

- Agree with the finding, or
- Disagree with it, wholly or partially, and explain why.

Similarly, under Penal Code section 933.05(b), for each recommendation, the responding party must report that:

- The recommendation has been implemented, with a summary regarding the implemented action.
- The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.
- The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.
- The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation thereof.

This report summarizes the reports, findings and recommendations, agency responses, and subsequent follow-ups as of the revision date shown below. [Appendix 1](#) shows a summary of agency responses as verified by the 2024-25 Civil Grand Jury's follow-up.

## METHODOLOGY

The 2024-25 Civil Grand Jury followed up with responding agencies via interviews and/or written correspondence to verify the completion of accepted recommendations by their implementation dates.

## NO SINGLE SOURCE OF TRUTH: COUNTY OF SANTA CLARA COUNTYWIDE PROCUREMENT

### Summary of 2023-2024 Report

The County of Santa Clara (County) has had many longstanding issues with its procurement process, including difficulty finding previously awarded contracts, a decentralized computer system leading to multiple versions of the same document with conflicting information in their inventory management system (SAP), and a lack of a consistent contractor evaluation system. Little effort has been made by the County to resolve these issues by automating and unifying the procurement process.

### Key Findings, Recommendations, and Responses

#### County of Santa Clara

##### Finding 1

The County cannot find accurate contract information in a timely manner. This hinders the County Executive's Office in decision making, prevents procurement cooperation that could save money, and unnecessarily wastes many hours of effort.

##### Recommendation 1

The County should:

- Investigate other counties to find out if and how they solved the problem of finding up-to-date contract information in a timely manner by December 31, 2024.
- Develop a plan for a countywide contract-search system by March 31, 2025.
- Evaluate the cost and benefits of using outside expert resources to plan, select components for, and develop a countywide contract-search system by June 30, 2025.

##### Response 1

The County agrees with the finding, but the recommendation requires further analysis. The County conducted surveys of other public entities in 2019 and 2023 to determine which enterprise resource planning (ERP) systems and/or applications they are using, the pros and cons of their systems, and whether they are considering alternative systems or application solutions. Additionally, the County issued a Request for Information (RFI) in July 2024 to a selected list of contract management vendors. County staff will determine whether consultants or other resources are needed to assess and implement a countywide

contract management system by November 30, 2024. If the County decides to procure a different solution than Ariba, a subsequent Request for Proposal (RFP) may be initiated for a recommendation for a plan by March 31, 2025.

## **Finding 2**

The County saves multiple, sometimes inconsistent, copies of contract information on department storage devices and multiple procurement systems, making it difficult to find accurate, up-to-date information.

## **Recommendation 2**

The County needs to identify where the most up-to-date information is located by December 31, 2024, and create a plan to eliminate inconsistent contract information by March 31, 2025.

## **Response 2**

The County agrees with the finding, and the recommendation will be implemented. The County plans to centralize all countywide contracts within a contracts management system that will be identified through the processes described in Response 1. The contract management system will be the record of source for subsequent countywide contract-search processes and information.

## **Finding 3**

Due to the absence of a uniform contract search system, County departments are not able to learn if other departments already have contracts that are relevant to their needs and, thus, are not able to take advantage of cooperative procurement opportunities. Further, if the County had a publicly accessible contract-search system, other government entities could use that resource to partner with the County on cooperative procurement opportunities to the benefit of the County.

## **Recommendation 3**

The County should discuss cooperative procurement methods with potential government partners and ask these partners to provide their requirements for a countywide contract-search system accessible to them by December 31, 2024.

## **Response 3**

The County partially disagrees with the finding, and the recommendation requires further analysis. While the County does not have a uniform contract search system for professional services contracts managed by departments, County departments do have visibility to all countywide contracts for goods and related services. Departments are also able to identify

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and take advantage of existing agreements via communication and support from the County Decentralized Procurement Division and Office of Countywide Contracting Management (OCCM).

The County intends to implement a formal advance acquisition planning process to further identify opportunities for internal consolidation of solicitations where there are shared needs, as well as potential opportunities to partner with other governmental entities for cooperative purchases. Since the County intends to have its “countywide contract search system” be a part of its countywide contract management system or Procure-to-Pay system, the County will consult with other jurisdictions to determine if this recommendation is feasible, with recommendations to be implemented by December 31, 2024.

## **Finding 4**

Multiple departments in the County do not have a department policy for contractor evaluations and do not evaluate contractor performance. This violates the Policy Manual guidelines and could lead to departments making a poor choice of contractor.

## **Recommendation 4**

The County should provide employees with a contractor evaluation template that includes criteria such as overall satisfaction, quality, cost-effectiveness, and timeliness, and guidelines that explain when and how to evaluate a contractor by December 31, 2024.

## **Response 4**

The County agrees with the finding, and the recommendation will be implemented. The County will develop and implement minimum vendor evaluation requirements, an evaluation template, and guidelines by June 30, 2025, in consultation with County Departments.

## **Finding 5**

The County lacks a countywide process to store and share evaluations of contractors. County departments do not have the ability to view other department evaluations.

## **Recommendation 5**

The County should develop a short-term plan for a simple countywide system for storing and sharing contractor evaluations by December 31, 2024, and a long-term plan for an integrated procurement and evaluation system that requires employees to enter an evaluation for appropriate contracts by March 31, 2025.

## **Response 5**

The County agrees with the finding, but the recommendation requires further analysis. Long-term plans for storing and sharing contractor evaluations depend on whether the County will continue with its current contract management system or procure a new system. This decision will be made by November 30, 2024. If the decision is to procure a new system, the County will also implement an interim solution.

## **Finding 6**

Multiple County departments with professional service contracts manage their procurement process using custom spreadsheets instead of using a procurement system. This leads to the County having multiple inconsistent copies of contract data and makes it difficult to measure county-wide procurement performance.

## **Recommendation 6**

The County should develop a plan for the implementation of one or more procurement systems that departments must use instead of custom spreadsheets to improve efficiency, help automate the procurement of professional service contracts, and allow integration with existing procurement and financial systems by December 31, 2024.

## **Response 6**

The County agrees with the finding, and the recommendation will be implemented. The County is in the process of determining whether to continue with its current contract management system or procure a new system, and the timeline for implementation will be a multi-year effort.

## **Finding 7**

County departments cannot practically measure procurement contract lead times. The County has no way of determining if a department performing its own procurement consistently fails to establish contracts in a timely manner.

## **Recommendation 7**

The County should establish contract lead time targets and require all departments with procurement employees to use a procurement system that makes it practical to track contract lead times by December 31, 2024.

## **Response 7**

The County agrees with the finding, and the recommendation will be implemented. The County intends to implement a new eSourcing systems platform that will allow monitoring

and reporting on sourcing/contract cycle times. However, it is impractical to establish a uniform set of sourcing/contracting cycle time requirements.

## **Finding 8**

Most employees engaged in procurement do not know about the County's procurement performance goals.

## **Recommendation 8**

The County needs to inform all County employees involved in procurement of the procurement performance goals and make clear how their individual performance connects to department and countywide goals by October 31, 2024.

## **Response 8**

The County agrees with the finding, and the recommendation will be implemented. The County will increase efforts to communicate goals and expectations with staff involved in procurement, along with Department/Agency executives. Discussions about new Procurement Department performance goals will be conducted on a quarterly basis effective October 31, 2024.

## **Finding 9**

The County does not track procurement performance measures of individual departments involved in procurement. The County cannot evaluate the performance of those individual departments.

## **Recommendation 9**

The County needs to monitor individual department performance using procurement measures such as contract lead time, competitiveness of solicitations, and cost savings by December 31, 2024.

## **Response 9**

The County agrees with the finding, and the recommendation will be partially implemented by June 30, 2025. However, many aspects of implementation will depend on how quickly the County can implement its new eSourcing platform and countywide contract management system.

## **Finding 10**

The County does not have a countywide strategic procurement plan to address the long-standing issues of finding contracts in a timely manner, eliminating data consistency issues, measuring performance, evaluating contractors, and the choice of procurement systems.

## **Recommendation 10**

The County should develop a countywide strategic procurement plan with objective performance measures that encompass all County departments, offices, and agencies by March 31, 2025.

## **Response 10**

The County agrees with the finding, and the recommendation will be implemented. The County Procurement Department is currently developing a countywide procurement strategic plan that includes areas relative to people, technology, and processes that will address mitigating those long-standing issues pertaining to contracts—Compliance, Cycle Time, Cost Savings, and Customer Satisfaction—by March 31, 2025.

## **Finding 11**

The County has made minimal progress in implementing procurement technology over the last decade because the County has failed to make this a priority.

## **Recommendation 11**

The County should evaluate if it has the appropriate talent and resources to develop and implement a countywide technology plan to address the procurement shortfalls by December 31, 2024.

## **Response 11**

The County partially disagrees with the finding, and the recommendation requires further analysis. The County deployed core components of a procure-to-pay system (SAP/Ariba) in 2015/2016. All County departments and agencies currently have access and utilize Arriba to purchase goods and related services; however, the County has not fully deployed select modules, nor has the County fully configured the system for use in professional services contracting.

The County will evaluate and determine if consultants and/or other resources will be necessary after its contract management system RFI and determination of whether there is an alternative system solution to the current SAP/Ariba Contract Management system. This analysis will be completed by November 30, 2024.

## **Follow Up**

Of the 11 recommendations made, the County agreed to implement seven, while four required further analysis. The 2024-25 Civil Grand Jury confirmed that the County has already

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implemented three of those recommendations, including departmental solutions to collect and store reports on contractor performance, procurement measures of success, and OCCM Quarterly Data Reviews, including spot audits for accuracy and completeness. In August 2024, the County initiated an RFI to obtain information from procurement management system providers. The RFI was completed in October 2024, and in November 2024, the Procurement Department recommended conducting an RFP for a new Countywide Procurement Management System and Contracting System. The new system will address identified procurement operational shortfalls.

## **FLAWED INFORMATION, FLAWED DECISIONS: THE IMPORTANCE OF LEADERSHIP, GOVERNANCE, AND OVERSIGHT AT THE SANTA CLARA COUNTY HOUSING AUTHORITY**

### **Summary of 2023-2024 Report**

The 2023-24 Civil Grand Jury investigated a complaint related to the September 2022 sale of an office building located at 3553 North First Street, San José (Property) by the Santa Clara County Housing Authority (SCCHA) that resulted in a total loss of \$16.2 million of public funds. Factors that precipitated the loss included:

- Executive management of SCCHA presented incomplete and misleading information to their Board of Commissioners (Board),
- Executive management failed to develop and present analyses of other viable options for the use or repurposing of the Property to their Board, and
- The Board failed to exercise its fiduciary responsibility to protect the assets and financial stability of the SCCHA.

Further, while investigating the loss on the sale of the Property, the 2023-24 Civil Grand Jury uncovered the following issues:

- Executive management did not have a long-term plan with measurable objectives that would enable the Board to assess the impact of their decisions on SCCHA's operational, staffing, and space requirement needs,
- The Board could not articulate its role and responsibilities as SCCHA Commissioners.
  - The County of Santa Clara Board of Supervisors (BOS) lacked job requirements that support their recruitment, nomination, and appointment of SCCHA Commissioners, and
  - The BOS has been remiss in filling SCCHA Board vacancies.

### **Key Findings, Recommendations, and Responses**

[County of Santa Clara](#) (Responses 4, 5, and 6)

[Santa Clara County Housing Authority](#) (Responses 1, 2, and 3)

#### **Finding 1**

SCCHA executive management presented incomplete and financially incorrect analytical documents about the Property to the Board, omitting viable options for occupying, using, or selling the Property.

## **Recommendation 1**

The Board should establish a standard operating procedure requiring executive management to use experts to validate that financial documents prepared for Board review are accurate, complete, and present an unbiased evaluation of the matter under consideration by December 31, 2024.

## **Response 1 (SCCHA)**

SCCHA disagrees with the finding and finds the recommendation unwarranted. Executive Management presented complete and financially correct documents that included viable options regarding the property. Executive Management and the Board of Commissioners deliberated for more than a year, considering all viable options for the property. Additionally, SCCHA already has an existing standard procedure that financial documents should be vetted before review by the Board of Commissioners.

## **Finding 2**

SCCHA's current five-year plan does not establish measurable objectives, goals, or accomplishments that would enable a comprehensive review of its programs and progress.

## **Recommendation 2**

SCCHA should amend its current five-year plan to include actionable performance targets and measurable objectives. These performance targets should be incorporated into annual reviews for the SCCHA Executive Director and staff by December 31, 2024.

## **Response 2 (SCCHA)**

SCCHA partially disagrees with the finding, but the recommendation will be implemented through the development of the new five-year Strategic Plan effective July 1, 2025. SCCHA's existing five-year plan was developed in 2019 and does include measurable objectives and goals. SCCHA agrees that the included objectives and goals, however, do not enable a comprehensive review of its programs and progress.

## **Finding 3**

SCCHA's existing five-year term plan does not identify specific SCCHA space needs and a funding plan to support them.

## **Recommendation 3**

By December 31, 2024, SCCHA should include an assessment of space needs and the associated funding requirements as part of their five-year plans. The assessment should

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include the financial impact of expected program growth, staffing, services, accessibility, and operating performance requirements on future office space needs.

## **Response 3 (SCCHA)**

SCCHA agrees with the finding, and this recommendation will be implemented when Executive Management and the Board of Commissioners develop the new five-year Strategic Plan, effective July 1, 2025.

## **Finding 4**

The BOS does not have established qualifications for selecting SCCHA Board of Commissioners.

## **Recommendation 4**

By December 31, 2024, the BOS should:

- a. Use established HUD guidelines to develop County-specific guidelines for the selection and appointment of SCCHA Board members, and
- b. Develop a collaborative process that ensures the SCCHA Board, in total, contains a balance of skills, knowledge, and experience required to perform their assigned roles and responsibilities.

## **Response 4 (County)**

The County agrees with the finding but finds the recommendation unwarranted. The County agrees that the BOS does not have formal qualifications for selecting appointees to the SCCHA Board; each individual Supervisor may apply their own selection criteria, and all Commissioners must meet legal requirements.

## **Finding 5**

The BOS does not have an established training program for its SCCHA Board appointees specific to the roles and responsibilities of a housing Commissioner.

## **Recommendation 5**

The BOS should use established HUD guidelines to develop County-specific training programs for its housing Commissioners by December 31, 2024.

## **Response 5 (County)**

The County agrees with the finding and will partially implement the recommendation. The County will provide information about the HUD guidelines in the appointment packet for new Board members by December 31, 2024. The provision of any applicable training, however, should be the responsibility of the Housing Authority and not the County.

## **Finding 6**

The BOS has multiple deficiencies in its SCCHA Commissioner appointment process, including long vacancies and incomplete documentation.

## **Recommendation 6**

By December 31, 2024, the BOS should develop processes to ensure that the appointment process and related documentation requirements are completed in a timely manner.

## **Response 6 (County)**

The County partially agrees with the finding and has already implemented the recommendation. The County agrees that some of the documentation has been handled differently over time, leading to inconsistencies, and that communication breakdowns during the COVID-19 pandemic, or lack of follow-up with Commissioners (e.g., unreturned oaths), may have led to incomplete documentation for some SCCHA Board seats. The County disagrees that other aspects of the appointment process are deficient. The County has already begun to improve communication with the SCCHA and Commissioners proactively about documentation during the appointment process, and after the fact if documentation is found to be missing. The Office of the Clerk of the Board provides a vacancy report to the BOS for all County Boards and Commissions.

## **Follow Up**

Of the three recommendations made to SCCHA, SCCHA agreed to implement two. Of the three recommendations made to the County, the County had already implemented one and partially agreed to implement one. The 2024-25 Civil Grand Jury verified that the Office of the Clerk of the Board of Supervisors updated the appointment letter (transmitted via email) to newly appointed and reappointed members of the Board of Commissioners. The updated appointment letter includes a link to the HUD website's training materials and a paragraph encouraging appointees to review the training materials. The remaining two recommendations will be implemented by SCCHA in July 2025.

## DISTRICT ADRIFT: LEADERSHIP ISSUES AT SAN JOSÉ UNIFIED SCHOOL DISTRICT

### **Summary of 2023-2024 Report**

The system of checks and balances between the Trustees of the San José Unified School District Board of Education (Trustees) and district leaders of the San José Unified School District (SJUSD) is broken and negatively impacting SJUSD's ability to fulfill its responsibilities to serve students, teachers, administrators, and the community. The 2023-24 Civil Grand Jury investigated complaints about several aspects of SJUSD operations and found significant areas of concern:

- High turnover among principals and assistant principals at schools and management-level employees at the SJUSD district office driven by leadership culture issues;
- A lack of commitment to addressing the student mental health crisis with consistent, accessible mental health services;
- Gaps in school site safety planning, causing unnecessary risks to student safety;
- An inability or unwillingness to conduct thorough and prompt employee investigations;
- Problematic management hiring practices;
- SJUSD Board of Education (BOE) meetings that are among the least accessible of any large district in the area.

Compounding the above-listed issues, the 2023-34 Civil Grand Jury heard many examples of SJUSD leaders and Trustees who seemed to lack sensitivity for the concerns of teachers, parents, and school administrators.

### **Key Findings, Recommendations, and Responses**

#### San José Unified School District

##### **Finding 1**

Trustees are not meeting their basic responsibilities for ensuring accountability and providing community leadership in a number of critical areas. These include SJUSD leadership turnover, trust in leadership, student mental health services, safety plans, stocking Narcan, employee investigations, and hiring processes. Trustees too often accept SJUSD leadership explanations and justifications, which may be inaccurate or incomplete; do not sufficiently question SJUSD results; do not require detailed follow-up to ensure progress; and too rarely ask for SJUSD performance relative to external benchmarks or relative to other school districts within Santa Clara County.

## **Recommendation 1**

SJUSD should ensure BOE meeting agendas reflect topics important to the community. These topics should be regularly reviewed at public BOE meetings, with detailed plans for follow-up to track progress. This recommendation should be implemented by December 31, 2024.

## **Response 1**

SJUSD disagrees with the finding and finds the recommendation unwarranted. Throughout the year, Trustees are regularly informed about the BOE's policy direction and the progress on these items through formal BOE meetings, weekly updates, and individual check-ins with the Superintendent.

## **Finding 2**

The unusually high levels of leadership turnover since 2021 have been exacerbated by poor leadership practices and low morale.

## **Recommendation 2**

By December 31, 2024, SJUSD should authorize an independent third-party assessment to investigate the causes of high turnover over the past three years. The assessment should provide SJUSD with recommendations to reduce turnover, a means to track ongoing turnover as compared to neighboring school districts, and a means to objectively assess the leadership culture.

## **Response 2**

SJUSD disagrees with the finding and finds the recommendation unwarranted. SJUSD is already monitoring leadership turnover trends and is invested in maintaining a positive leadership culture; an independent third-party assessment of employee turnover is unwarranted.

SJUSD will continue to work closely with the elected leaders of the San José Administrators Association (SJAA), who represent SJUSD management employees, to study trends and collaboratively improve. The district will also continue to review separation of employment forms and solicit feedback from employees on how to create the best leadership culture possible.

## **Finding 3**

On numerous occasions, SJUSD has failed to ensure its management hiring processes meet its own guidelines for integrity and impartiality, leading to mistrust in the process.

## **Recommendation 3**

By December 31, 2024, SJUSD should authorize an independent third-party assessment of the management hiring process over the past three years with a particular focus on:

- Impartiality in determining which candidates are selected as finalists,
- Ensuring results from job skills tests are factored into the determination of finalists, and
- Consistency in determining when management job openings are filled by direct placement versus a full open interview process.

## **Response 3**

SJUSD disagrees with the finding and finds the recommendation unwarranted. SJUSD's hiring process for management positions is strong and continually evaluated for potential areas of improvement.

To ensure that everyone involved in management interviews understands the process and their responsibilities, SJUSD will spend more time grounding interview panels in the desired qualities and characteristics for each position, emphasizing that the panel has the option of sending candidates forward that they support or recommending that the position be reposted, explaining what will happen during the final interview round with the Superintendent's Council, and reenforcing the confidentiality agreement. SJUSD will continue to solicit feedback from candidates and interviewers on other improvements that can be made to the process moving forward.

## **Finding 4**

SJUSD has failed to conduct appropriate or complete internal investigations in multiple instances over the past three years. These failures call into question SJUSD's understanding of its investigatory responsibilities and have undermined trust among leadership, employees, and the community.

## **Recommendation 4**

SJUSD should authorize an independent third-party review of the completeness and correctness of past investigation processes, to identify missteps, and recommend process or policy improvements by December 31, 2024.

## **Response 4**

SJUSD disagrees with the finding and finds the recommendation unwarranted. SJUSD already takes its investigatory responsibilities seriously. SJUSD collaborates closely on investigations with legal counsel (and, when applicable, law enforcement) and is working

with its employee groups to ensure its investigation processes appropriately balance the due process rights of their members and accountability.

## **Finding 5**

Based upon multiple data points, SJUSD employees have a low level of trust in SJUSD leadership.

## **Recommendation 5**

SJUSD should assess the causes of low levels of trust in the SJUSD leadership and develop a plan and timeline for improvements by December 31, 2024.

## **Response 5**

SJUSD disagrees with the finding and finds the recommendation unwarranted. While SJUSD acknowledges that some employees may have a low level of trust in SJUSD leadership, there is no evidence to support the 2023-24 Civil Grand Jury's implication that low trust levels are endemic to SJUSD.

SJUSD is engaged in ongoing work with its employee groups to determine how to best support the implementation of their [Guiding Principles for District-Employee Group Relations](#) throughout the organization and ensure that everyone is held accountable to them. Part of that work includes identifying next steps in the ongoing process of trust-building.

## **Finding 6**

SJUSD's current plans to open wellness centers are inadequate and inconsistent with its publicly stated priority for expanded student mental health services. Current plans do not meet the objective of putting a wellness center in all secondary schools. There is inadequate funding for the wellness centers and the planning has largely been left to individual school administrators as opposed to an SJUSD-led plan. Trustees are unaware of SJUSD's lack of progress relative to other school districts.

## **Recommendation 6**

SJUSD should:

- conduct a comprehensive review of the current state of wellness centers at secondary schools and prepare a detailed public report on the status of the implementation of those centers with specific timelines for implementation by September 30, 2024;
- provide a long-term sustainable funding plan for fully staffed full-time wellness centers at all secondary school sites by December 31, 2024; and

- provide an accelerated implementation plan with a clear timeline to achieve the objective of fully staffed full-time wellness centers at all secondary school sites by December 31, 2024.

## **Response 6**

SJUSD disagrees with the finding and finds the recommendation unwarranted. SJUSD already provides regular public updates about the state of wellness centers at secondary schools, and sustainable funding is already embedded and will continue to be emphasized as an important element of SJUSD's wellness center model and plan. Trying to accelerate full wellness center implementation before all the necessary components are in place would be unlikely to benefit students.

SJUSD will continue to analyze best practices and partner with both employee groups and school communities to refine its model and deliver the best possible mental health and wellness supports for students.

## **Finding 7**

SJUSD does not have a well-qualified, local, district-wide leader who is accountable for all safety planning, preparedness, and emergency response efforts.

## **Recommendation 7**

SJUSD should create a dedicated staff position to lead and coordinate all safety planning and emergency response activities across SJUSD by September 30, 2024. This role can be modeled after similar positions in other Santa Clara County districts.

## **Response 7**

SJUSD partially agrees with the finding, but the recommendation requires further analysis. It is accurate to state that SJUSD does not have one employee who is accountable for all safety planning, preparedness, and emergency response efforts. SJUSD has several qualified leaders who manage an integrated system and are accountable for safety planning, preparedness, and emergency response efforts.

SJUSD believes that site administrators remain the appropriate on-site leaders for emergency response teams and reintroduced a dedicated staff position before the start of the 2023-2024 school year, the Assistant Manager of Risk Management. However, SJUSD will further analyze roles and distribution of responsibilities related to safety planning and emergency response to determine what, if any, additional changes are warranted by December 10, 2024.

## **Finding 8**

SJUSD does not stock naloxone medication at its schools. SJUSD does not provide training for all staff on how to administer naloxone medication, creating an unnecessary risk of on-campus opioid overdose deaths and placing students and staff in jeopardy.

## **Recommendation 8**

SJUSD should ensure that naloxone is widely available at all secondary school sites and train all school site and SJUSD district office staff on how it is administered by September 30, 2024.

## **Response 8**

SJUSD partially agrees with the finding. While it is true that SJUSD does not currently provide all its 2,700 staff with training on how to administer naloxone hydrochloride nor maintain its own stock of naloxone hydrochloride, SJUSD's approach to dealing with potential opioid overdoses is designed to ensure safety for students and staff.

Recommendation 8 will be implemented in part because SJUSD has already been working to identify the appropriate staff to train to administer naloxone hydrochloride and manage naloxone hydrochloride supplies in line with the legal requirements schools must follow. SJUSD is also already in the process of stocking naloxone hydrochloride at all school sites. These elements are planned to be implemented by December 31, 2024.

## **Finding 9**

SJUSD does not offer any livestream or video recordings of its Board meetings. Some materials presented at the meetings are not available to the public. The meetings are among the least accessible of any district in Santa Clara County.

## **Recommendation 9**

By December 31, 2024, SJUSD should implement hybrid-style Board meetings that include:

- Online viewing of meetings,
- Remote comments during meetings,
- Video recording of meetings, and
- Online access to all Board presentations.

## **Response 9**

SJUSD partially agrees with Finding 9 because, while SJUSD Board meetings, agendas, audio recordings, and supporting documents are accessible and transparent, it is true that

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SJUSD does not livestream or video-record meetings and has not historically published the presentations used at Board meetings.

SJUSD will explore the financial and operational costs of online viewing of Board meetings, remote comments during Board meetings, and video recording of Board meetings by December 10, 2024.

## Follow Up

Of the nine recommendations made, SJUSD agreed to partially implement one, and noted that two required further analysis. The 2024-25 Civil Grand Jury inquired with SJUSD about the status of those three recommendations and received the following update on February 10, 2025:

**Recommendation 7:** The Board of Education heard a report at a Regular Session meeting on [November 21, 2024](#) (agenda item J.1.) of the further analysis that was completed by the District related to this recommendation. Please find the report and discussion at the following times in the recording of the November 21, 2024, meeting, which can be accessed [here](#) from minutes 43:26 to 1:35:52.

**Recommendation 8:** The Board of Education heard a report at a Regular Session meeting on [September 26, 2024](#) (agenda item K.2.) by the Associate Superintendent on the progress and plans related to this recommendation. Please find the report at the following times in the recording of the September 26, 2024, meeting, which can be accessed [here](#) from minutes 2:19:06 to 2:19:39. Additionally, the Board of Education heard a report at a Regular Session meeting on [October 17, 2024](#), (agenda item K.2.) by the Director of Student Services on the progress and plans related to this recommendation. Please find the report at the following times in the recording of the October 17, 2024, meeting, which can be accessed [here](#) from minutes 45:24 to 46:42. Additional information can be found in the [Naloxone Implementation](#) summary.

**Recommendation 9:** The Board of Education heard a report at a Regular Session meeting on [November 21, 2024](#) (agenda item N.12.) of the further analysis that was completed by the District related to this recommendation. Please find the report and discussion at the following times in the recording of the November 21, 2024, meeting, which can be accessed [here](#) from minutes 2:31:28 to 2:51:40.

## **FAIL TO PLAN; PLAN TO FAIL: COUNTY OF SANTA CLARA'S DOOMED HISTORY BOOK**

### **Summary of 2023-2024 Report**

In 2018, the Office of the County Executive (County Executive's Office) extended an existing grant-writing contract with a non-staff County grant writer to undertake a history book writing project. The contractor had no academic background or experience publishing long-form historical nonfiction. Over the next two years, the County paid the contractor over \$1 million based on minimally detailed monthly invoices, while no one in the County managed the contract or reviewed the work-in-progress. In 2022, the Contractor turned in a manuscript that the County deemed unpublishable, and the County has determined it will not seek legal recourse to recover the \$1 million.

### **Key Findings, Recommendations, and Responses**

#### **County of Santa Clara**

##### **Finding 1**

The County Executive's Office violated Board of Supervisors policy commitments to an open competitive procurement process that ensures fairness and equal access to business opportunities. The then-County Executive modified and extended an existing grant writing and professional writing contract so it could award a history book project to a specific contractor, despite the fact that the contractor lacked relevant experience.

##### **Recommendation 1**

By November 1, 2024, the County should enforce adherence to its existing provision that requires all County contracts (including non-competitively bid contracts) to be re-bid after five years and expand existing contracting guidelines to explicitly cover contract extensions by defining conditions for when contracts should be bid competitively rather than extended.

##### **Response 1**

The County agrees with this recommendation, and it has already been implemented, as it describes standard County procurement protocol and pre-existing County procurement policies. Beginning this fiscal year (2024-2025), OCCM has been integrated within the Procurement Department; a closer synchronization of these processes is anticipated to be one advantage of this change.

## **Finding 2**

The County failed to adequately specify the scope of the Contractor's work on the history book project. This resulted in an unusable manuscript.

## **Recommendation 2**

By November 1, 2024, the County should analyze ways it can improve its policies to ensure that contracts include the appropriate specificity regarding terms and conditions to enable the County to pursue legal recourse when those terms and conditions have been violated by the contractor.

## **Response 2**

The County agrees with the finding, and the recommendation has already been implemented by way of regular ongoing training within the Office of the County Counsel that specifically addresses review of scopes of work for legal enforceability. When contract terms and conditions are violated, County Counsel and departments weigh the costs and benefits of pursuing any legal action and bring recommendations to the Board accordingly.

## **Finding 3**

The County:

- Approved and awarded a book contract on an hourly wage basis, inconsistent with publishing industry practice, resulting in over \$1 million being spent on a manuscript that was not publishable,
- Regularly paid invoices without verifying contract performance and without documentation of work done and extended the book contract for a second year without requiring any proof of progress, and
- Failed to clearly delineate project roles and responsibilities, especially for the project manager role.

## **Recommendation 3**

By November 1, 2024, the County should evaluate its current contracting policies for needed safeguards and contract monitoring requirements. Given the independent role of the County Counsel and its existing role in approving contracts, the evaluation should include how County Counsel, in addition to County staff, can play a role in these safeguards.

## **Response 3**

The County agrees with the finding, and the recommendation has already been implemented. Current County procurement policies were reviewed in the wake of this incident, and the issues identified related to adherence with those policies rather than

deficiencies in the policies themselves. In May 2023, the then-County Counsel delivered an internal training to Office of the County Counsel attorneys, in which lessons learned from this procurement instance were discussed, and these lessons have been incorporated into ongoing procurement-related trainings.

## **Finding 4**

The County makes it impractical for members of the public to review contracts like the history book contract, causing the public to rely on whistleblowers and news reporters to understand the County's business.

## **Recommendation 4**

By February 1, 2025, the County should require the County Executive's Office to implement a practical contract search system for the public to view all contracts, including non-competitive (sole and single source) Board contracts and extensions.

## **Response 4**

The County disagrees with this finding. Both the fourth and fifth amendment to the agreement in question were published on the County Board of Supervisors and Boards and Commissions public portal (i.e., posted electronically from a central location on the County's website, [www.sccgov.org](http://www.sccgov.org)) six calendar days in advance of the meetings in accordance with Division A17 of the County Ordinance Code.

The County agrees to implement the recommendation. The County intends to purchase and implement a new Enterprise Resource Planning (ERP) system to provide one comprehensive procurement system for the entire organization, for which this type of search capability would be a business requirement. But this effort will be a multi-year endeavor requiring considerable resources, identified funding, and an appropriate implementation plan.

## **Follow Up**

Of the four recommendations made, the County has already implemented three and is in the process of implementing the fourth. In August 2024, the County initiated a Request for Information (RFI) to obtain information from procurement management system providers. The RFI was completed in October 2024. In November 2024, the Procurement Department recommended conducting a Request for Proposals (RFP) for a new Countywide Procurement Management System and Contracting System. The new system will address identified procurement operational shortfalls.

## [NO STRINGS ATTACHED: COUNTY OF SANTA CLARA BOARD INVENTORY ITEMS](#)

### **Summary of 2023-2024 Report**

The County Board of Supervisors (BOS) annually approves millions of dollars in one-time funding to various 501(c)(3) nonprofits ancillary to the established budget process. In the 2023-2024 fiscal year, the County's adopted budget included approximately 200 such inventory items totaling \$8.1 million.

The 2023-24 Civil Grand Jury heard that the purpose of the inventory item program was to create a positive impact on the community and fill an important gap by supporting small, start-up nonprofits that would otherwise struggle to get funding through normal channels. However, this stated purpose is not the reality of the program.

### **Key Findings, Recommendations, and Responses**

#### [County of Santa Clara](#)

##### **Finding 1**

The BOS is focused on policymaking, oversight, and legislative authority, not daily operations. As such, it is ill-equipped to administer and monitor the inventory item grant program.

##### **Recommendation 1**

The County should put the direction and management of the inventory item grant program under the County Executive's Office and the BOS should provide the County Executive with whatever policy direction the BOS finds appropriate for an inventory item grant program.

##### **Response 1**

The County agrees with this finding but finds the recommendation unwarranted. The County believes that inventory items, being a part of the annual budget process and representing specific grants made directly by the BOS, are best administered by the Office of the Clerk of the Board. Additionally, at the June 18, 2024, meeting, the BOS approved the Management Auditor's workplan for Fiscal Year 2024-2025 to include random audits of budget inventory items in the Management Auditor's workplan.

## **Finding 2**

Although the County has implemented an informational cover sheet, the County's current inventory item program does not have a consistent solicitation approach, eligibility requirements, or approval criteria, creating great inconsistencies across the Supervisorial Districts in the manner in which County funds are recommended to be awarded.

## **Recommendation 2**

The County should use a common online application process for all applicants, regardless of Supervisorial District. The application should include information about the organization's size and mission, annual and proposed program budget, the amount being requested, a description of how funds will be used and what County priorities they support, the amount of County funds already received by the organization, and measurable outcomes for the proposed program.

## **Response 2**

The County agrees with this finding but finds the recommendation unwarranted. The County disagrees with this recommendation and will not implement it as it is not warranted nor reasonable. One of the advantages of the grants disbursed through the inventory process is they do not require a significant amount of work on behalf of the applicant to apply for and potentially receive funds.

## **Finding 3**

The existing inventory item program has failed to meet the BOS's stated purpose, which is to give one-time grants to small, start-up community-based organizations, which would not otherwise have the means or expertise to request grants.

## **Recommendation 3**

The County should create a consistent set of rules and guidelines for review and approval of inventory item awards that meets their goal of supporting smaller organizations, considering but not limited to the following:

- Limit inventory item grants to organizations that do not have an existing contract with the County, and
- Set an annual \$250,000 cap on total inventory item grants that each Supervisorial District can award.

## **Response 3**

The County partially agrees with this finding but finds the recommendation unwarranted. In particular, the County disagrees with the notion that grants given through inventory items are solely meant for smaller organizations. However, maintaining a cap at a limit set

by the BOS has merit, and the BOS will continue to evaluate guidelines and questions of scale in future budget cycles.

## **Finding 4**

The current inventory item program lacks effective recipient accountability to ensure inventory item grant money is used for its approved purposes, making it difficult for the County to judge the program's effectiveness.

## **Recommendation 4**

The County should require recipients to provide annual progress reports and financial reports, and, if needed, the County should audit the organization's expenditure records.

## **Response 4**

The County partially agrees with this finding but finds the recommendation unwarranted. The standard grant agreement template for inventory items includes clauses to ensure that funds are used for their intended purpose. However, for many smaller grants, extensive tracking of fund usage might place a significant burden on recipient organizations and reduce the effectiveness of the grants.

## **Finding 5**

Under the current process, a single elected official has largely unregulated autonomy to award public funds to a particular organization of their choosing using a system that lacks transparency. There is no way to avoid the appearance of favoritism in a grant program that the BOS administers itself.

## **Recommendation 5**

If the County does not agree with the previous four recommendations, then it should eliminate the current inventory item program entirely.

## **Response 5**

The County partially disagrees with this finding and will not implement the recommendation as it is unwarranted. Regardless of an individual Supervisor's discretion to select entities as proposed recipients of inventory grant items, full BOS approval is required to award funding. While the County agrees that additional controls and limits on inventory items would make the process easier to administer overall and effectively track expenditures against approved purposes for a greater share of awards, the overall program has been determined to be of value by several successive BOSs over the years.

## **Follow Up**

Of the five recommendations made, the County found all five unwarranted. As a result, no follow up was completed by the 2024-25 Civil Grand Jury.

## A DISJOINTED SYSTEM: COUNTY OF SANTA CLARA MENTAL HEALTH SUPPORTS FOR JUSTICE-INVOLVED CLIENTS

### **Summary of 2023-2024 Report**

County leaders have expressed a commitment to the goal of keeping people with serious behavioral health disorders out of County jails. The 2023-24 Civil Grand Jury investigated County systems and programs designed to accomplish this goal and found several issues, including:

- Many of the departments and programs are siloed, leading to many low-level offenders with behavioral health disorders serving longer time in jail, where their illnesses often worsen, and
- A lack of consistent connection between an individual at risk and the supports they receive results in many becoming stuck in a revolving door of arrest for low-level offenses.

These issues are exacerbated by the lack of availability of County-operated treatment beds, staffing shortages, and the housing crisis.

### **Key Findings, Recommendations, and Responses**

#### County of Santa Clara

##### **Finding 1**

The continuum of care for justice-involved people who have committed low-level crimes due to their behavioral health disorder is disjointed between the various departments and services. The County and its partners' programs and services are too siloed, resulting in a lack of coordinated care.

##### **Recommendation 1**

None

##### **Response 1**

The County partially agrees with this finding. The County has established and continuously expanded a coordinated continuum of care for justice-involved persons with behavioral health disorders. Over the next several years, County Departments will work with justice system partners to develop a system that can serve more people, has a spectrum of services

tailored to levels of need, and begins the discharge/reentry planning process as early as possible.

## **Finding 2**

Behavioral Health Services Department (BHSD) staff in Collaborative Court and Custody Health (the County department providing health services in County-maintained detention facilities) do not systematically collaborate to support the clients they have in common, resulting in clients spending unnecessary time in custody.

## **Recommendation 2**

By December 31, 2024, BHSD staff in Collaborative Court and Custody Health should establish more effective systems of collaboration. Some examples could include:

- Custody Health being present in Collaborative Court to ensure collaboration in client support.
- Have BHSD staff from Forensic, Diversion, and Reintegration (FDR) and Custody Health attend mutually relevant trainings together.

## **Response 2**

The County partially agrees with this finding and will implement this recommendation by December 31, 2024, using the opportunity presented by the California Advancing and Innovating Medi-Cal (CalAIM) Justice Involved initiative to begin improving coordination and/or bolstering current activities. Through the CalAIM Justice Involved initiative, BHSD and Custody Health staff may receive joint training on data access, new medical procedure codes, and Medi-Cal enrollment processes.

## **Finding 3**

The current system does not allow for discharge planning for people accused of low-level offenses with behavioral health disorders soon after arrest and booking.

## **Recommendation 3**

By December 31, 2024, appropriate County agencies should create a system that allows for the possibility of discharge planning for appropriate individuals to occur much earlier in the process.

## **Response 3**

The County partially agrees with this finding and will implement the recommendation. Custody Health will convene meetings with BHSD and other stakeholders to gather information and formulate a cross-functional strategy to develop a system to be reviewed by appropriate County leadership by December 31, 2024.

## **Finding 4**

The current countywide system is not conducive to justice-involved clients with behavioral health disorders establishing a personal connection with a service provider who can help them navigate all available services for the long term. Such a personal connection could increase the likelihood of clients participating in treatment plans and transitioning more smoothly to the community.

## **Recommendation 4**

By March 31, 2025, the County should coordinate systems of care more effectively to make it easier for clients to establish personal connections. Some examples could include:

- Increased in-reach services to County Jails (peer navigators, social workers, etc.) to work with clients to build trust and form a relationship to smoothly transition into community programs.
- A more coordinated system of communication among service providers countywide regarding clients' history and needs.

## **Response 4**

The County partially agrees with this finding, but the recommendation requires further analysis. Custody Health leadership will review initial lessons learned through the CalAIM implementation by December 12, 2024, to inform decision-making for future enhancements to the County's systems of care coordination, including with respect to this specific recommendation.

## **Finding 5**

County services do not have a central repository for client digital records. This impedes coordination of care.

## **Recommendation 5**

To the maximum extent legally allowable, the County should, by December 31, 2024, develop an initial plan of how to improve coordination of client digital records across its currently disparate network of data systems in different service areas. Once a coordination plan is established, the County should have regular meetings every 6 months to monitor progress, with a meeting implementation date of March 31, 2025.

## **Response 5**

The County agrees with this finding but finds the recommendation unwarranted. The County is making substantial progress in this area through ongoing improvements to

various digital record platforms, but significant legal restrictions on sharing of health and criminal justice data limit these efforts.

## **Finding 6**

Collaborative Court judges are often forced to rely on clients bringing paper copies of their Client Status Reports (CSRs) to court to be able to assess their adherence to program requirements.

## **Recommendation 6**

BHSD should devise a reliable and user-friendly system to provide electronic copies of CSRs to judges in advance of each client's court date by December 31, 2024.

## **Response 6**

The County agrees with this finding and will implement this recommendation. BHSD is currently working with the County IT department—Technology Services and Solutions (TSS)—to deliver CSR information more efficiently to the Courts and other stakeholders.

## **Finding 7**

Insufficient staffing and an increased workload of BHSD in FDR has negatively impacted staff morale and led to longer wait times for clients who are incarcerated to enter treatment programs.

## **Recommendation 7**

BHSD should prioritize staffing and resources in Collaborative Court and FDR by December 31, 2024.

## **Response 7**

The County agrees with this finding and will implement the recommendation. The workload of BHSD staff in FDR has not increased, but the team has been impacted by vacancies. Currently, three clinical positions are vacant, and recruitments are underway. The County anticipates filling these three positions by December 31, 2024.

## **Finding 8**

Innovative programs such as Pre-Arrestment, Representation and Review (PARR) successfully reduce time incarcerated for their clients.

## **Recommendation 8**

By December 31, 2024, the County should prioritize the current PARR program and the proposed expansion of this program for people with behavioral health disorders ensuring an earlier possible referral to Collaborative Court.

## **Response 8**

The County agrees with this finding, but the recommendation requires further analysis. There is currently a plan for a pilot program entitled “Mental Health PARR Arraignment Court,” targeted to begin in August 2024.

## **Finding 9**

Custody Health’s current procedure for mental health screening and assessment allows too many incarcerated people with non-acute behavioral health disorders to go undiagnosed and untreated.

## **Recommendation 9**

By December 31, 2024, Custody Health should review its procedures for behavioral health disorder screening of newly booked clients to determine why so many are passing through without getting flagged. Once the County determines the issues related to flagging clients the County should fix the screening process by March 31, 2025.

## **Response 9**

The County partially agrees with this finding and the recommendation requires further analysis. Custody Health will pull data on how many patients Mental Health is assessing at intake to determine whether changes to the process are required. Custody Health leadership will review this data by December 12, 2024, and then design a strategy for next steps.

## **Finding 10**

Custody Health does not consistently check clients’ court schedules, leading to scheduling conflicts of court dates and medical appointments.

## **Recommendation 10**

By September 30, 2024, Custody Health should consult the Court calendar using a system such as the Inmate Finder website to view court dates to ensure they do not schedule a client’s medical appointments at the same time as their court date.

## Response 10

The County agrees with this finding, but the recommendation requires further analysis. Custody Health is currently exploring the use of a space scheduling tool across all the adult facilities with the goal of maximizing availabilities and increasing efficiency in scheduled services. Custody Health leadership will evaluate the viability of this tool by December 12, 2024.

## Follow Up

Of the nine recommendations, the County has agreed to implement four, while an additional four required further analysis. Of those recommendations, two have been completed and six are in progress. The 2024-25 Civil Grand Jury inquired with the County on the progress of the recommendations and received the following updates on January 31, 2025:

**Recommendation 3:** BHSD and Custody Health Services (CHS) have commenced meeting with stakeholders across County departments, including, but not limited to, Sheriff's Office, Pretrial Services, Probation Department, Public Defender's Office, District Attorney's Office, and the Office of Diversion and Reentry Services, as well as the Santa Clara County Superior Court. Discussions are focused on identifying key areas for collaboration and developing a comprehensive strategy to address the recommendations. Moving forward, BHSD and CHS will hold regular meetings to ensure ongoing communications and tracking of progress.

**Recommendation 4:** CalAIM implementation is in process and will allow for increased in-reach services as part of the implementation plan, support a more robust hand-off process between the pre-release and post-release care teams, and improve communication for post-release services for incarcerated individuals enrolled in Medi-Cal. The County continues to analyze the implementation of CalAIM; lessons learned, as relevant to this recommendation, include enhanced coordination, data sharing opportunities, stakeholder engagement, and cross departmental information exchange.

**Recommendation 7:** One of the current three vacancies has since been filled, one is currently undergoing active recruitment, and the last one will begin recruitment soon.

**Recommendation 8:** Currently, the Mental Health PARR Arraignment Court pilot program has officially commenced. The PARR calendar has started and is currently operational, meeting every Friday at 2:00 p.m. to hear cases. BHSD will provide training for its partners, focusing on available treatment options and community resources, to ensure all stakeholders are well-informed and equipped to support program participants effectively.

# COMPLIANCE REPORT

**Recommendation 9:** CHS is collaborating with the CalAIM implementation team and BHSD to explore modifying the screening questions for better identification of patients needing mental health assessments. To improve the referral process to include referrals that are not solely dependent on the patient's self-report, CHS and BHSD are working on developing a notification system to identify patients connected to community mental health services, enhancing continuity of care and discharge planning.

**Recommendation 10:** In December 2024, CHS launched a pilot program to further explore the feasibility of using a block scheduling system for spaces that are exclusively used by CHS providers for adult services. The results of the pilot will inform future decisions regarding scheduling across all facilities and CHS will continue to make refinements to improve operations and maximize efficiency.

## IRRECONCILABLE DIFFERENCES: SANTA CLARA CITY COUNCIL

### **Summary of 2023-2024 Report**

While investigating several complaints about unprofessional and antagonistic behavior by certain Santa Clara City Councilmembers during public meetings, the 2023-24 Civil Grand Jury found deep divisions, rivalry, and disrespect among the Mayor, Councilmembers, and other City of Santa Clara (City) officials. Some members disrupted meetings with abusive behavior toward the public, political grandstanding, and misunderstandings of parliamentary procedures, even engaging in outlandish acts like reading from a satirical cartoon book. These actions resulted in prolonged meetings, wasted staff time, low morale, and decreased public participation. The Santa Clara City Council's (Council) inability to work cohesively has undermined effective governance, hindering their ability to address critical issues, including \$600 million in infrastructure needs and projected budget deficits between \$6 million and \$19.3 million for 2024-2025.

### **Key Findings, Recommendations, and Responses**

#### City of Santa Clara and Santa Clara Stadium Authority Board

##### **Finding 1**

The Mayor and Councilmembers have fractured relationships, with some failing to follow ethical standards, while Councilmember Becker and Councilmember Park engage in petty disputes from the dais.

##### **Recommendation 1**

The City should hire a conflict resolution professional and implement training strategies, with specific one-on-one conflict resolution training recommended for Councilmembers to improve their effectiveness and professionalism in meetings by October 1, 2024.

##### **Response 1**

The City agrees that working relationships are broken but noted most business is approved without debate, acknowledged occasional failures to meet behavioral standards, and partially disagreed with singling out specific Councilmembers for grievances. The City agrees to implement the recommendation and is working to engage a professional experienced with elected bodies. The training will include individual sessions for each Councilmember followed by a group session for the entire Council, with a timeline set for early 2025.

## **Finding 2**

Councilmembers Becker, Park, and Chahal do not understand and/or do not follow established parliamentary and meeting procedures.

## **Recommendation 2**

Councilmembers Becker, Park, and Chahal should commit to attending parliamentary procedure training by October 1, 2024, ensuring they act in a manner reflective of dedicated elected officials.

## **Response 2**

The City disagreed with the finding and partially disagrees with the recommendations for selected individual Councilmembers' training in parliamentary procedures, asserting that all members should participate. With the Governance and Ethics Committee recommending a shift from Robert's Rules to Rosenberg's Rules of Order, the Council plans to align this training with new meeting protocols. Given the November 5, 2024, election, the training will coincide with onboarding in early 2025 and be offered to all Councilmembers.

## **Finding 3**

Some Councilmembers do not uphold their responsibility to conduct the City's business professionally and efficiently.

## **Recommendation 3**

By October 1, 2024, the City should adopt the formal resolution for Meeting Management Procedures developed and presented by staff to the Governance and Ethics Committee meeting on December 4, 2023. This resolution would tie meeting procedures with the City's Code of Ethics and Behavioral Standards for Public Meetings to promote respectful language and productive sessions.

## **Response 3**

The City partially agrees with the finding and will implement the recommendation. At the July 2, 2024, Governance and Ethics Committee meeting, the Committee reviewed options for Meeting Management Protocols based on Rosenberg's Rules of Order and directed staff to develop a proposal. The revised protocol will be discussed at the Committee's next meeting in early October, followed by presentation to the full Council for final approval.

## **Finding 4**

Some Councilmembers have become preoccupied by personal and political vendettas resulting in verbal attacks, mocking, and disparaging members of the public and

community volunteers from the dais without consequence. Councilmembers have ignored the public's request to address their behaviors.

## **Recommendation 4**

The City should establish an Independent Ethics Commission to oversee Council behavior and hire an ethics professional to implement robust ethics training strategies by October 1, 2024. All Councilmembers should participate in ethics training and workshops with experts to promote collegiality, prevent misconduct, and foster positive interactions.

## **Response 4**

The City partially agrees with the finding and will implement the recommendation. An RFP will be issued by October 1, 2024, to engage a consultant to guide the commission's structure, aiming for completion in 2025. The law firm Liebert Cassidy Whitmore (LCW) is currently reviewing the City's ethics policies, with findings expected by October 2024, and new policies implemented by Spring 2025. While ethics training may be delayed until early 2025 due to the November 2024 election, the City will budget for all Councilmembers to attend the 2025 Cal Cities Academy, which offers sessions on governance, ethics, and legal responsibilities. Additionally, updated ethics training will be provided by the City Attorney's office in fall 2024.

## **Finding 5**

Councilmembers Becker and Park have engaged in unethical behavior on the dais by insulting, humiliating, and intimidating constituents and volunteers. Councilmembers Becker and Hardy explicitly encourage this behavior by laughing, snickering, or eye-rolling. Councilmembers Becker, Park, Hardy, Jain, and Chahal implicitly encourage these behaviors by failing to call out inappropriate conduct.

## **Recommendation 5**

Councilmembers Park, Becker, Hardy, Chahal, and Jain should pledge to attend annual ethics training with experts from an external entity specializing in government ethics by October 1, 2024.

## **Response 5**

None required.

## **Finding 6**

There has not been an employee satisfaction survey since 2019.

## **Recommendation 6**

By October 1, 2024, the City should conduct an annual employee satisfaction survey, administered by a third party, which can be answered anonymously.

## **Response 6**

The City agrees with the finding and the recommendation will be implemented. The City will initiate a procurement process to complete the survey within the next six months.

## **Finding 7**

City staff is exceptionally professional, well prepared, and consistently maintains their composure regardless of behaviors exhibited by the Council. Staff's behavior is a model for the Council.

## **Recommendation 7**

The City should commend City staff for their exemplary work ethic and professionalism. This recommendation should be implemented by August 1, 2024.

## **Response 7**

The City agrees with the finding and will implement it through a formal resolution to be adopted by October 22, 2024, with the resolution distributed to all City staff thereafter.

## **Individual Councilmember Responses**

[Mayor Lisa Gillmor](#)

[Councilmember Anthony Becker](#)

[Councilmember Raj Chahal](#)

[Councilmember Karen Hardy](#)

[Councilmember Sudhanshu "Suds" Jain](#)

[Councilmember Kevin Park](#)

[Councilmember Kathy Watanabe](#)

Councilmembers' individual responses were widely varied. See details in [Appendix 1](#).

## **Follow Up**

Of the six recommendations made, the City of Santa Clara agreed with all six. The 2024-25 Civil Grand Jury inquired about the progress of the above recommendations and confirmed with the City of Santa Clara that five have been implemented, with Recommendation 6 still in progress.

## **OUTPLAYED: MEASURE J, THE CITY OF SANTA CLARA, AND THE SAN FRANCISCO 49ERS**

### **Summary of 2023-2024 Report**

In 2010, City of Santa Clara (City) voters passed Measure J, which brought a \$1.3 billion Stadium to the City. As presented to voters, the Stadium would deliver significant economic benefits to the City and its residents.

As promised by Measure J, the City's General Fund has been protected, Stadium debt has been paid down, and reserves have been funded more quickly than originally planned. But the revenues that were promised to the City have been both modest and hard won. The San Francisco 49ers Football Company LLC (the 49ers) have been litigious, fighting the Stadium Authority and the City at every turn, over transparency and financial issues.

The City Council/Stadium Authority Board (City/Stadium Authority), both past and present, have compounded the issues by 1) allowing changes to the already 49er-friendly terms in Measure J to be adjusted in the Stadium's legal agreements to further and materially benefit the 49ers; 2) giving away what little leverage and control they did have in settlement agreements; and 3) relinquishing its power to the 49ers over the last decade. By taking a passive role in its oversight duties, the City/Stadium Authority has undermined Stadium Authority staff.

For this report, the 2023-24 Civil Grand Jury took the unprecedented step of hiring expert consultants to better understand the complexities of the various contracts and to gain transparency into the financial documents of the publicly owned Stadium.

### **Key Findings, Recommendations, and Responses**

#### **Santa Clara City Council and Santa Clara Stadium Authority Board**

##### **Finding 1**

From the beginning, the city was impatient and overmatched in its negotiation posture with the 49ers to the long-term detriment of the City/Stadium Authority.

##### **Recommendation 1**

Given the long-term nature of the various agreements, the 49ers' sophistication, and the history of past disputes, the City/Stadium Authority should engage advisors with specialized knowledge to determine options to level the playing field.

## **Response 1**

The City/Stadium Authority generally agrees with this finding in that the original stadium agreements did include provisions that put the City/Stadium Authority at a disadvantage in a number of areas. The recommendation has already been implemented as the Stadium Authority has and will continue to hire consultants with specialized expertise in areas including the following: legal, marketing, audit and financials, systems implementation, and security.

## **Finding 2**

The City has not studied the actual economic impact of the Stadium. The 49ers have produced their own studies, which they use to tout long-term unverified benefits and frame all discussions surrounding the success of the Stadium.

## **Recommendation 2**

The City should commission its own report to determine the Stadium's actual economic impact over the last decade by July 1, 2025.

## **Response 2**

The City/Stadium Authority agrees with the finding, but the recommendation requires further analysis. Before it proceeds with a comprehensive economic impact analysis of the Stadium, the City/Stadium Authority intends to analyze the appropriate methodology and time period for such an analysis. This analysis will be completed within the next 6 months. Based on the results of this analysis, the City Council/Stadium Authority Board will proceed with a comprehensive economic analysis of the Stadium's direct and indirect economic impacts.

## **Finding 3**

Measure J's promise to protect the City's General Fund has been realized. The funding structure from the Stadium Lease has successfully allowed the Stadium Authority to pay off Stadium construction loans and fund required reserves faster than originally planned.

## **Recommendation 3**

The May 2024 Settlement Agreement gives the Board/City Council new flexibility to divert Excess Revenue from the Stadium Authority to the City's General Fund. When diverting Excess Revenue, the Board/City Council should be mindful of the long-term financial health of the Stadium Authority and request the Treasurer to produce a long-term plan for funding all required Stadium reserves, including reserves for capital improvements, by October 31, 2024.

## **Response 3**

The City/Stadium Authority agrees with this recommendation, and it will be implemented. The Treasurer will provide a report to the Stadium Authority Board showing a current projection of the long-term plan. In addition, a Facilities Condition Assessment is currently underway which will help to inform the Stadium Authority Board and staff of the appropriate level of capital improvement reserves necessary to maintain the Stadium. A recommendation will be brought forward upon completion of the Facilities Condition Assessment and for presentation to the Board during the next Budget Study Session in early 2025.

## **Finding 4**

The City/Stadium Authority agreed to use ManCo, an affiliate of the 49ers, with an inherent conflict of interest to handle the Stadium Authority's financial interests in non-NFL events.

## **Recommendation 4**

None.

## **Response 4**

The City/Stadium Authority agrees with this finding that there are inherent conflicts of interest; however, we also note that there are material advantages and efficiencies to having one entity manage the Stadium for both NFL and non-NFL events, and that this arrangement is not atypical for similar venues throughout the country. Of course, care must be taken to provide proper oversight and accountability where such an arrangement exists, and the City/Stadium Authority is committed to providing such oversight, with critical self-assessment and improvements where needed, going forward.

## **Finding 5**

The City/Stadium Authority failed to ensure that the Management Agreement included a fair termination clause.

## **Recommendation 5**

None

## **Response 5**

The City/Stadium Authority partially agrees with the finding. The termination clause is not ironclad and that, as a result, the Management Agreement performance standards have been challenging to enforce.

## **Finding 6**

The City/Stadium Authority failed to ensure the Management Agreement provided the Stadium Authority with full access to financial records. ManCo's financial transparency with the Stadium Authority has improved with the implementation in 2022 of a new financial management system. Transaction-level testing generally supports ManCo's reporting of financial results for non-NFL events.

## **Recommendation 6**

None

## **Response 6**

The City/Stadium Authority partially agrees with this finding. The Management Agreement does contain substantial terms for access to the Stadium's financial records. The challenge has been with historic disagreements over the extent and implementation of such access, with ManCo resisting full access. Using existing contract language, such access has substantially improved, particularly with the advent of the new Financial Management System implemented in 2022.

## **Finding 7**

The City/Stadium Authority failed to ensure that the original Management Agreement and the 2022 Settlement Agreement prioritized Stadium Authority revenue generation. The Stadium Authority failed to use the prescribed Marketing Correction Plan to hold ManCo accountable for unsuccessful non-NFL event bookings.

## **Recommendation 7**

The Stadium Authority should retain the expertise needed to meaningfully weigh in on ManCo's Marketing Plan to ensure that the Stadium Authority's profitability is maximized. The Stadium Authority should also establish a yearly audit procedure by December 31, 2024, to measure and analyze each season's Marketing Plan against its outcomes, updating future plans based on this analysis.

## **Response 7**

The City/Stadium Authority partially disagrees with this finding, but the recommendation will be implemented. The March 28, 2012, Management Agreement includes Standards of Care and Duties terms in regard to ManCo's obligations to maximize Stadium Authority revenues. Further, the Stadium Authority made multiple efforts from and after 2017 to try to implement more specific methods and metrics in the Marketing Plans. In addition to the December 2018 Notice of Correction Plan, Stadium Authority has made multiple efforts to hold ManCo accountable for unsuccessful non-NFL event bookings throughout the years.

# COMPLIANCE REPORT

The 2022 Settlement Agreement further warrants and confirms ManCo's duty of care obligations and the prioritization to maximize Stadium Authority revenues.

The Stadium Authority has awarded a contract to an independent consultant to study the market-potential trends and financial performance for stadium events and concerts at publicly owned venues. The Stadium Authority also plans to hire consultants in the future to assist with review and input for each year's Marketing Plan. Stadium Authority staff will also review the annual Marketing Plan against performance and industry baselines.

## **Finding 8**

There is no evidence showing that ManCo is negotiating to maximize Stadium Authority profits for non-NFL events. The Stadium Authority has failed to ensure the Management Agreement requires ManCo to incentivize its staff to prioritize the Stadium Authority's success.

## **Recommendation 8**

As part of the Marketing Plan, Stadium Authority should require that ManCo produce a marketing plan that maximizes profits for the Stadium Authority and incentivizes ManCo marketing staff to prioritize the profitability of the Stadium Authority by December 31, 2024.

## **Response 8**

The City/Stadium Authority disagrees with this finding. The Management Agreement structure is purposely designed to incentivize ManCo to maximize Stadium Authority profits. Also, it should be noted that Stadium Authority net revenues have increased substantially in recent years. That being said, City/Stadium Authority agree that ManCo's obligation and commitment under the Management Agreement to maximize revenues and minimize costs warrants ongoing and enhanced oversight by Stadium Authority staff and Board. The recommendation has been partially implemented, and additional efforts will be taken to provide ongoing oversight of ManCo's Marketing Plan going forward.

## **Finding 9**

StadCo/ManCo failed to remit all required non-NFL ticket surcharges to the Stadium Authority. Suite ticket revenue submitted to the Stadium Authority does not account for suite ticket revenue for certain suite attendees.

## **Recommendation 9**

By October 31, 2024, the Stadium Authority should review and ensure that it receives all a) non-NFL event ticket surcharges for all event attendees, and b) ticket revenue for all suite attendees owed to the Stadium Authority.

## **Response 9**

The City/Stadium Authority partially agrees with the finding. The Stadium Authority staff was able to confirm that surcharges were applied for the last two fiscal years through the Financial Management System; however, we are not able to verify payment of such amounts for prior years before the Financial Management System was implemented. The matter of how non-NFL ticket surcharges are applied is currently under review with Stadium Authority legal counsel.

The recommendation has been implemented to the extent possible and the Stadium Authority's ability to provide oversight and confirm receipt of appropriate revenue has greatly improved in the last two years since the implementation of a Financial Management System. Stadium Authority staff will continue to review this annually as part of the year end close and review of quarterly revenue information.

## **Finding 10**

The Stadium Authority is unaware of the market revenue potential for non-NFL events at the Stadium. The Stadium Authority does not know what net revenues should be expected for non-NFL, ticketed and non-ticketed, events.

## **Recommendation 10**

The Stadium Authority should hire a professional third-party consultant, not affiliated with the 49ers, by December 31, 2024, to analyze the reasonable expectations for non-NFL events such as:

- An analysis of the market revenue potential for non-NFL events at the Stadium.
- An analysis of ManCo's Marketing Plans, comparing successful (FY 2022-23) and unsuccessful (FY 2017-18) bookings to potential market revenue.
- A plan with measurable objectives and incentives for ManCo to achieve these results.

## **Response 10**

The City/Stadium Authority partially agrees with the finding and has partially implemented this recommendation. The Stadium Authority awarded a contract to an independent consultant to study the market potential trends and financial performance for stadium events and concerts at publicly owned venues. The City/Stadium Authority is committed

to developing a deeper understanding of such matters, augmented by the input of industry professionals.

Significant resources and time have already been spent by staff, legal counsel, and the Civil Grand Jury attempting to discern the rationales for prior years' performance with limited to no success. Given that revenues are at an all-time high and major enhancements have been made in the areas of data accessibility and oversight, we believe that future time is best spent on efforts for ongoing oversight and Stadium Authority operational issues.

## **Finding 11**

Per the Stadium Lease, the Stadium Authority failed to negotiate pertinent details about buffet costs in the contract, such as parameters on cost thresholds and alcohol. The Stadium Authority accepted responsibility for buffet costs but failed to follow up when the expense was omitted from ManCo's budgets.

## **Recommendation 11**

None

## **Response 11**

The City/Stadium Authority partially agrees with the finding. Any contract term ambiguity on buffet costs was addressed under the terms of the May 2024 Settlement Agreement with revisions to the Stadium leases that now impose clear limits (caps) on buffet cost reimbursements and add provisions for Stadium Authority audits of such costs.

## **Finding 12**

A Multi-Use Community Facility at the Stadium was one of Measure J's original promises and was memorialized in the Stadium Lease. The current designated space for the Community Room at the Stadium is not easily accessible nor is it pragmatic for most civic events.

## **Recommendation 12**

The Stadium is not an appropriate location for a Community Facility. The Stadium Authority should work with the 49ers to identify and procure an alternative space for community needs by June 30, 2025.

## **Response 12**

The City/Stadium Authority agrees with the finding and will implement the recommendation. Staff will aim to discuss with StadCo/ManCo and identify alternatives by June 30, 2025.

## **Finding 13**

The FIFA World Cup commitments for the City and the Stadium Authority were made without consultation with the City/Stadium Authority.

## **Recommendation 13**

By December 31, 2024, the Stadium Authority should insist on consultation and prior notice before any major Stadium event commitments are made.

## **Response 13**

The City/Stadium Authority agrees with the finding. This is a matter of ongoing discussions between Stadium Authority and ManCo, with improved communications and opportunities for input already implemented. The Stadium Authority intends to further implement this recommendation as follows: Within the next two Non-NFL Event booking cycles, Stadium Authority staff's intent is to formalize this consultation and notice process, including Stadium Authority opportunities to approve certain major events in advance.

## **Follow Up**

Of the nine recommendations made, the City/Stadium Authority agreed to implement or partially implement eight of them, while one required further analysis. The 2024-25 Civil Grand Jury inquired about the progress of the recommendations; the City/Stadium Authority confirmed that four (Recommendations 1, 3, 9, and 10) have been completed and the remaining five are in progress.

# COMPLIANCE REPORT

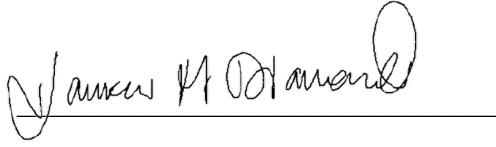
## APPENDIX 1: Summary of Agency Responses and Implementation Status

2023 Civil Grand Jury Reports	Responding Agency	Findings			Recommendation Implementation Status			
		Agree	Partially Agree	Disagree	Has Been Implemented	Will Be Implemented	Requires Analysis	Will Not Be Implemented
1. No Single Source Of Truth: County Of Santa Clara Countywide Procurement	The County of Santa Clara	1, 2, 4, 5, 6, 7, 8, 9, 10	3, 11			2, 4, 6, 7, 8, 9, 10	1, 3, 5, 11	
2. Flawed Information, Flawed Decisions: The Importance Of Leadership, Governance, And Oversight At The Santa Clara County Housing Authority	Santa Clara County Housing Authority	3	2	1		2, 3		1
	The County of Santa Clara	4, 5	6		5 (partial),6			4, 5 (partial)
3. District Adrift: Leadership Issues At San Jose Unified School District	San José Unified School District		7, 8, 9	1, 2, 3, 4, 5, 6		8 (partial)	7, 9	1, 2, 3, 4, 5, 6, 8 (partial)
4. Fail To Plan; Plan To Fail: County Of Santa Clara's Doomed History Book	The County of Santa Clara	1, 2, 3		4	1, 2, 3	4		
5. No Strings Attached: County Of Santa Clara Board Inventory Items	The County of Santa Clara	1, 2	3, 4, 5					1, 2, 3, 4, 5
6. A Disjointed System: County Of Santa Clara Mental Health Supports For Justice-Involved Clients	The County of Santa Clara	5, 6, 7, 8, 10	1, 2, 3, 4, 9		3, 8	2, 6, 7, 9	4, 10	5

2023 Civil Grand Jury Reports	Responding Agency	Findings			Recommendation Implementation Status			
		Agree	Partially Agree	Disagree	Has Been Implemented	Will Be Implemented	Requires Analysis	Will Not Be Implemented
7. Irreconcilable Differences: Santa Clara City Council	The City of Santa Clara	1, 6, 7	3, 4	2	1, 2, 3, 4, 7	6		
	Mayor Lisa Gillmor	1				1		
	Councilmember Anthony Becker		1, 2, 5			1, 2, 5		
	Councilmember Raj Chahal		1	2, 5			1	2, 5
	Councilmember Karen Hardy		1	5				1, 5
	Councilmember Sudhanshu Jain		1, 5	2			1, 5	
	Councilmember Kevin Park		1, 2	5		1, 2, 5		
	Councilmember Kathy Wantanabe	1				1		
8. Outplayed: Measure J, The City Of Santa Clara, And The San Francisco 49ers	The City of Santa Clara/Stadium Authority	1, 2, 3, 4, 12, 13	5, 6, 7, 9, 10, 11	8	1, 8 (partial), 9, 10	3, 7, 8 (partial) 12, 13	2	

# COMPLIANCE REPORT

This report was **ADOPTED** by the County of Santa Clara 2024-2025 Civil Grand Jury on this 11th day of June, 2025.

A handwritten signature in black ink, appearing to read "Lauren H. Diamond", is written above a horizontal line.

Lauren Diamond  
Foreperson