



Acalanes Union High School District

1212 Pleasant Hill Road, Lafayette, CA 94549

www.acalanes.k12.ca.us

925-280-3900 ♦ Fax 925-932-2336

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August 3, 2012

Lloyd Bell, Foreperson
Contra Costa County Grand Jury
725 Court Street
PO Box 431
Martinez, CA 94553-0091

Re: Grand Jury Report No. 1208

DISTRICT ADMINISTRATION

John T. Nickerson, Ed.D.
Superintendent

Christopher J. Learned
*Associate Superintendent,
Business Services*

Kevin French
*Associate Superintendent,
Administrative Services*

Dear Mr. Bell:

As requested in Grand Jury Report, No. 1208, School Bond Oversight Committees, "Raising The Bar," the district responded to Findings 2 through 16 and Recommendations 1 through 12 as required.

Enclosed are the Acalanes Union High School District's responses to the Grand Jury Report No. 1208. If you require further information, please contact me at 925.280.3900.

Sincerely,

John Nickerson, Ed.D.
Superintendent

SCHOOLS

Acalanes Adult Education
Walnut Creek

Acalanes Center for
Independent Study
Walnut Creek

Acalanes High School
Lafayette

Campolindo High School
Moraga

Las Lomas High School
Walnut Creek

Miramonte High School
Orinda

Enclosure

cc: Chris Learned, Associate Superintendent - Business Services, w/ enclosure



Acalanes Union High School District

1212 Pleasant Hill Road, Lafayette, CA 94549

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925-280-3900 ♦ Fax 925-932-2336

Date: August 3, 2012

Subject: Contra Costa County Grand Jury, Report No. 1208
School Bond Oversight Committees, Raising the Bar

Findings

Finding 2

Ballot language that is overly general in identifying specific projects, and fails to indicate priorities and at least a realistic estimate of project costs, impedes meaningful and effective oversight and accountability.

Response 2

The District disagrees. The Measure E ballot language included the Governing Board approved master plan of July 21, 2008, which detailed each of the projects. The Measure E Citizens' Oversight Committee was provided with a copy of master plan, which includes cost estimates for each project.

Finding 3

Bond proceeds are sometimes used to provide General Fund relief in various ways, which even if lawful, may not have always been fully disclosed to voters in the ballot language.

Response 3

The District disagrees. The ballot language included the Governing Board approved master plan of July 12, 2008, which did not include providing General Fund relief. The Measure E Citizens' Oversight Committee was provided with a copy of the master plan and uses it to verify expenditures that do not include General Fund relief.

Finding 4

District boards have an inherent conflict of interest in selecting, and in some cases, having the power to remove with or without cause, the members of the oversight committee who are required to oversee the district's spending of bond funds.

Response 4

The District disagrees. The Governing Board is very open and transparent to the selection process of the oversight committee and has never removed a member.

Finding 5

Districts do not consistently reach out to the legally-mandated organizations, to local professional associations, community groups, or to district residents generally, to seek independent, qualified and motivated nominees for their bond oversight committees.

Response 5

The District disagrees. The oversight bylaws states, "The Committee shall consist of at least seven (7) members appointed by the Board of Trustees from a list of candidates submitting written applications, and based on criteria established by Prop 39, to wit:

- One (1) member shall be the parent or guardian of a child enrolled in the District.
- One (1) member shall be both a parent or guardian of a child enrolled in the District and active in a parent-teacher organization, such as the P.T.A. or a school site council.
- One (1) member active in a business organization representing the business community located in the District.
- One (1) member active in a senior citizens' organization.
- One (1) member active in a bona-fide taxpayers association.
- Two (2) members of the community at-large."

Through the Governing Board's application process, the Measure E Citizens' Oversight Committee is composed of nine members that meet the criteria established by Prop 39.

Finding 6

There does not always appear to be a consistent and transparent process for interested persons to be nominated, apply for, and be appointed to membership on oversight committees, or disclosure of any previous employment by, or other prior involvement or business relationship with, the district.

Response 6

The District disagrees. Once the application is circulated and has been responded to by interested candidates, a sub-committee of the Governing Board reviews the applications and works hard to assure that each of the criteria established is accomplished. In addition, the sub-committee works to assure balance that each of the four communities within the District is represented.

Finding 7

Districts do not consistently provide timely, adequate and independent training or resource materials for members of their bond oversight committees that explain their role, duties and functions, or provide training in the skills needed to analyze the kinds of financial data that bond oversight committee members are asked to review.

Response 7

The District partially disagrees. All committee members are provided a binder with materials related to the bond measure including but not limited to the master plan, the ballot measure, the bylaws and the Brown Act. A formal training is conducted on the role of the committee and the Brown Act.

Finding 8

Although all oversight committees have bylaws, they do not appear to include or take into account "best practices" recommended by independent groups.

Response 8

The District disagrees. Although the bylaws do not explicitly account for "best practices," nor are they required to, the members of the committee bring a lot professional experience to their quarterly meetings that translate into best practices while they contemplate the Measure E projects and expenditures. Furthermore, the District employs best practices on implementing the voter approved bond projects.

Finding 9

The public websites required to be maintained by districts for their bond oversight committees are not always easily located or navigable.

Response 9

The District disagrees. The Measure E Citizens' Oversight Committee's agendas, minutes, reports and other related materials are posted on the Governing Board's web-based program, BoardDocs. The Governing Board has used BoardDocs for over six years to communicate to the public in an open and transparent manner all of its business including the bond oversight committee. There have been no complaints from the public relative to location or navigation of the Measure E bond oversight.

Finding 10

The websites required to be maintained by districts for their bond oversight committees are not always timely or complete in posting agenda materials, minutes, reports and other required items.

Response 10

The District disagrees. Pursuant to the Brown Act the Measure E Citizens' Bond Oversight Committee receives their agenda materials, minutes, reports and other required items at least 72 hours in advance of their meetings, as well as, being posted on BoardDocs.

Finding 11

Financial reports furnished to oversight committees by the districts are not always complete and comprehensive enough to allow meaningful and effective review and oversight.

Response 11

The District disagrees. The Measure E Oversight Citizens' Committee requests and receives the original and revised budgets, a statement of revenues & expenditures and a balance sheet on a quarterly basis.

Finding 12

Financial data and reports are not always furnished to oversight committees early enough to allow time for thorough review prior to meetings.

Response 12

The District disagrees. The Measure E Citizens' Oversight Committee receives all of their financial reports at least 72 hours prior to their scheduled quarterly meetings.

Finding 13

Districts do not typically afford their oversight committees an opportunity to provide input into defining the scope and content of the district's required annual performance audit.

Response 13

District agrees. Specifically the District advises the Measure E Citizens' Oversight Committee that pursuant to the California State Constitution Article XIII A, 1(b) (3) (C), "A requirement that the school district board, community college board, or county office of education conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed."

Finding 14

The performance audits provided by some districts to their oversight committees are so limited in scope and conclusory as to prevent meaningful and effective oversight.

Response 14

The District disagrees. Pursuant to the California State Constitution Article XIII A, 1(b) (3) (C), "A requirement that the school district board, community college board, or county office of education conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed." The annual Measure E performance audit is in compliance with the state constitution.

Finding 15

The annual reports required to be issued by bond oversight committees are not always timely, and vary significantly in their style, scope and content.

Response 15

The District disagrees. The Measure E Citizens' Oversight Committee presents their written annual report to the Governing Board by the end of the third quarter of the fiscal year for the prior year fiscal year activity. This is determined by the timing of the issuance of financial and performance audits that are received by the oversight committee at their quarterly January meeting after the close of the fiscal year. Their report is in compliance with the bylaws.

Finding 16

Although not legally required for parcel taxes, some districts have provided voters with detailed project lists in the ballot materials, and then appointed oversight committees to oversee the district's use of these funds. The Grand Jury commends and endorses this practice as promoting voter transparency and fiscal accountability.

Response 16

The District agrees. The District has two parcel taxes that include an oversight committee.

Recommendations

Recommendation 1

A district's ballot language should inform voters of all intended uses of bond funds, the specific projects to be undertaken, the schools where the projects will be undertaken, the district's initial priorities, and a realistic estimate of project costs.

Response 1

Measure E was passed four years prior to the Grand Jury's report May 21, 2012. However, the ballot language was consistent with Recommendation 1 of the Grand Jury report. In future bond elections the District will continue the practice of Recommendation 1.

Recommendation 2

A district should disclose and explain in the ballot language if, and in what ways, bond funds will be used to provide General Fund relief for the district.

Response 2

Measure E was passed four years prior to the Grand Jury's report May 21, 2012, and did not provide general fund relief. In future bond elections the District will implement Recommendation 2.

Recommendation 3

In recruiting candidates for appointment to oversight committees, a district should seek nominations from the groups required to be represented on the committee by Education Code Section 15282(a).

Response 3

Prior to the Grand Jury report this has been the past practice of the Governing Boards. The Governing Board will continue to practice Recommendation 3.

Recommendation 4

A district should consider ways to recruit independent, qualified and motivated applicants from the community, including announcements in local media, district newsletters, solicitations to local civic and professional groups, and mailing postcards to residents to solicit applications when the ballot materials are mailed.

Response 4

Prior to the Grand Jury report the District already implemented a process to recruit qualified and motivated individuals for the oversight committee. The District will continue to practice Recommendation 4.

Recommendation 5

A district should require all candidates for bond oversight committees to submit written applications listing their background, qualifications, a statement of interest, and disclosure of any prior employment by, or prior involvement or business relationship with, the district.

Response 5

Prior to the Grand Jury report the District already required potential bond oversight committee members to submit written applications listing their background, qualifications, a statement of interest, and disclosure of any prior employment by, or prior involvement or business relationship with the District. The District will continue to practice Recommendation 5.

Recommendation 6

A district should make available to committee members, for their consideration in creating committee bylaws and operating procedures, copies of:

- California League of Bond Oversight Committee recommended Best Practices
- San Diego County Taxpayers Association "Oversight Committee Best Practices" guide
- California Coalition for Adequate School Housing "Proposition 39 – Best Practices Handbook"
- Little Hoover Commission 2009 Report "Bond Spending: Expanding and Enhancing Oversight"
- California League of Cities "A Guide to the Ralph M. Brown Act"
- State Controller's Office 2011 Audit Report on the Los Angeles Community College District's bond construction program

Response 6

The recommendation has not been implemented, but the suggested materials were distributed to the Measure E Citizens' Bond Oversight Committee at their regularly scheduled meeting on July 19, 2012.

Recommendation 7

A district should ensure that websites for their oversight committees are prominently displayed on their homepages, are easily navigable, and include current and complete postings of all required items.

Response 7

Prior to the Grand Jury report the District moved its Measure E Website postings to the Governing Board's web-based program BoardDocs, which is easily navigable, in January 2012. The District will continue to post its Measure E materials on BoardDocs.

Recommendation 8

A district should provide oversight committees with complete, detailed and comprehensive financial data relating to the expenditure of bond revenues, showing the amount of funds originally budgeted and allocated for each project, amounts expended to date and amount committed to each project, percentage completion of each project, and all approved or anticipated change orders.

Response 8

Prior to the Grand Jury report the District has always provided the Measure E Citizens' Oversight Committee detailed financial reports. The District will continue to practice Recommendation 8.

Recommendation 9

A district should provide financial data and reports to committee members sufficiently prior to meetings to permit meaningful and effective review and oversight.

Response 9

Prior to the Grand Jury report the District has always provided the Measure Citizens' Oversight Committee with the financial data at least 72 hours before their meeting. The District will continue to practice Recommendation 9.

Recommendation 10

A district should afford their bond oversight committees an opportunity to provide input in defining the scope and content of the required annual performance audit.

Response 10

The recommendation has not been implemented, but will be, prior to the 2011-2012 performance audit.

Recommendation 11

The district's annual independent performance audits should be detailed and comprehensive enough in scope, including a review of procurement practices, to allow the committee to identify waste and to evaluate the cost-effectiveness of the district's construction and facilities improvement program.

Response 11

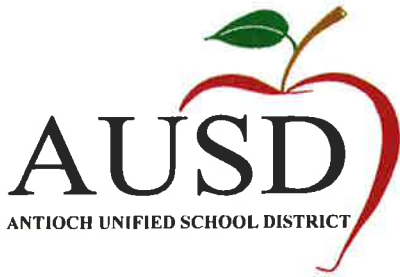
Prior to the Grand Jury report the District's annual performance audit complied with the California State Constitution Article XIII A, 1(b) (3) (C), "A requirement that the school district board, community college board, or county office of education conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed." The District will continue comply with the California State Constitution.

Recommendation 12

A district should request that its oversight committees issue timely, comprehensive and informative reports, which should be posted on the district's website, along with a final, closing report when the bonds funds have been spent and the committee's work completed.

Response 12

Prior to the Grand Jury report the Measure E Citizens Oversight Committee reports were issued in a timely and comprehensive manner. The committee will continue to practice Recommendation 12.



Office of the Associate Superintendent
Of Business and Operations
Tim Forrester

Preparing Students for Success in College, Career, and Life

August 1, 2012

Lloyd Bell, Foreperson
Contra Costa County Civil Grand Jury
725 Court Street
P. O. Box 911
Martinez, CA 94553

Re: Comments on 2011-2012 Contra Costa Grand Jury Report No. 1208, "School Bond Oversight Committees, Raising the Bar" Findings and Recommendations

Dear Foreperson Bell:

We are pleased to respond to your general findings on School Bond Oversight Committees. Although not specific to Antioch Unified School District, we respond to your findings and recommendations below. Pursuant to California Penal Code sections 933 and 933.05, the Governing Board of the Antioch Unified School District files this comment with regard to the 2011-2012 Contra Costa County Grand Jury Report #1208 Findings and Recommendations.

FINDINGS

Finding #2:

Ballot language that is overly general in identifying specific projects, and fails to indicate priorities and at least a realistic estimate of project costs, impedes meaningful and effective oversight and accountability.

Response to Finding #2:

While Antioch Unified School District agrees with the finding that this can be an issue with the ballot language, this was not the case with Measure C, as the project list had clear goals and objectives. As called out on page 4 of the Grand Jury Report, Antioch Unified School District is one of the district's that provided voters with very specific, detailed project lists in their ballot language.

Finding #3:

Bond proceeds are sometimes used to provide General Fund relief in various ways, which even if lawful, may not have always been fully disclosed to voters in the ballot language.

Response to Finding #3:

While Antioch Unified School District agrees with the finding, no Measure C funds were spent on projects targeted for General Fund relief. All projects were targeted as modernization or site improvement.

Finding #4:

District boards have an inherent conflict of interest in selecting, and in some cases, having the power to remove with or without cause, the members of the oversight committee who are required to oversee the district's spending of bond funds.

Response to Finding #4:

While Antioch Unified School District agrees with the finding that it is possible to have a conflict of interest in selecting Bond Oversight Committee members, this is not the case for Antioch Unified School District. A thorough search is performed when seeking new members and prospective candidates are required to fully complete a detailed application.

Finding #5:

Districts do not consistently reach out to the legally-mandated organizations, to local professional associations, community groups, or to district residents generally, to seek independent, qualified and motivated nominees for their bond oversight committees.

Response to Finding #5:

While Antioch Unified School District agrees with the finding, Antioch Unified School District makes it a practice to reach out to legally-mandated organizations, professional associations and community groups when seeking prospective members. Our Bond Oversight Committee has all legally required groups represented.

Finding #6:

There does not always appear to be a consistent and transparent process for interested persons to be nominated, apply for, and be appointed to membership on oversight committees, or disclosure of any previous employment by, or other prior involvement or business relationship with, the district.

Response to Finding #6:

While Antioch Unified School District agrees with the finding, it has been the practice of the Antioch Unified School District to reach out to legally-mandated organizations, professional associations and community groups when seeking prospective members. Any civic-minded citizens as always are encouraged to apply. No current Bond Oversight Committee members have a business relationship with the district.

Finding #7:

Districts do not consistently provide timely, adequate and independent training or resource materials for members of their bond oversight committees that explain their role, duties and functions, or provide training in the skills needed to analyze the kinds of financial data that bond oversight committee members are asked to review.

Response to Finding #7:

While Antioch Unified School District agrees with the finding, Antioch Unified School District makes it a practice to do regular training for the Bond Oversight Committee members whenever a new member is appointed or no less than once a year. Two of our members are accountants by trade, one of whom is a former auditor.

Finding #8:

Although all oversight committees have bylaws, they do not appear to include or take into account “best practices” recommended by independent groups.

Response to Finding #8:

While Antioch Unified School District agrees with the finding, the Antioch Unified School District Bond Oversight Committee bylaws were created with the assistance of our legal firm keeping legal requirements and best practices in mind.

Finding #9:

The public websites required to be maintained by districts for their bond oversight committees are not always easily located or navigable.

Response to Finding #9:

While Antioch Unified School District agrees with the finding, the Bond Oversight Committee website can be found easily on our district homepage with two clicks of the mouse or by performing a Google search on “Antioch Unified School District Bond Oversight Committee.” Our page is regularly updated and notification of meetings is posted on the district homepage.

Finding #10:

The websites required to be maintained by districts for their bond oversight committees are not always timely or complete in posting agenda materials, minutes, reports and other required items.

Response to Finding #10:

While Antioch Unified School District agrees with the finding, our Bond Oversight Committee page is updated regularly with the posting of agenda materials, minutes, reports and other required items.

Finding #11:

Financial reports furnished to oversight committees by the districts are not always complete and comprehensive enough to allow meaningful and effective review and oversight.

Response to Finding #11:

While Antioch Unified School District agrees with the finding, by working with and training our Bond Oversight Committee on the financial review process, we have created a complete and comprehensive review system of budget monitoring and expenditure review.

Finding #12:

Financial data and reports are not always furnished to oversight committees early enough to allow time for thorough review prior to meetings.

Response to Finding #12:

While Antioch Unified School District agrees with the finding, our Bond Oversight Committee is given their reports in advance of the Ralph M. Brown Act requirement and any questions that may arise are answered either prior to or at the meeting and all members receive the information.

Finding #13:

Districts do not typically afford their oversight committees an opportunity to provide input into defining the scope and content of the district's required annual performance audit.

Response to Finding #13:

While Antioch Unified School District agrees with the finding, one meeting of the Bond Oversight Committee each year is specifically scheduled for discussion and review of both the bond financial and performance audits.

Finding #14:

The performance audits provided by some districts to their oversight committees are so limited in scope and conclusory as to prevent meaningful and effective oversight.

Response to Finding #14:

While Antioch Unified School District agrees with the finding, as specified in the response to Finding #13, we schedule a meeting to review the bond financial and performance audits to allow meaningful and effective oversight.

Finding #15:

The annual reports required to be issued by bond oversight committees are not always timely, and vary significantly in their style, scope and content.

Response to Finding #15:

While Antioch Unified School District agrees with the finding, the Antioch Unified School District annual reports meet the legal requirement and are reviewed by the Bond Oversight Committee each year in May prior to presentation to the Board of Education. The chairperson or designee makes the presentation of the report to the School Board.

Finding #16:

Although not legally required for parcel taxes, some districts have provided voters with detailed project lists in the ballot materials, and then appointed oversight committees to oversee the district's use of these funds. The Grand Jury commends and endorses this practice as promoting voter transparency and fiscal accountability.

Response to Finding #16:

While Antioch Unified School District agrees with the finding, the Antioch Unified School District does not have a parcel tax, and therefore, this finding does not apply.

RECOMMENDATIONS

Recommendation #1:

A district's ballot language should inform voters of all intended uses of bond funds, the specific projects to be undertaken, the schools where projects will be undertaken, the district's initial priorities, and a realistic estimate of project costs.

Response to Recommendation #1:

The Antioch Unified School District implemented this recommendation when Bond Measure C was presented to the voters in June, 2008.

Recommendation #2:

A district should disclose and explain in the ballot language if, and in what ways, bond funds will be used to provide General Fund relief for the district.

Response to Recommendation #2:

The Antioch Unified School District has not yet implemented this recommendation, but will do so when the next Bond Measure is placed on the November, 2012 ballot.

Recommendation #3:

In recruiting candidates for appointment to oversight committees, a district should seek nominations from the groups required to be represented on the committee by Education Code Section 1582(a).

Response to Recommendation #3:

The Antioch Unified School District implemented this recommendation when it was recruiting its bond oversight committee members by going to the organizations that needed to be represented and asking for contact information for possible candidates.

Recommendation #4:

A district should consider ways to recruit independent, qualified and motivated applicants from the community, including announcements in local media, district newsletters, solicitations to local civic and professional groups, and mailing postcards to residents to solicit applications when the ballot materials are mailed.

Response to Recommendation #4:

The Antioch Unified School District implemented this recommendation by advertising for Bond Oversight Committee members in the local newspaper and also on the district website.

Recommendation #5:

A district should require all candidates for bond oversight committees to submit written applications listing their background, qualifications, a statement of interest, and disclosure of any prior employment by, or prior involvement or business relationship with, the district.

Response to Recommendation #5:

The Antioch Unified School District implemented this recommendation by requesting applicants to list their background, qualifications, a statement of interest, and disclosure of any prior employment by, or prior involvement or business relationship with, the district on their written application.

Recommendation #6:

A district should make available to committee members, for their consideration in creating committee bylaws and operating procedures, copies of:

- California League of Bond Oversight Committee recommended Best Practices
- San Diego County Taxpayers Association “Oversight Committee Best Practices” guide
- California Coalition for Adequate School Housing “Proposition 39 – Best Practices Handbook”
- Little Hoover Commission 2009 Report “Bond Spending: Expanding and Enhancing Oversight”
- California League of Cities “A Guide to the Ralph M. Brown Act”
- State Controller’s Office 2011 Audit Report on the Los Angeles Community College District’s bond construction program

Response to Recommendation #6:

The Antioch Unified School District implemented this recommendation by having the by-laws of the Bond Oversight Committee created by bond counsel using many of these suggested references. Members of the Bond Oversight Committee also participated in “Ralph M. Brown Act” training.

Recommendation #7:

A district should ensure that websites for their oversight committees are prominently displayed on their homepages, are easily navigable, and include current and complete postings of all required items.

Response to Recommendation #7:

The Antioch Unified School District has implemented this recommendation by having a link to the Bond Oversight Committee on our homepage. Current and complete information is posted as required.

Recommendation #8:

A district should provide oversight committees with complete, detailed, and comprehensive financial data relating to the expenditure of bond revenues, showing the amount of funds originally budgeted and allocated for each project, amounts expended to date and amount committed to each project, percentage completion of each project and all approved or anticipated change orders.

Response to Recommendation #8:

The Antioch Unified School District has implemented this recommendation by providing the members of the Bond Oversight Committee with detailed financial data at each quarterly meeting. The Committee reviews the budgets for all sites and at each meeting does an in depth analysis of one or more schools. The supporting documentation is brought to the meeting for the school site that is going to be reviewed so that if a question arises, the back-up documents are available.

Recommendation #9:

A district should provide financial data and reports to committee members sufficiently prior to meetings to permit meaningful and effective review and oversight.

Response to Recommendation #9:

The Antioch Unified School District has implemented this recommendation by providing financial data and reports to the Bond Oversight Committee within the legal time requirements as mandated in the “Ralph M. Brown Act.”

Recommendation #10:

A district should afford their bond oversight committees an opportunity to provide input in defining the scope and content of the required annual performance audit.

Response to Recommendation #10:

The Antioch Unified School District has not yet implemented this recommendation, but will do so with the annual performance audit that will be conducted for the fiscal year ending June 30, 2012.

Recommendation #11:

The district's annual independent performance audits should be detailed and comprehensive enough in scope, including a review of procurement practices, to allow the committee to identify waste and to evaluate the cost-effectiveness of the district's construction and facilities improvement program.

Response to Recommendation #11:

The Antioch Unified School District has implemented this recommendation by having the independent auditing firm present their findings to the Bond Oversight Committee. The committee has the opportunity to review the data with the auditor and then the Chairperson or designee presents the findings to the Board of Education at its next meeting.

Recommendation #12:

A district should request that its oversight committees issue timely, comprehensive and informative reports, which should be posted on the district's website, along with a final, closing report when the bonds funds have been spent and the committee's work completed.

Response to Recommendation #12:

The Antioch Unified School District has implemented this recommendation by preparing the Superintendent's Annual Report. Each year, since Measure C was passed, the chairperson or designee has presented a report to the Board of Education of the projects that have taken place during the previous twelve months and what is planned for the future. Once all the funds from Measure C have been expended a final report will be prepared. These reports are posted on the Bond Oversight Committee's website.

The Board of Education has reviewed these general findings and recommendations and approved this response in a public meeting held on August 8, 2012.

Sincerely,



Donald Gill

Superintendent

Secretary to the Board of Education



August 20, 2012

Mr. Lloyd Bell, Foreperson
Contra Costa County Civil Grand Jury
P. O. Box 911
Martinez, CA 94553-0091

RE: Amended Comments on 2011-12 Contra Costa Grand Jury Report
No. 1208 School Bond Oversight Committees, "Raising the Bar"
Findings and Recommendations

Dear Foreperson Bell:

Pursuant to California Penal Code section 933.05, the Byron Union School District files this comment with regard to the 2011-12 Contra Costa County Grand Jury Report #1208 Findings and Recommendations. Recommendations are included with the related Findings.

Finding #2: Ballot language that is overly general in identifying specific projects impedes meaningful and effective oversight and accountability.

Response to Finding #2: The District agrees with this finding.

Recommendation #1: Recommendation was implemented: Our current bond issued involved many steps to inform the public of the intended uses and projects where they occurred. If the district goes out for any future bonds, this recommendation will be fully implemented as well.

Finding #3: Bond proceeds are sometimes used to provide General Fund relief in various ways, which even if lawful, may not have always been fully disclosed to voters in the ballot language.

Response to Finding #3: Not applicable. While the Byron School District is aware that the use of bond monies to relieve the General Fund may be lawful, the district does not condone this practice.

Recommendation #2: The recommendation has not been implemented because the district did not use General Fund relief and therefore was not necessary to disclose to voters.

Finding #4: District boards have an inherent conflict of interest in selecting the members of the oversight committee who are required to oversee the district's spending of bond funds.

Response to Finding #4: District agrees with this finding.

Recommendation #3: Recommendation was implemented: Every effort was made to avoid dual relationships and conflict of interest dynamics, and the District recruited Oversight Committee Members from the various categories necessary to fill the seven member committee.

Finding #5: Districts do not consistently reach out to the legally-mandated organizations to seek independent, qualified, and motivated nominees for their bond oversight committee.

Response to Finding #5: District agrees with this finding.

Recommendation #4: Recommendation was implemented: Byron District recruited members from various organizations by way of local newspapers, district newsletters, and solicitation to local civic and professional groups.

Finding #13: Districts do not typically afford their oversight committees an opportunity to provide input into defining the scope and content of the district's required annual performance audit.

Response to Finding #13: District agrees with this finding.

Recommendation #10: Recommendation has not been implemented: In the future the district will enhance the avenues of communication, allowing the members input into the performance audit with the next bond endeavor.

Finding #14: The performance audits provided by some districts to their oversight committee are so limited in scope and conclusory as to prevent meaningful and effective oversight.

Response to Finding #14: District agrees with this finding.

Recommendation #11: Recommendation was partially implemented: The District's performance audit provided the minimum legal compliance requirements of Proposition 39; however, future bond measures will follow the more extensive objectives, including a review of the efficiency and effectiveness of a construction program, procurement practices, and internal controls.

Finding #15: The annual reports required to be issued by bond oversight committees are not always timely, and vary significantly in their style, scope and content.

Response to Finding #15: District agrees with this finding.

Recommendation #12: Recommendation was implemented: The District provided timely, accurate, and consistent annual reports.

Finding #16: Although not legally required for parcel taxes, some districts have provided voters with detailed project lists in the ballot materials and then appointed oversight committees to oversee the district's use of these funds.

Response to Finding #16: Not Applicable. Byron District does not currently have a parcel tax.

Recommendation #12: Recommendation will be fully implemented: The district will post, in a timely manner, comprehensive and informative reports on its website, along with a final closing report in January, 2013.

Measure C bond monies have all been spent and the final report should be given to Oversight Committee Members in January, 2013. Should the Byron School District receive voter approval for another bond measure in the future, the above recommendations will be followed. If you require additional information, please contact the Byron School District Office.

Sincerely,



Ken Jacopetti
Superintendent
Secretary to the Board

Governing Board

Tomi Van de Brooke, *President*
Sheila A. Grilli, *Vice President*
John E. Márquez, *Secretary*
Robert Calone
John T. Nejedly



Chancellor
Helen Benjamin, Ph.D.

College Presidents
Contra Costa College Denise Noldon, Ph.D.
Diablo Valley College Peter Garcia
Los Medanos College Robert Kratochvil

October 8, 2012

Lloyd D. Bell, Foreperson
2011-12 Contra Costa County Civil Grand Jury
725 Court Street
P.O. BOX 431
Martinez, California 94553-0091

Re: 2011-12 Grand Jury Report 1208, "School Bond Oversight Committees, Raising the Bar"

Honorable Lloyd D. Bell, Foreperson:

On behalf of the Contra Costa Community College District (District), I am responding to the 2011-12 Contra Costa County Grand Jury (Grand Jury) *Report 1208: School Bond Oversight Committees, Raising the Bar*. Although the District's response to Report 1208 was completed and reviewed by our Governing Board at its July 25, 2012, meeting, our formal response to the Grand Jury was inadvertently delayed. We take our responsibility to and our relationship with the Grand Jury very seriously and have always responded in full and in a timely manner to any request for information. Please accept our sincerest apologies for this oversight.

Pursuant to California Government Code §933.5(a), the District is required to report on each finding and recommendation. For each finding, the District is required to report one of the following responses:

- (1) The respondent agrees with the finding.
- (2) The respondent disagrees with the finding.
- (3) The respondent partially disagrees with the finding.

In the case of responses (2) and (3), the District is to specify the portion of the finding that is disputed and is to include an explanation of the reasons why this finding is in dispute. Following is the District's response to each recommendation and finding.

Finding 1

The Grand Jury commends the many citizens who serve on bond oversight committees and devote considerable time and effort to the task, without any compensation.

Response

We agree with this finding and support the commendation as fourteen citizens of our county have served on the District's Bond Oversight Committee since it was formed in 2002.

Finding 2

Ballot language that is overly general in identifying specific projects, and fails to indicate priorities and at least a realistic estimate of project costs, impedes meaningful and effective oversight and accountability.

Response

We partially disagree. The ballot language provided in the Contra Costa Community College District's (CCCCD) 2002 and 2006 bond project lists specifies projects by each District location which reflect the priorities of the District and its colleges. However, no cost estimates are included in the language. Construction costs can fluctuate, and as state matching funds may not always be available to supplement bond funding, this can impede and change project plans and cost estimates, which may not allow for all projects listed in the bond language to be completed. The exclusion of the estimates in the language has not impeded oversight and accountability as project estimates have been routinely given to the Bond Oversight Committee for items funded on the list.

Finding 3

Bond proceeds are sometimes used to provide General Fund relief in various ways, which even if lawful, may not have been fully disclosed to voters in the ballot language.

Response

We disagree. In the CCCC, no bond funds have been used to supplement the general fund in any way. All monies have been and will continue to be used on construction projects as is the intent of both bonds passed by the voters. The general fund is used primarily for direct support of District programs and services.

Finding 4

District boards have an inherent conflict of interest in selecting, and in some cases, having the power to remove with or without cause, the members of the oversight committee who are required to oversee the district's spending of bond funds.

Response

We disagree. The CCCC Governing Board is responsible for selecting members from the community for the District's Bond Oversight Committee pursuant to Education Code §15278(a). Given this statutory responsibility, as well as the responsibility of the Governing Board to ensure to the public that the District is effectively expending bond funds pursuant to language approved by the voters, there is no conflict of interest.

Finding 5

Districts do not consistently reach out to the legally-mandated organizations, to local professional associations, community groups, or to district residents generally, to seek independent, qualified and motivated nominees for their bond oversight committees.

Response

We disagree. The District sends notification letters to local professional organizations and community groups seeking membership. In addition, when a vacancy occurs, an announcement is placed on the website inviting applicants to apply.

Finding 6

There does not always appear to be a consistent and transparent process for interested persons to be nominated, apply for, and be appointed to membership on oversight committees, or disclosure of any previous employment by, or other prior involvement or business relationship with, the district.

Response

We partially disagree. Our past process provided that committee members were nominated by Governing Board members, the Chancellor, or college Presidents. Dialogue over the candidate's qualifications would occur during Governing Board meetings. The process has been revised to include an application process. Applicants must disclose any prior relationship with the District or conflict of interest. All applications received are then forwarded to the Governing Board for review and appointment.

Finding 7

Districts do not consistently provide timely, adequate and independent training or resources materials for members of their bond oversight committee that explain their role, duties and functions, or provide training in the skills needed to analyze the kinds of financial data that bond oversight committee members are asked to review.

Response

We partially disagree. The District has a document which clearly explains the policies and procedures of the District's Bond Oversight Committee. Committee members are provided information that explains their roles and responsibilities, and financial information is provided and explained as needed by staff. Brown Act training is also provided for members. The District does believe, however, that it can provide more training and materials for members, as needed and requested, in order to assist committee members in their duties and responsibilities.

Finding 8

Although all oversight committees have bylaws, they do not appear to include or take into account "best practices" recommended by independent groups.

Response

We disagree. As an ongoing practice, the District reviews its policies and procedures and makes changes, as needed, to reflect current practices and law. This review includes policies and procedures

related to the Bond Oversight Committee. The Governing Board approved an update of the oversight committee policies and procedures in its May 23, 2012, meeting.

Finding 9

The public websites required to be maintained by districts for their bond oversight committee are not always easily located or navigable.

Response

We disagree. The District's website has multiple paths of access to the Bond Oversight Committee minutes, agendas, and other related information. Links are provided on the District webpage, the District Committees link, and on the Facilities Planning webpage, all of which are intuitive locations to look for links to a committee that oversees bond funded construction.

Finding 10

The websites required to be maintained by districts for their bond oversight committees are not always timely or complete in posting agenda materials, minutes, reports and other required items.

Response

We disagree. We routinely post agenda packets on the District's Bond Oversight Committee's webpage at least 72 hours in advance of each meeting. Agenda packets include the draft minutes from the previous bond oversight committee meeting waiting to be approved, as well as the Bond Oversight Committee reports.

Finding 11

Financial reports furnished to oversight committees by the districts are not always complete and comprehensive enough to allow meaningful and effective review and oversight.

Response

We disagree. The quarterly reports provided to the District's Bond Oversight Committee contains budget, scope, and schedule information, as well as a narrative status update for each project. This report was revised to its current format in 2007 with extensive input from the Bond Oversight Committee members as they expressed dissatisfaction with the previous format. Members have commented that they appreciate the way the information is presented, and appreciate recent additions to the report that make the finances even more visible and understandable.

Finding 12

Financial data and reports are not always furnished to oversight committees early enough to allow time for thorough review prior to meetings.

Response

We disagree. Financial data and other reports are provided to Bond Oversight Committee members seven days in advance of scheduled meetings. Documents are mailed directly to members so that they have ample time for review of the materials before the meeting.

Finding 13

Districts do not typically afford their oversight committees an opportunity to provide input into defining the scope and content of the district's required annual performance audit.

Response

We partially disagree. The scope of the District audit is determined by past audit findings and required review of the District's compliance with state and federal law and generally accepted accounting principles. However, if there was a particular area of concern from the Bond Oversight Committee that needed review as a part of the bond performance audit, the District could request that the area(s) of concern be included as a part of the annual performance audit.

Finding 14

The performance audits provided by some districts to the oversight committees are so limited in scope and conclusory as to prevent meaningful and effective oversight.

Response

We disagree. The performance audits conducted on the District's bond program are not limited in scope and conclusory. The District takes the audit of bond funds very seriously and has made the bond audit concurrent with the formal audit conducted annually by a professional auditing firm. Representatives from the firm provide valuable assurance to the Bond Oversight Committee that bond funds have been expended consistent with the ballot language. In addition, the audit firm sends a

partner to the Bond Oversight Committee meeting to report on its findings and to answer any questions the committee may have.

Finding 15

The annual reports required to be issued by bond oversight committees are not always timely, and vary significantly in their style, scope and content.

Response

We disagree. The annual Bond Oversight Committee report has been provided in January of each year since at least 2008, and outside of minor changes in graphics and in the layout of the report, the scope and content for the report has not changed. Additionally, the District also provides a Spanish language version of the report.

Finding 16

Although not legally required for parcel taxes, some districts have provided voters with detailed project lists in the ballot materials, and then appointed oversight committees to oversee the district's use of these funds. The Grand Jury commends and endorses this practice as promoting voter transparency and fiscal accountability.

Response

We agree and endorse this finding as a good business practice.

In addition, as required by §933.05(b) of the California Government Code, the District is providing its reply to each of the report's twelve recommendations. For each recommendation, the District is required to respond by stating one of the following actions:

- (1) The recommendation has been implemented, with a summary describing the implemented action.
- (2) The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
- (3) The recommendation requires further analysis. This response should explain the scope and parameters of the analysis or study, and a time frame for the matter to be prepared for discussion. This time frame shall not exceed six months from the date of the publication of the Grand Jury report.

Recommendation 1

A district's ballot language should inform voters of all intended uses of bond funds, the specific projects to be undertaken, the schools where the projects will be undertaken, the district's initial projections, and a realistic estimate of project costs.

Response

This recommendation has not yet been fully implemented, but will be implemented in the future, if required. The bond language on the District's two previous ballots provided specific projects that would be constructed or improved at each site. Individual project cost estimates, however, were not provided in the ballot language since this was not a standard format or requirement. Nevertheless, the cost estimates used to develop the overall bond program are rough programmatic evaluations of project scopes based on cost estimates at the time of the measure. Those costs could change based upon future market conditions. This recommendation would need to be addressed in future ballot measure information, if required.

Recommendation 2

A district should disclose and explain in the ballot language if, and in what ways, bond funds will be used to provide General Fund relief for the district.

Response

The recommendation has been implemented as the District does not use bond funds for general fund relief. If the District were to propose this in the future, it would note this in the ballot language.

Recommendation 3

In recruiting candidates for appointment to oversight committees, a district should seek nomination from the groups required to be represented on the committee by Education Code § 15282(a).

Response

The recommendation has been implemented. The District seeks representation on the Bond Oversight Committee consistent with the specific groups noted in Education Code §15282(a).

Recommendation 4

A district should consider ways to recruit independent, qualified and motivated applicants from the community, including announcements in local media, district newsletters, solicitations to local civic and professional groups, and mailing postcards to residents to solicit applications when the ballot materials are mailed.

Response

This recommendation has been implemented. The District uses email, postal mailings, flyers and the internet to inform the public about Bond Oversight Committee openings. The District will continue to use these and other affordable notification systems to ensure that it gets interested, motivated, and qualified community members to serve on the committee.

Recommendation 5

A district should require all candidates for bond oversight committees to submit written applications listing their background, qualifications, a statement of interest, and disclosure of any prior employment by, or prior involvement or business relationship, with the district.

Response

This recommendation was fully implemented, effective June 1, 2012.

Recommendation 6

A district should make available to committee members, for their consideration in creating committee bylaws and operating procedures, copies of:

- *California League of Bond Oversight Committee recommended Best Practices*
- *San Diego County Taxpayers Association "Oversight Committee Best Practices" guide*
- *California Coalition for Adequate School Housing "Proposition 39 – Best Practices Handbook"*
- *Little Hoover Commission 2009 Report "Bond Spending: Expanding and Enhancing Oversight"*
- *California League of Cities "A Guide to the Ralph M. Brown Act"*
- *State Controller's Office 2011 Audit Report on the Los Angeles Community College District's bond construction program*

Response

This recommendation has not yet been implemented, but will be implemented in the future. All materials referenced in the report will be made available to Bond Oversight Committee members for review by no later than January 1, 2013.

Recommendation 7

A district should ensure that websites for their oversight committees are prominently displayed on their homepages, are easily navigable, and include current and complete postings of all required items.

Response

This recommendation has been implemented. The District's website has multiple paths of access to the Bond Oversight Committee's information. One can access information through the District home page, the District Committee web link, and the Facilities Planning webpage.

Recommendation 8

A district should provide oversight committees with complete, detailed and comprehensive financial data relating to the expenditure of bond revenues, showing the amount of funds originally budgeted and allocated for each project, amounts expended to date and amount committed to each project, percentage completion of each project, and all approved or anticipated change orders.

Response

This recommendation would require further analysis. This recommendation requires details that could be very confusing for committee members. A review will be conducted no later than November 21, 2012.

Recommendation 9

A district should provide financial data and reports to committee members sufficiently prior to meetings to permit meaningful and effective review and oversight.

Response

This recommendation has been implemented. Reports and data are provided to Bond Oversight Committee members seven days in advance of the meeting to give them sufficient time to prepare for scheduled meetings.

Recommendation 10

A district should afford their bond oversight committees an opportunity to provide input in defining the scope and content of the required annual performance audit.

Response

The recommendation has not yet been implemented, but will be implemented in the future. The audit scope and content is in practice defined by law, generally accepted accounting principles, and as required to follow up on previous audit findings. Input will be solicited from the Bond Oversight Committee for the 2013 audit cycle.

Recommendation 11

The district's annual independent performance audits should be detailed and comprehensive enough in scope, including a review of procurement practices, to allow the committee to identify waste and to evaluate the cost effectiveness of the district's construction and facilities improvement program.

Response

This recommendation has been implemented. The District's annual independent performance audit conforms to the guidelines set forth in governmental accounting standards, the language of Proposition 39, and the California Constitution. The auditors sampled nearly 40 percent of non-payroll expenses in the bond program during the latest performance audit, providing assurance to the Bond Oversight Committee that bond expenses were being sufficiently reviewed. Additionally, the performance audit inspected salaries charged to the bond to verify that they were in accordance with the language of the measures and not for general administration or operations. Finally, procurement practices are reviewed in the overall District audit, which includes review of bid documents and procedures.

Recommendation 12

A district should request that its oversight committees issue timely, comprehensive and informative reports, which should be posted on the district's website, along with a final, closing report when the bonds have been spent and the committee's work completed.

Response

This recommendation has been implemented. Comprehensive and informative reports are posted to the website as a standard practice for the District. Staff members coordinate extensively with the Bond Oversight Committee to ensure that the committee's annual report is both timely and widely available. Additionally, detailed quarterly reports, with financial, scope, and schedule information, is also available on the committee website. However, the Bond Oversight Committee has not issued a final, closing report because neither of the current bonds has been exhausted. Once funds are exhausted in those bonds, a report will be completed and shared with the Bond Oversight Committee.

We welcome the opportunity to address any questions the Grand Jury may have regarding our responses. Please do not hesitate to contact me (925-229-1000, extension 1210, hbenjamin@4cd.edu) or Timothy Leong (925-229-1000, extension 1211, email tleong@4cd.edu) should you have any further questions.

Sincerely,

Helen Benjamin, Ph.D.
Chancellor

cc: Governing Board
Chancellor's Cabinet



This workplace has been recognized by the American Heart Association for meeting criteria for employee fitness.



JOHN SWETT UNIFIED SCHOOL DISTRICT

400 Parker Avenue, Rodeo, CA 94572
Phone (510) 245-4300 ~ Fax (510) 245-4315

Mike McLaughlin, Ed.D.
Superintendent

June 14, 2012

To: Mr. Lloyd Bell, Foreperson
From: Mike McLaughlin, Ed.D.
Re: Response to Grand Jury Report No. 1208, "**School Bond Oversight Committees, Raising the Bar**", by the 2011-2012 Contra Costa Grand Jury.

Dear Mr. Bell,

Pursuant to California Code Sections 933 and 933.05 the Governing Board of the John Swett Unified School District Governing Board files this response to the 2011-2012 Grand Jury Report No. 1208, "**School Bond Oversight Committees, Raising the Bar**".

Finding #2

Ballot Language that is overly general in identifying specific projects, and fails to indicate priorities and at least a realistic estimate of project costs, impedes meaningful and effective oversight and accountability.

Response to Finding #2

The John Swett Unified School District agrees with the Grand Jury's finding in this area.

Finding #3

Bond proceeds are sometimes used to provide General Fund relief in various ways, which even if lawful, may not have always been fully disclosed to voters in the ballot language.

Response to Finding #3

The John Swett Unified School District Governing Board disagrees with this finding as it does not pertain to our districts current practice in this area. . The district has never used bond proceeds to provide General Fund relief. This is confirmed by our Bond Oversight Committee and independent Auditors analysis and reports.

Finding #4

District Boards have an inherent conflict of interest in selecting, and in some cases, having the power to remove with or without cause, the members of the oversight committee who are required to oversee the district's spending of bond funds.

Response to Finding #5

The John Swett Unified School District Governing Board disagrees with this finding as it does not pertain to our districts current practice in this area. . The district has always accepted any who apply to sit on the Bond Oversight Committee. The district has never removed a member for any cause.

Finding #6

There does not always appear to be a consistent and transparent process for interested persons to be nominated, apply for, and be appointed to membership on oversight committees, or disclosure of any previous employment by, or other prior involvement or business relationship with, the district.

Response to Finding #6

The John Swett Unified School District Governing Board disagrees with this finding as it does not pertain to our districts current practices. The district uses all possible communication vehicles to seek out interested parties to serve on the Bond Oversight Committee.

Finding #7

Districts do not consistently provide timely, adequate and independent training or resource materials for members of their bond oversight committees that explain their role, duties and functions, or provide training in the skills needed to analyze the kinds of financial data that bond oversight committee members are asked to review.

Response to Finding #7

The John Swett Unified School District Governing Board disagrees with this finding as it does not pertain to our districts current practice in this area. The district provides initial training on the roles, duties and functions of the Bond Oversight Committee Members. The district provides ongoing training to provide the Bond Oversight Committee Members with needed skills to analyze the financial data they are asked to review.

Finding #8

Although all oversight committees have bylaws, they do not appear to include or take into account "best practices" recommended by independent groups.

Response to Finding #8

The John Swett Unified School District Governing Board agrees with this finding. Although, our bylaws are specific in this area we believe that we can do a better job of providing our Bond

Oversight Committee Members with the outside resource materials provided in the Grand Jury Findings in this area.

Finding #9

The public websites required to be maintained by districts for their bond oversight committees are not always easily located or navigable.

Response to Finding #9

The John Swett Unified School District Governing Board disagrees with this finding as it does not pertain to our districts current practice in this area. Our website is easily located and navigable.

Finding #10

The websites required to be maintained by districts for their bond oversight committees are not always timely or complete in posting agenda materials, minutes, reports and other required items.

Response to Finding #10

The John Swett Unified School District Governing Board disagrees with this finding as it does not pertain to our districts current practice in this area. Our websites are maintained and up to date on all applicable data concerning agendas, minutes, reports and other required items.

Finding #11

Financial reports furnished to oversight committees by the districts are not always complete and comprehensive enough to allow meaningful and effective review and oversight.

Response to Finding #11

The John Swett Unified School District Governing Board disagrees with this finding as it does not pertain to our districts current practice in this area. The John Swett Unified School District takes pride in the fact that we provide complete and comprehensive financial reports. The district ask committee members for clarification of understanding on all reports and implements any suggestions by committee members to provide further clarity on any reports.

Finding #12

Financial data and reports are not always furnished to oversight committees early enough to allow time for thorough review prior to meetings.

Response to Finding #12

The John Swett Unified School District Governing Board disagrees with this finding as it does not pertain to our districts current practice in this area. The district provides all members with financial data and reports a week in advance of the meeting. The district follows up with the committee members to ensure that the week timeline is sufficient enough time to review the

material. The time period has been confirmed by committee members to be the appropriate amount of time to review the financial data and reports.

Finding #13

Districts do not typically afford their oversight committees an opportunity to provide input into defining the scope and content of the district's required annual performance audit.

Response to Finding #13

The John Swett Unified School District Governing Board disagrees with this finding as it does not pertain to our districts current practice in this area. The district confirms to the members that the annual performance audit goes beyond the standard scope of an annual performance audit. The district also takes input on any additional scope and content the committee members would like audited in any future reports.

Finding #14

The performance audits provided by some districts to their oversight committees are so limited in scope and conclusory as to prevent meaningful and effective oversight.

Response to Finding #14

The John Swett Unified School District Governing Board disagrees with this finding as it does not pertain to our districts current practice in this area. The John Swett Unified School Districts independent performance audit goes beyond the standard industry scope for Bond Performance Audits.

Finding #15

The annual reports required to be issued by bond oversight committees are not always timely, and vary significantly in their style, scope and content.

Response to Finding #15

The John Swett Unified School District agrees with the above finding. The John Swett Unified School Districts annual report aligns with the significance and scope of our project which may be different than other districts annual reports that may be more significant in scope and style that aligns with their project.

Finding #16

Although not legally required for parcel taxes, some districts have provided voters with detailed project lists in the ballot material, and then appointed oversight committees to oversee the district's use of these funds. The Grand Jury commends and endorses this practice as promoting voter transparency and fiscal accountability.

Response to Finding #16

The John Swett Unified School District Governing Board agrees with the above finding.

Recommendation #1

A district's ballot language should inform voters of all intended uses of bond funds, the specific projects to be undertaken, the schools where the projects will be undertaken, the district's initial priorities, and a realistic estimate of project costs.

Response to Recommendation #1

The John Swett Unified School District currently implements the above practice and will continue such transparency in any future bond language.

Recommendation #2

A district should disclose and explain in the ballot language if, and in what ways, bond funds will be used to provide General Fund relief for the district.

Response to Recommendation #2

The John Swett Unified School District does not currently engage in this practice and does not foresee any changes in this practice in the future. Recommendation will be on file for any future John Swett Unified School District boards to review.

Recommendation #3

In recruiting candidates for appointment to oversight committees, a district should seek nominations from the groups required to be represented on the committee by Education Code Section 15282(a).

Response to Recommendation #3

The John Swett Unified School District is a small district in Contra Costa County. This provides challenges to the district in its recruitment of the required members of the Bond Oversight Committee. If the situation arises where we actually have groups from the required members applying we will implement recommendation. Currently, we accept all applicants who want to serve on the Bond Oversight Committee.

Recommendation #4

A district should consider ways to recruit independent, qualified and motivated applicants from the community, including announcements in local media, district newsletters, solicitations to local civic and professional groups, and mailing postcards to residents to solicit applications when the ballot materials are mailed.

Response to Recommendation #4

The John Swett Unified School District is a small district in Contra Costa County. This provides challenges to the district in its recruitment of the required members of the Bond Oversight Committee. The district utilizes all of the above recommendations to recruit members.

Recommendation #5

A district should require all candidates for bond oversight committees to submit written applications listing their background, qualifications, a statement of interest, and disclosure of any prior employment by, or prior involvement or business relationship with, the district.

Response to Recommendation #5

The recommendation is currently being implemented. Current application covers all the areas listed in the recommendation.

Recommendation #6

A district should make available to committee members, for their consideration in creating a committee bylaws and operating procedures, copies of:

- California League of Bond Oversight Committee recommended Best Practices
- San Diego County Taxpayers Association "Oversight Committee Best Practices" guide
- California Coalition for Adequate School Housing "Proposition 39- Best Practices Handbook"
- Little Hoover Commission 2009 Report "Bond Spending: Expanding and Enhancing Oversight"
- California League of Cities "A Guide to the Ralph M. Brown Act"
- State Controller's Office 2011 Audit Report on the Los Angeles Community College District's bond construction program

Response to Recommendations #6

The John Swett Unified School District will provide all the above recommended documents to the Bond Oversight Committee members no later than August 31, 2012. These documents will also be available if possible on our website.

Recommendation #7

A district should ensure that websites for their oversight committees are prominently displayed on their homepages, are easily navigable, and include current and complete postings of all required items.

Response to Recommendation #7

Recommendation is currently being implemented. Current website is easy to navigate, current, complete in its postings, and is prominently displayed.

Recommendation #8

A district should provide oversight committees with complete, detailed and comprehensive financial data relating to the expenditure of bond revenues, showing the amount of funds originally budgeted and allocated for each project, amounts expended to date and amount committed to each project, percentage completion of each project, and all approved or anticipated change orders.

Response to Recommendation #8

Recommendation is currently being implemented. Current reports provided have been confirmed by all committee members to be detailed and comprehensive enough to perform an adequate analysis of the expenditures of the bond funds.

Recommendation #9

A district should provide financial data and reports to committee members sufficiently prior to meetings to permit meaningful and effective review and oversight.

Response to Recommendation #9

Recommendation is currently being implemented. Current practice of providing materials a week prior to the meetings has been confirmed by all committee members as the appropriate amount of time to review the materials.

Recommendation #10

A district should afford their bond oversight committees an opportunity to provide input in defining the scope and content of the required annual performance audit.

Response to Recommendation #10

Recommendation is currently being implemented. Current practices ask for input from all members on the scope and content of the required annual performance audit.

Recommendation #11

The district's annual independent performance audits should be detailed and comprehensive enough in scope, including a review of procurement practices, to allow the committee to identify waste and to evaluate the cost-effectiveness of the district's construction and facilities improvement program.

Response to Recommendation #11

Recommendation is currently being implemented. The past and current bond performance audits go beyond industry standards in scope providing the bond oversight committee with a comprehensive analysis of all practices and expenditures.

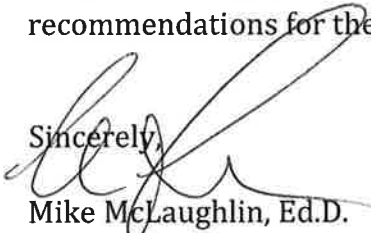
Recommendation #12

A district should request that its oversight committees issue timely, comprehensive and informative reports, which should be posted on the district's website, along with a final, closing report when the bond funds have been spent and the committee's work completed.

Response to Recommendation #12

Recommendation is currently being implemented. The district will implement all recommendations for the closing report when all bond funds are spent.

Sincerely,



Mike McLaughlin, Ed.D.
Superintendent
Secretary to the Board



MARTINEZ UNIFIED SCHOOL DISTRICT

"Together we will ensure diverse paths to educate students in their quest for knowledge and success."

SCHOOL BOARD

*Denise Elskan
John L. Fuller
Vicki Gordon
Bobbi Horack
Kathie McLaughlin*

July 26, 2012

Lloyd Bell
Chairperson

DISTRICT STAFF

*Superintendent
Rami Muth*

Contra Costa County Grand Jury
725 Court Street
P.O. Box 431
Martinez, CA 94553-0091

Assistant Superintendent

*Personnel Services
Rick Rubino*

Chief Business

*Official
Andi Stubbs*

*Director
Student Services
CJ Cammack*

*Director
Curriculum and
Educational Technology
Audrey Lee*

*Chief Technology Officer
Max Eisler*

SITE

ADMINISTRATORS

*Alhambra High
Nermin Kameel
Principal*

*Vicente Martinez /
Briones School
Carol Adams
Principal*

*Martinez
Junior High
Helen Rossi
Principal*

*John Muir
Elementary
Lawran Hawker
Principal*

*John Sweet
Elementary
Marj Pompe
Principal*

*Las Juntas
Elementary
Aaron Tarzian
Principal*

*Morello Park
Elementary
Jonathan Eagan
Principal*

*Martinez Adult
Education
Kathy Farwell
Director*

Dear Mr. Bell,

Please find below responses from the Martinez Unified School District to Grand Jury report No. 1208, "School Bond Oversight Committees, Raising the Bar" by the 2011-2012 Contra Costa Grand Jury.

Per section 933.5(a) of the California Government Code, please find below the responses from the Martinez Unified School District to the "findings" as discussed in Grand Jury report no. 1208. As prescribed in the aforementioned code and reiterated in the Grand Jury memo dated May 21, 2012 the responses will be selected from one of the following options:

1. *The respondent agrees with the finding.*
2. *The respondent disagrees with the finding.*
3. *The respondent partially disagrees with the finding.*

"In the cases of both (2) and (3) above, the respondent shall specify the portion of the finding that is disputed, and shall include an explanation of the reasons therefore."

FINDINGS (required responses #2-#16)

2. Ballot language that is overly general in identifying specific projects, and fails to indicate priorities and at least a realistic estimate of project costs, impedes meaningful and effective oversight and accountability.
 - *(1) Agree*
3. Bond proceeds are sometimes used to provide General Fund relief in various ways, which even if lawful, may not have always been fully disclosed to voters in the ballot language.
 - *(2) Disagree – We don't know what occurs in other districts, but we believe that the general fund relief that is or will occur in the near future in MUSD was called out in the language of "Measure K". For example, one of the major initiatives of Measure K that is already underway is the installation of solar panels to off-set electrical usage and thus save general fund dollars.*

This project was specifically called out in the language that went before the voters in Martinez.

4. District boards have an inherent conflict of interest in selecting, and in some cases, having the power to remove with or without cause, the members of the oversight committee who are required to oversee the district's spending of bond funds.
 - *(2) Disagree – The Governing Board of MUSD is made up of five individuals and they all get a vote when it comes to taking action on behalf of the District. A majority of the five would have to be like-minded in an effort to select or remove a member of the oversight committee. We have not witnessed any apparent conflict of interest between the Board's role and that of the oversight Committee. Quite to the contrary, they have worked well together since the formation of the Committee. No instances of "politicking" or coercion have been observed between the trustees and committee members.*

5. Districts do not consistently reach out to the legally-mandated organizations, to local professional associations, community groups, or to district residents generally, to seek independent, qualified and motivated nominees for their bond oversight committees.
 - *(2) Disagree – The Governing Board and District Staff were vigilant in their efforts to recruit and fill the required seats on the Committee. The process was advertised and promoted publically. Given the representation on the Committee, and the continued support of the Martinez Community for the District (i.e. Measure B and K) we feel strongly that this community takes the oversight responsibility seriously and understands the Committee's importance. This community is very involved and seeks out oversight positions such as this. Both the District and the Community have a vested interest in the success of these programs and work together to fulfill the program goals while keeping an eye on the tax payers' money.*

6. There does not always appear to be a consistent and transparent process for interested persons to be nominated, apply for, and be appointed to membership on oversight committees, or disclosure of any previous employment by, or other prior involvement or business relationship with, the district.
 - *(2) Disagree – As previously mentioned, the committee application process was conducted according to the spirit and letter of the law. Additionally, given the small size of the Martinez Community residents know of, and about each other on a far more intimate level than perhaps is evident in other communities. If a prior business relationship existed between a committee member and the District it would not be a secret or something to hide. Current committee members disclosed their relationship to the District and their role on the committee (i.e. which group they represent).*

7. Districts do not consistently provide timely, adequate and independent training or resource materials for members of their bond oversight committees that explain their role, duties and functions, or provide training in the skills needed to analyze the kinds of financial data that bond oversight committee members are asked to review.
 - *(3) Partially Disagree – We feel that the roles of the committee were communicated in a clear and concise manner upon its inception and have been reinforced consistently. We do however feel that we could provide the committee members with additional resources to learn the skills needed to provide meaningful oversight.*
8. Although all oversight committees have bylaws, they do not appear to include or take into account “best practices” recommended by independent groups.
 - *(1) Agree*
9. The public Websites required to be maintained by districts for their bond oversight committees are not always easily located or navigable.
 - *(2) Disagree – MUSD’s Measure K website is linked to the District homepage and is easy to navigate. It is also updated regularly when new information is available.*
10. The websites required to be maintained by districts for their bond oversight committees are not always timely or complete in posting agenda materials, minutes, reports and other required items.
 - *(2) Disagree – MUSD’s Measure K website is updated regularly when new information is available. Committee meeting agendas, minutes and back-up information are posted for all meetings. This Committee has yet to publish any reports as of the date of this letter.*
11. Financial reports furnished to oversight committees by the districts are not always complete and comprehensive enough to allow meaningful and effective review and oversight.
 - *(2) Disagree – With the Committee’s approval, District Staff have placed a standing agenda item at every meeting to review financial reports. These reports detail and compare project budgets and expenditures. Line item detail is also provided on projects as they enter the construction phase.*
12. Financial data and reports are not always furnished to oversight committees early enough to allow time for thorough review prior to meetings.
 - *(2) Disagree – Providing financial data and reports ahead of the meeting was a recommendation and request from our committee. It became clear early on that the members needed more time to digest the back-up financial data. As a matter of course, District Staff prepare meeting packets well in advance of the meeting and send it to Committee members at least one week ahead of time. In*

the case of the Committee's next meeting date, the information was sent out three weeks in advance.

13. Districts do not typically afford their oversight committees an opportunity to provide input into defining the scope and content of the district's required annual performance audit.
 - *(3) Partially Disagree – Given that we have not yet had an opportunity to perform our first required annual performance audit, we do not agree with this finding. As we plan this activity we will solicit the Committee for their suggestions.*
14. The performance audits provided by some districts to their oversight committees are so limited in scope and conclusory as to prevent meaningful and effective oversight.
 - *(3) Partially Disagree – Given that we have not yet had an opportunity to perform our first required annual performance audit, we do not agree with this finding. As we plan this activity we will strive to provide a meaningful report to the Committee that allows them to fulfill their charge.*
15. The annual reports required to be issued by bond oversight committees are not always timely, and vary significantly in their style, scope and content.
 - *(3) Partially Disagree – Given that we have not yet had an opportunity to perform our first required annual performance audit, we do not agree with this finding. As we plan this activity we will make an effort to schedule its completion in a timely fashion so as to make its findings meaningful to the Committee and thus the community.*
16. Although not legally required for parcel taxes, some districts have provided voters with detailed project lists in the ballot materials, and then appointed oversight committees to oversee the district's use of these funds. The Grand Jury commends and endorses this practice as promoting voter transparency and fiscal accountability.
 - *(1) Agree*

As required by Section 933.05(b) of the California Government Code, below are the responses to each Grand Jury recommendation. As prescribed in the aforementioned code and reiterated in the Grand Jury memo dated May 21, 2012 the responses will be selected from one of the following options:

1. *The recommendation has been implemented, with a summary describing the implemented action.*
2. *The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.*
3. *The recommendation requires further analysis. This response would explain the scope and parameters of the analysis or study, and a time frame for the matter to*

be prepared for discussion. This time frame shall not exceed six months from the date of the publication of the Grand Jury Report.

4. *The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation thereof.*

RECOMMENDATIONS (required responses #1-#12)

1. A district's ballot language should inform voters of all intended uses of bond funds, the specific projects to be undertaken, the schools where the projects will be undertaken, the district's initial priorities, and a realistic estimate of project costs.
 - *(1) Implemented - To the extent possible, MUSD has implemented this recommendation given that the ballot language was presented to the public in November of 2010 while this report and accompanying recommendations are dated May of 2012. The Measure K ballot language listed specific types of projects, listed the district facilities where work was to be performed and when possible, listed the specific project. The ballot language did not however include a detailed site-by-site project list and did not include project cost estimates. Now that the program is through its first year, the project budgets and the itemized priorities of the Board have been developed and master planned. These details are available to the public via the District website and are reviewed at every oversight meeting. Going forward, the District will adopt this recommendation and include the items listed above on any future ballot initiatives.*
2. A district should disclose and explain in the ballot language if, and in what ways, bond funds will be used to provide General Fund relief for the district.
 - *(1) Implemented - To the extent possible, MUSD has implemented this recommendation given that the ballot language was presented to the public in November of 2010 while this report and accompanying recommendations are dated May of 2012. The Measure K ballot language listed "solar improvements" as a project with the intention of relieving the general fund. While general fund savings was not specifically called out in the 2010 ballot language, it was implied. Going forward, the District will adopt this recommendation in future ballot initiatives and specifically identify projects that will provide general fund relief.*
3. In recruiting candidates for appointment to oversight committees, a district should seek nominations from the groups required to be represented on the committee by Education Code Section 15282(a).
 - *(1) Implemented - MUSD and District Staff have already implemented this recommendation as evidenced by the current Committee membership. Each member corresponds to and represents each of the groups outlined in Ed. Code Section 15282(a).*

4. A district should consider ways to recruit independent, qualified and motivated applicants from the community, including announcements in local media, district newsletters, solicitations to local civic and professional groups, and mailing postcards to residents to solicit applications when the ballot materials are mailed.
 - *(1) Implemented - MUSD and District Staff have already implemented this recommendation (as the Committee was formed in 2011) and will continue to use these strategies for future general obligation bond programs. These strategies will be utilized if a vacancy occurs on the existing Committee as well.*
5. A district should require all candidates for bond oversight committees to submit written applications listing their background, qualifications, a statement of interest, and disclosure of any prior employment by, or prior involvement or business relationship with, the district.
 - *(1) Implemented - MUSD and District Staff have already implemented this recommendation as the Committee was formed in 2011 and will continue to use these strategies for future general obligation bond programs.*
6. A district should make available to committee members, for their consideration in creating committee bylaws and operating procedures, copies of:
 - California League of Bond Oversight Committee recommended Best Practices
 - San Diego County Taxpayers Association "Oversight Committee Best Practices" guide
 - California Coalition for Adequate School Housing "Proposition 39 Best Practices Handbook"
 - Little Hoover Commission 2009 Report "Bond Spending: Expanding and Enhancing Oversight"
 - California League of Cities "A Guide to the Ralph M. Brown Act" State
 - Controller's Office 2011 Audit Report on the Los Angeles Community College District's bond construction program
 - *(2) Not yet Implemented - These documents have not yet been provided to the Committee, but will be provided in the Committee's preferred format (electronic or hard copy) at the next regularly scheduled meeting on July 26th, 2012.*
7. A district should ensure that websites for their oversight committees are prominently displayed on their homepages, are easily navigable, and include current and complete postings of all required items.
 - *(1) Implemented - District Staff created and continues to maintain the Committee website. It is linked to the District homepage and is regularly updated as new documents or information become available.*
8. A district should provide oversight committees with complete, detailed and comprehensive financial data relating to the expenditure of bond revenues, showing

the amount of funds originally budgeted and allocated for each project, amounts expended to date and amount committed to each project, percentage completion of each project, and all approved or anticipated change orders.

- *(1) Implemented - District Staff have implemented a process whereby this recommendation will be fulfilled as projects progress. Every Committee meeting agenda maintains standing items that include the review of change orders, notices of completion, budget updates and financial reports. As projects progress out of the planning stages and enter the design or construction phase, District Staff have and continue to share financial information with the Committee. This information compares original budgets to encumbrances and expenditures as well as progress completion updates by percentage.*
9. A district should provide financial data and reports to committee members sufficiently prior to meetings to permit meaningful and effective review and oversight.
- *(1) Implemented - District Staff have already adopted the practice of providing back-up information that ties to each meeting agenda item to the Committee no later than one week prior to the scheduled meeting. The meeting agendas are also publically posted following the process MUSD uses for announcing regular Board of Education Meetings.*
10. A district should afford their bond oversight committees an opportunity to provide input in defining the scope and content of the required annual performance audit.
- *(2) Not yet Implemented - Given that MUSD has just completed its first fiscal year of the program, the annual report has not yet been developed. District Staff will take this opportunity to solicit the Committee's input when developing the scope and format for the annual report.*
11. The district's annual independent performance audits should be detailed and comprehensive enough in scope, including a review of procurement practices, to allow the committee to identify waste and to evaluate the cost-effectiveness of the district's construction and facilities improvement program.
- *(2) Not yet Implemented - Given that MUSD has just completed its first fiscal year of the program, the annual independent performance audit has not yet taken place or been scheduled. District Staff will review the details of this recommendation when meeting with the auditing firm to ensure that they review all aspects of the bond program. The Committee's preferences regarding report scope and format will be incorporated into the audit to ensure that they receive enough financial detail to make a clear determination on the effectiveness of the bond program.*
12. A district should request that its oversight committees issue timely, comprehensive and informative reports, which should be posted on the district's website, along with

a final, closing report when the bonds funds have been spent and the committee's work completed.

- *(2) Not yet Implemented - District Staff will assist the Committee in implementing this recommendation. All minutes developed by the Committee are already posted to the Committee's website and this practice will continue in the future. The Committee has not yet written or published any reports on the Measure K program. Once the program has concluded District Staff will assist the Committee in preparing and publishing the closing report.*



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OFFICE OF
GENERAL COUNSEL

August 28, 2012

Lloyd Bell, Foreperson
Contra Costa County Civil Grand Jury
725 Court St.
P.O. Box 911
Martinez, CA 94553-0091

Re: Grand Jury Report No. 1208, "School Bond Oversight Committees,
Raising The Bar" by the 2011-2012 Contra Costa Grand Jury

Dear Foreperson Bell:

Pursuant to California Penal Code sections 933 and 933.05, the Governing Board of the Mt. Diablo Unified School District files this response with regard to the 2011-2012 Contra Costa County Grand Jury Report No. 1208 Findings and Recommendations.

FINDINGS

FINDING 1

The Grand Jury commends the many citizens who serve on bond oversight committees and devote considerable time and effort to the task, without any compensation.

RESPONSE TO FINDING 1

Respondent agrees with the finding.

FINDING 2

Ballot language that is overly general in identifying specific projects, and fails to indicate priorities and at least a realistic estimate of project costs, impedes meaningful and effective oversight and accountability.

RESPONSE TO FINDING 2

The Respondent disagrees with the finding. Ballot language allows 75 words to briefly describe the purpose and intent of the bond. Such restrictions do not allow for an exhaustive analysis to be placed in ballot language.

Furthermore, a school district must draft bond language that allows flexibility as oftentimes many years pass between voter approval and bond issuance. Financial conditions in capital improvement priorities often change over time. Capital improvement priorities and projected costs can change from the date of election to the actual time of bond sales. Therefore, overly specific language can be misleading to the electorate.

FINDING 3

Bond proceeds are sometimes used to provide General Fund relief in various ways, which even if lawful, may not have always been fully disclosed to voters in the ballot language.

RESPONSE TO FINDING 3

The Respondent agrees with the finding. There is neither a requirement, nor a method available for providing information in ballot language regarding results or consequence, intended or otherwise, of capital improvements constructed with bond proceeds, including but not limited to, direct or incidental general fund relief.

FINDING 4

District boards have an inherent conflict of interest in selecting, and in some cases, having the power to remove with or without cause, the members of the oversight committee who are required to oversee the district's spending of bond funds.

RESPONSE TO FINDING 4

The Respondent disagrees with the finding. District boards have similar interest to bond oversight committees in insuring district administrators are spending bond proceeds for items on the project list. A board charges the oversight committee with this responsibility on their behalf. Therefore, no inherent conflict exists.

FINDING 5

Districts do not consistently reach out to the legally-mandated organizations, to local professional associations, community groups, or to district residents generally, to seek independent, qualified and motivated nominees for their bond oversight committees.

RESPONSE TO FINDING 5

The Respondent disagrees with the finding. Mt. Diablo Unified School District cannot speak to outreach efforts by other districts or organizations. However, the Mt. Diablo Unified School District has communicated with, and informed legally mandated organizations in the following manner: 1) direct verbal and written solicitation regarding positions that are difficult to fill (i.e. senior citizens); 2) posting on the Mt. Diablo Unified School District website; 3) broadcast and solicitation by bond oversight committee members. The vast majority of the legally mandated positions are filled through the volunteer process.

FINDING 6

There does not always appear to be a consistent and transparent process for interested persons to be nominated, apply for, and be appointed to membership on oversight committees, or disclosure of any previous employment by, or other prior involvement or business relationship with, the district.

RESPONSE TO FINDING 6

The Respondent disagrees with the finding. The Mt. Diablo Unified School District cannot speak to the appearance of consistency or transparency in the nomination process with other entities. However, the Mt. Diablo Unified School District's process for appointment to the bond oversight committee, and disclosure of employment or business relationships with the Mt. Diablo

Unified School District, is consistent and transparent with a single point person responsible for accepting and soliciting oversight committee membership applications.

FINDING 7

Districts do not consistently provide timely, adequate and independent training or resource materials for members of their bond oversight committees that explain their role, duties and functions, or provide training in the skills needed to analyze the kinds of financial data that bond oversight committee members are asked to review.

RESPONSE TO FINDING 7

The Respondent disagrees with the finding. The Mt. Diablo Unified School District cannot speak to the training provided to bond oversight committees throughout State of California. However, the Mt. Diablo Unified School District has gone to considerable expense providing thorough training through legal counsel and financial professionals directly to the Measure C bond oversight committee.

FINDING 8

Although all oversight committees have bylaws, they do not appear to include or take into account "best practices" recommended by independent groups.

RESPONSE TO FINDING 8

The respondent disagrees with the finding. The Mt. Diablo Unified School District cannot speak to practices of other bond oversight committees throughout this State of California. Furthermore, the grand jury does not make it clear what constitutes "best practices." It is further unclear what "independent groups" are proposing best practices, and to what extent, if any, those recommendations are being ignored. Consequently, it is difficult to either agree or disagree with the finding.

FINDING 9

The public websites required to be maintained by districts for their bond oversight committees are not always easily located or navigable.

RESPONSE TO FINDING 9

The Respondent partially agrees with the finding. Public websites are not always easily located or navigable. However, the Mt. Diablo Unified School District has a tab specifically designated to its Measure C project on the district's home page. Also, the Mt. Diablo Unified School District has a prominently displayed website specifically designated to the Measure C oversight committee. Content of this web page includes, but is not limited to, composition roles and functions, bylaws, resolutions, reports, audits, presentations and communications.

FINDING 10

The websites required to be maintained by districts for their bond oversight committees are not always timely or complete in posting agenda materials, minutes, reports and other required items.

RESPONSE TO FINDING 10

The Respondent partially agrees with the finding. Public websites are not always timely or complete in posting agenda materials, minutes, reports or other items. However, the Mt. Diablo

Unified School District maintains its website in a prompt and thorough manner. Quarterly reports, presentations, audits and other information referenced in the response to finding 9 are quickly posted on the website.

FINDING 11

Financial reports furnished to oversight committees by the districts are not always complete and comprehensive enough to allow meaningful and effective review and oversight.

RESPONSE TO FINDING 11

The Respondent disagrees with the finding. The Mt. Diablo Unified School District cannot speak to the financial reports furnished to other oversight committees. However, the Mt. Diablo Unified School District respectfully submits that it furnished complete and comprehensive financial reports.

FINDING 12

Financial data and reports are not always furnished to oversight committees early enough to allow time for thorough review prior to meetings.

RESPONSE TO FINDING 12

The Respondent disagrees with the finding. The Mt. Diablo Unified School District cannot speak to whether or not other districts provide sufficient time to review financial data prior to oversight committee meetings. However, the Mt. Diablo Unified School District provided financial data well in advance of oversight committee meetings.

FINDING 13

Districts do not typically afford their oversight committees an opportunity to provide input into defining the scope and content of the district's required annual performance audit.

RESPONSE TO FINDING 13

The Respondent agrees with the finding. It is not a statutory requirement that districts afford oversight committees the opportunity to provide input in defining the scope and content of the annual performance audit.

FINDING 14

The performance audits provided by some districts to their oversight committees are so limited in scope and conclusory as to prevent meaningful and effective oversight.

RESPONSE TO FINDING 14

The Respondent partially agrees with the finding. Mt. Diablo Unified School District cannot speak to the performance audit performed by other school districts. However, the Mt. Diablo Unified School District respectfully submits that the performance audits provided to the Measure C oversight committee complies with all applicable statutory requirements and allow for meaningful and effective oversight.

FINDING 15

The annual reports required to be issued by bond oversight committees are not always timely, and vary significantly in their style, scope and content.

RESPONSE TO FINDING 15

The Respondent partially agrees with the finding. The Mt. Diablo Unified School District cannot speak to the timeliness, style, scope or content of annual reports provided by other school districts. However, the Mt. Diablo Unified School District respectfully submits that the annual reports provided do comply with all applicable statutory requirements and allow for meaningful and effective oversight.

FINDING 16

Although not legally required for parcel taxes, some districts have provided voters with detailed project lists in the ballot materials, and then appointed oversight committees to oversee the district's use of these funds. The Grand Jury commends and endorses this practice as promoting voter transparency and fiscal accountability.

RESPONSE TO FINDING 16

The Respondent agrees with the finding.

RECOMMENDATIONS

RECOMMENDATION 1

A district's ballot language should inform voters of all intended uses of bond funds, the specific projects to be undertaken, the schools where the projects will be undertaken, the district's initial priorities, and a realistic estimate of project costs.

RESPONSE TO RECOMMENDATION 1

The recommendation will not be implemented because it is not reasonable or warranted. The Mt. Diablo Unified School District's bond language in the June 2010 bond election actually implemented a portion of this recommendation as the ballot language included the specific projects which were to be undertaken as well as a list of all schools where the projects would occur. The projects included on the project list comprised the highest priority project so no priority among them was provided and not all project costs were known at the time of the election so project cost estimates could not be provided. The ballot language was fully compliant with all legal requirements.

RECOMMENDATION 2

A district should disclose and explain in the ballot language if, and in what ways, bond funds will be used to provide General Fund relief for the district.

RESPONSE TO RECOMMENDATION 2

The recommendation will not be implemented because it is not reasonable or warranted. The ballot language is not the appropriate forum for a public entity to explain any General Fund relief which may result from the expenditure of bond funds. The 75-word ballot measure and project list comprised of voter approved capital projects intended to be financed with bond proceeds. An explanation of the consequences of the expenditure of bond proceeds does not fit within the limited parameters of the ballot language.

RECOMMENDATION 3

In recruiting candidates for appointment to oversight committees, a district should seek nominations from the groups required to be represented on the committee by Education Code Section 15282(a).

RESPONSE TO RECOMMENDATION 3

The recommendation has been implemented. The Mt. Diablo Unified School District solicits members from the required groups described in Education Code section 15282 (a).

RECOMMENDATION 4

A district should consider ways to recruit independent, qualified and motivated applicants from the community, including announcements in local media, district newsletters, solicitations to local civic and professional groups, and mailing postcards to residents to solicit applications when the ballot materials are mailed.

RESPONSE TO RECOMMENDATION 4

The recommendation has been implemented. The Mt. Diablo Unified District considers ways to recruit citizens' oversight committee members including announcements, solicitations and mailings.

RECOMMENDATION 5

A district should require all candidates for bond oversight committees to submit written applications listing their background, qualifications, a statement of interest, and disclosure of any prior employment by, or prior involvement or business relationship with, the district.

RESPONSE TO RECOMMENDATION 5

The recommendation has been implemented. The Mt. Diablo Unified School District requires applicants for citizens' oversight committees to submit a handwritten application which includes background, qualifications, a statement of interest, and disclosure of any prior employment by, or prior involvement or business relationship with, the Mt. Diablo Unified School District.

RECOMMENDATION 6

A district should make available to committee members, for their consideration in creating committee bylaws and operating procedures, copies of:

- California League of Bond Oversight Committee recommended Best Practices
- San Diego County Taxpayers Association "Oversight Committee Best Practices" guide
- California Coalition for Adequate School Housing "Proposition 39 – Best Practices Handbook"
- Little Hoover Commission 2009 Report "Bond Spending: Expanding and Enhancing Oversight"
- California League of Cities "A Guide to the Ralph M. Brown Act"
- State Controller's Office 2011 Audit Report on the Los Angeles Community College District's bond construction program

RESPONSE TO RECOMMENDATION 6

The recommendation will not be implemented. While the Mt. Diablo Unified School District seeks to provide its citizens' oversight committee members with literature that will assist in their role on the committee, the volume of literature recommended appears excessive. For example, three (3) separate pamphlets on best practices are recommended. Additionally, the Grand Jury recommends providing two (2) reports.

The Mt. Diablo Unified School District provides a guide to the Brown Act to its citizens' oversight committee members and provides supporting materials listed on its website (see response to Finding 9). Also, as previously stated, the Mt. Diablo Unified School District provided considerable direct, interactive training to its citizens' oversight committee members as needed.

RECOMMENDATION 7

A district should ensure that websites for their oversight committees are prominently displayed on their homepages, are easily navigable, and include current and complete postings of all required items.

RESPONSE TO RECOMMENDATION 7

The recommendation has been implemented. The Mt. Diablo Unified School District's citizens' oversight committee website is prominently displayed on the home page, is easily navigable and includes current and complete postings of all required items. (see also response to Finding 9)

RECOMMENDATION 8

A district should provide oversight committees with complete, detailed and comprehensive financial data relating to the expenditure of bond revenues, showing the amount of funds originally budgeted and allocated for each project, amounts expended to date and amount committed to each project, percentage completion of each project, and all approved or anticipated change orders.

RESPONSE TO RECOMMENDATION 8

The recommendation has been implemented. The Mt. Diablo Unified School District provides its citizens' oversight committee members with complete financial data relating to the expenditure of bond proceeds.

RECOMMENDATION 9

A district should provide financial data and reports to committee members sufficiently prior to meetings to permit meaningful and effective review and oversight.

RESPONSE TO RECOMMENDATION 9

The recommendation has been implemented. The Mt. Diablo Unified School District provides its citizens' oversight committee members with reports of bond expenditures prior to meetings with enough time to allow them to review the reports and ask questions at the meetings.

RECOMMENDATION 10

A district should afford their bond oversight committees an opportunity to provide input in defining the scope and content of the required annual performance audit.

RESPONSE TO RECOMMENDATION 10

The recommendation will not be implemented. The required annual performance audit is a district obligation and the Mt. Diablo Unified School District receives input on the scope and content of the annual report from the auditors who are experienced and trained professionals.

RECOMMENDATION 11

The district's annual independent performance audits should be detailed and comprehensive enough in scope, including a review of procurement practices, to allow the committee to identify waste and to evaluate the cost-effectiveness of the district's construction and facilities improvement program.

RESPONSE TO RECOMMENDATION 11

The recommendation will not be implemented. The annual performance audit is not intended to include sufficient financial information to be able to identify waste or evaluate cost effectiveness. The purpose of the performance audits is to provide detail concerning Mt. Diablo Unified School District's facilities improvement program.

RECOMMENDATION 12

A district should request that its oversight committees issue timely, comprehensive and informative reports, which should be posted on the district's website, along with a final, closing report when the bonds funds have been spent and the committee's work completed.

RESPONSE TO RECOMMENDATION 12

The recommendation has been implemented. The Mt. Diablo Unified School District's citizens' oversight committee completes the required annual report as described. The Mt. Diablo Unified School District Measure C oversight committee also provides periodic reporting at each meeting as well as issuing a closing report. All of the aforementioned reports are promptly posted on the committee's website.

Sincerely,



Gregory J. Rolen
General Counsel



PITTSBURG UNIFIED SCHOOL DISTRICT

2000 RAILROAD AVENUE · PITTSBURG · CALIFORNIA 94565

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August 21, 2012

Lloyd Bell, Foreperson
2011-2012 Contra Costa County Civil Grand Jury
725 Court Street
P.O. Box 431
Martinez, CA 94553-0091

RE: Grand Jury Report No. 1208, "School Bond Oversight Committees, Raising The Bar."

Dear Mr. Bell,

This letter is in response to Grand Jury Report No. 1208, "School Bond Oversight Committees, Raising the Bar."

Responses

Finding 1-Agree
COC members serve without any compensation.

Finding 2-Disagree
School Districts have limited space, 75 words, for ballot statements for General Obligation Bond elections per Ed. Code §5322: "A brief statement of the measure, setting forth the amount of the bonds to be voted upon, the maximum rate of interest, and the purposes for which the proceeds of the sale of the bonds are to be used shall be printed upon the ballot."

Finding 3-Disagree
Pittsburg USD does not use bond proceeds to provide General Fund relief.

Finding 4-Disagree
The Pittsburg Board of Education follows the requirements of Proposition 39 in appointing a Citizens Oversight Committee. The report is not clear why a Board Member would have a conflict of interest in appointing and /or removing a COC member. This matter should be addressed to the State.

Finding 5-Disagree
The Pittsburg Board of Education has used every means possible to recruit members for the COC.

Finding 6-Disagree
The Pittsburg Board of Education has consistently used an application form and process that follows Proposition 39 requirements.

Grand Jury Response
Lloyd Bell, Foreperson
725 Court Street, Martinez CA 94553
August 21, 2012
Page 2

Finding 7-Partially Disagree

Pittsburg USD has provided some training, but more training could be provided to strengthen the skills of COC members.

Finding 8-No Opinion

Finding 9-Agree

COC documents and announcements are posted in District's website. PUSD is in the process of reorganizing its website.

Finding 10-Disagree

PUSD has a staff assigned to posting COC announcements and documents.

Finding 11-Disagree

PUSD staff provides periodic financial report to COC members.

Finding 12-Agree

In some cases, back-up documents have not been provided prior to meetings.

Finding 13-Disagree

Performance auditors meet with COC members as part of the auditing process to provide input.

Finding 14-Disagree

The performance audits conducted meet the requirements of Proposition 39.

Finding 15-Agree

The inconsistency in reports is due to changes in staff. PUSD is in process in developing a template for the annual reports.

Finding 16-Agree

PUSD has COC for parcel tax passed in November 2008.

If you need additional information, please contact my office. Thank you.

Sincerely,



Enrique E. Palacios
Associate Superintendent



PITTSBURG UNIFIED SCHOOL DISTRICT

Enrique E. Palacios - Deputy Superintendent

2000 Railroad Avenue ▪ Pittsburg ▪ California ▪ 94565

October 23, 2012

Via U.S. Mail and Email

Clope2@contracosta.courts.ca.us.gov

Mr. Lloyd Bell, Foreperson
2011-12 Contra Costa Civil Grand Jury
725 Court Street
P.O. Box 431
Martinez, CA 94553-0091

RE: Revised Response to Grand Jury Report No. 1208,
"School Bond Oversight Committees, Raising The Bar."

Dear Mr. Bell,

This letter is in response to Grand Jury Report No. 1208, "School Bond Oversight Committees, Raising The Bar." The following responses are revisions to the District's response to recommendation on August 21, 212.

RECOMMENDATION 1

This recommendation was implemented in all bond measures. Project cost estimates are relevant depending on the level of design used for estimating.

RECOMMENDATION 2

This recommendation has not been implemented. A date of implementation cannot be provided at this time because the District has no plans for a bond measure.

RECOMMENDATION 3

This recommendation was implemented and the District sought members to comply with Education Code 15282(a).

RECOMMENDATION 4

This recommendation was implemented. If the need arises again for a new committee due to a new bond, the District will make every effort to recruit independent, motivated, and qualified candidates.

RECOMMENDATION 5

This recommendation was partially implemented last time candidates were recruited. If the need arises in the future for a new committee, the District would implement this recommendation fully.

RECOMMENDATION 6

This recommendation was partially implemented. The District will make these documents available to committee members by December 31, 2012.

RECOMMENDATION 7

This recommendation is implemented. The following link is for posting committee related documents:

<http://www.pittsburg.k12.ca.us/resources-committee.aspx>

RECOMMENDATION 8

This recommendation is implemented. The District provides financial reports covering estimated, actual, and projected cost. Anticipated change orders are not included due to the timing of projects and meetings.

RECOMMENDATION 9

This recommendation is implemented. The District makes agendas and reports at least 72 hours in advance of a meeting.

RECOMMENDATION 10

This recommendation is implemented. PUSD's COC provides input to the auditors regarding performance audits.

RECOMMENDATION 11

We believe that our performance audits are detailed and comprehensive enough in scope. Please share with PUSD a copy of a performance audits as a sample that meets this recommendation.

I you need additional information, please contact my office. Thank you.

Sincerely,



Enrique E. Palacios



PITTSBURG UNIFIED SCHOOL DISTRICT

Enrique E. Palacios - Associate Superintendent
2000 Railroad Avenue • Pittsburg • California • 94565

Via U.S. Mail and Email
Clope2@contracosta.courts.ca.gov

September 18, 2012

Mr. Lloyd Bell, Foreperson
2011-2012 Contra Costa County Civil Grand Jury
725 Court Street
P.O. Box 431
Martinez, CA 94553-0091

RE: Grand Jury Report No. 1208, "School Bond Oversight Committees, Raising The Bar."

Dear Mr. Bell,

This letter is in response to Grand Jury Report No. 1208, "School Bond Oversight Committees, Raising The Bar."

Responses:

Recommendation 1-Neutral. Realistic project estimates require some level of design which in most cases is not available until resources are allocated to contract for architectural services.

Recommendation 2-Agree. This is done already. For instance, schools are built to be energy efficient which in turn saves operational cost in the General Fund.

Recommendation 3-Agree

Recommendation 4-Agree

Recommendation 5-Agree

Recommendation 6-Agree

Recommendation 7- Agree

Recommendation 8-Agree

Recommendation 9-Agree

Grand Jury Response
Pittsburg Unified School District
September 18, 2012
Page 2 of 2

Recommendation 10-Agree

Recommendation 11-Agree

Recommendation 12-Agree

I you need additional information, please contact my office. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Palacios".

Enrique E. Palacios
Associate Superintendent, Business Services
EP:bj



West Contra Costa Unified School District

Facilities Planning & Construction

1300 Potrero Avenue

Richmond, CA 94804

Dr. BRUCE HARTER
Superintendent of Schools

BILL FAY
Associate Superintendent Operations

Magdy Abdalla
District Engineering Officer

Contra Costa County
Grand Jury
725 Court Street
Post Office Box 431
Martinez, CA 94553-0091

Re: West Contra Costa Unified School District's Response to Grand Jury Report No. 1208, "School Bond Oversight Committees, Raising The Bar" by the 2011- 2012 Contra Costa Grand Jury ("Grand Jury Report").

Pursuant to the Contra Costa Grand Jury's request, and in conformity with California Government Code § 933.5(a), the West Contra Costa Unified School District ("District" and/or "WCCUSD") readily responds to the Grand Jury Report findings and recommendations as follows:

FINDINGS

1. The Grand Jury commends the many citizens who serve on bond oversight committees and devote considerable time and effort to the task, without any compensation.
 - The District wholeheartedly **Agrees**, and, in accord with the Grand Jury, commends our citizens who selflessly serve on Contra Costa County bond oversight committees.
2. Ballot language that is overly general in identifying specific projects, and fails to indicate priorities and at least a realistic estimate of project costs, impedes meaningful and effective oversight and accountability
 - **Agree**. Project list is discussed and approved at the Facility subcommittee.
3. Bond proceeds are sometimes used to provide General Fund relief in various ways, which even if lawful, may not have always been fully disclosed to voters in the ballot language.
 - **Agree**.

4. District boards have an inherent conflict of interest in selecting, and in some cases, having the power to remove with or without cause, the members of the oversight committee who are required to oversee the district's spending of bond funds.
 - **Disagree.** While, the District's Governing Board does have sole discretion to select and appoint Citizen Bond Oversight Committee (CBOC) members, the District adheres to Education Code section 15282(b). Additionally, No District employees or officials being appointed to the committee, and CBOC members may not have a financial interest in District matters, such as District vendors, contractors or consultants. Finally, Committee Members may be removed by the CBOC for attendance violations. Members are required to attend at least 9 (nine) of the previous 12 (twelve) CBOC meetings. In the event that an attendance violation occurs, the CBOC may remove the delinquent member from the CBOC and declare that position to be vacant.¹
5. Districts do not consistently reach out to the legally-mandated organizations to local professional associations, community groups, or to district residents generally, to seek independent, qualified and motivated nominees for their bond oversight committees.
 - **Disagree.** The District's CBOC is comprised of individuals who either live or work within the boundaries of the District. The Superintendent or his designee solicits applications for membership on the CBOC. There are twenty-one (21) designated positions including five (5) representatives that are required by statute: (1) business organization; (2) senior citizen organization; (3) taxpayer organization; (4) parent or guardian; and (5) parent/guardian & PTA. In addition, the CBOC has five (5) members by each of the cities in the District; two (2) members designated by the County; two (2) members designated by the County Supervisors; one (1) member designated by each of the five School Board members; and there are members representing Trade Unions, Public Employees Union Local One, the Citizen Advisory Committee on Special Education, and the Council of Industries.
6. There does not always appear to be a consistent and transparent process for interested persons to be nominated, apply for, and be appointed to membership on oversight committees, or disclosure of any previous employment by, or other prior involvement or business relationship with, the district.
 - **Disagree.** The District's Superintendent or his designee solicits applications for membership on the CBOC by posting vacant positions on the website; Applicants submit written application forms to the Superintendent and the CBOC Chair detailing the applicants' qualifications to serve on the CBOC. Applicants cannot be District employees and must disclose if they have any financial interest in District matters, such as District vendors, contractors or consultants. Applicants with such interests are prohibited from being

¹ Please see: West Contra Costa Unified School District
Citizens' Bond Oversight Committee
Measures M, D (2005 & 2010) and J
B Y - L A W S, REVISION 11- 3/6/12
SECTION 12 - Replacing a Committee Member

appointed to the CBOC. In addition, the District recently improved the process by adding a tab on the web site under "Join the CBOC team."

7. Districts do not consistently provide timely, adequate and independent training or resource materials for members of their bond oversight committees that explain their role, duties and functions, or provide training in the skills needed to analyze the kinds of financial data that bond oversight committee members are asked to review.

- **Disagree.** The District conducts a new member orientation and training meeting furnishes all new CBOC members with a copy of the Proposition 39 – Best Practices Handbook published by the California Coalition for Adequate School Housing and provides members with a copy of the Ralph M Brown Act, a copy of the By Laws and a copy of the Capital Assets Management Plan in order to assist and aid CBOC members in performing requisite duties and functions.

8. Although all oversight committees have bylaws, they do not appear to include or take into account "best practices" recommended by independent groups.

- **Disagree.** The District's Bylaws consider and take into account "best practices" recommendations by independent groups.

9. The public websites required to be maintained by districts for their bond oversight committees are not always easily located or navigable.

- **Disagree.** As noted in the Grand Jury Report, at page 6, the District prominently posts notices of upcoming CBOC meetings on its homepage master calendar. Since the information is prominently posted, it can be easily located or navigable on the District's website.

10. The websites required to be maintained by districts for their bond oversight committees are not always timely or complete in posting agenda materials, minutes, reports, and other required items.

- **Disagree.** The District posts CBOC agendas at least 96 hours prior to the CBOC meeting. Meeting minutes and reports are posted on the CBOC website for public review and are publicly noticed with other agenda items prior to the next meeting of the CBOC.

11. Financial reports furnished to oversight committees by the districts are not always complete and comprehensive enough to allow meaningful and effective review and oversight.

- **Disagree.** The District provides its CBOC members with complete financial and status reports that enable to the members to ascertain the amount of funds originally budgeted and allocated for each project, amounts expended to date, approved and anticipated changes and the status of projects. This information is provided a timely manner to allow members an opportunity to review and analyze the financial information.

12. Financial data and reports are not always furnished to oversight committees early enough to allow time for thorough review prior to meetings.

- **Disagree.** The Capital Assets Management Plan is provided with the Agenda and posted on the website on a monthly basis.
13. Districts do not typically afford their oversight committees an opportunity to provide input into defining the scope and content of the district's required annual performance audit.
- **Disagree.** By Laws Sec. 6.a specifically addresses Article 13A, section 1, subdivision (b)(3)(C) of the California Constitution and the duties of the Audit Subcommittee regarding the annual performance audits.
14. The performance audits provided by some districts to their oversight committees are so limited in scope and conclusory as to prevent meaningful and effective oversight.
- **Disagree.** The By Laws allow for meaningful oversight through the CBOC Audit Subcommittee's involvement in the scope and content of the performance audits.
15. The annual reports required to be issued by bond oversight committees are not always timely, and vary significantly in their style, scope and content.
- **Disagree.** The District's annual reports are comprehensive and timely submitted by the end of every fiscal year.
16. Although not legally required for parcel taxes, some districts have provided voters with detailed project lists in the ballot materials, and then appointed oversight committees to oversee the district's use of these funds. The Grand Jury commends and endorses this practice as promoting voter transparency and fiscal accountability.
- **Agree.** WCCUSD thanks the Grand Jury for its recognition of the District's practice of promoting voter transparency and fiscal accountability through its detailed project lists.

RECOMMENDATIONS

1. A district's ballot language should inform voters of all intended uses of bond funds, the specific projects to be undertaken, the schools where the projects will be undertaken, the district's initial priorities, and a realistic estimate of project costs.
 - **Recommendation is Implemented.** The District's bond language informs voters of the intended use of bond funds. The District Master Plan is posted on the website @ <http://www.wccusd-bond-oversight.com/>
2. A district should disclose and explain in the ballot language if, and in what ways, bond funds will be used to provide General Fund relief for the district.
 - **Recommendation is Implemented.** Bond funds are not used for General Fund relief.
3. In recruiting candidates for appointment to oversight committees, a district should seek nominations from the groups required to be represented on the committee by Education Code Section 15282(a).

- **Recommendation is implemented.** The District seeks and has current representation from all groups required to be represented on the CBOC by Education Code section 15282(a).
4. A district should consider ways to recruit independent, qualified and motivated applicants from the community, including announcements in local media, district newsletters, solicitations to local civic and professional groups, and mailing postcards to resident to solicit applications when the ballot materials are mailed.
- **Recommendation is implemented.** WCCUSD is proud of its diverse and independent CBOC. Currently there are sixteen qualified and motivated members on the committee.
5. A district should require all candidates for bond oversight committees to submit written applications listing their background, qualifications, a statement of interest, and disclosure of any prior employment by, or prior involvement or business relationship with, the district.
- **Recommendation is implemented.** The District requires all applicants applying for CBOC membership to provide their background, qualifications, statement of interest and disclosure of any previous employment by, or prior involvement or business relationship with the District.
6. A district should make available to committee member, for their consideration in creating committee bylaws and operating procedures, copies of:
- California League of Bond Oversight Committee recommended Best Practices
 - San Diego County Taxpayers Association "Oversight Committee Best Practices" guide
 - California Coalition for Adequate School Housing "Proposition 39 – Best Practices Handbook"
 - Little Hoover Commission 2009 Report "Bond Spending: Expanding and Enhancing Oversight"
 - California League of Cities "A Guide to the Ralph M. Brown Act"
 - State Controller's Office 2011 Audit Report on the Los Angeles Community College District's bond construction program
- **Recommendation is implemented.** The District established a new members orientation meeting providing training on how to read financial documents, and provides the new CBOC members with copies of:
 - The Bylaws;
 - California Coalition for Adequate School Housing "Proposition 39 – Best Practices Handbook";
 - California League of Cities "A Guide to the Ralph M. Brown Act"; and
 - A copy of the Capital Assets Management Plan
7. A district should ensure that websites for their oversight committees are prominently displayed on their homepages, are easily navigable, and include current and complete postings of all required items.
- **Recommendation is implemented.** The District's CBOC website is prominently displayed on its homepage, is easily navigable, and includes

current and complete postings of agenda items, minutes and meeting notes and comments. <http://www.wccusd-bond-oversight.com/>

8. A district should provide oversight committees with complete, detailed and comprehensive financial data relating to the expenditure of bond revenues, showing the amount of funds originally budgeted and allocated for each project, amounts expended to date and amount committed to each project, percentage completion of each project, and all approved or anticipated change orders.

- **Recommendation is Implemented.** The District's financial reports to CBOC members are complete, detailed and comprehensive. The financial information relates to the expenditure of bond revenues, to it:
 - Financial reports show the amount of funds originally budgeted and allowed for each project;
 - Amounts expended to date;
 - Amounts committed to each project; and
 - Percentages of project completion

9. A district should provide financial data and reports to committee members sufficiently prior to meetings to permit meaningful and effective review and oversight.

- **Recommendation is implemented.** The District provides CBOC members with financial data and reports at least ninety-six (96) hours in advance of meetings to permit meaningful and effective review and oversight.

10. A district should afford their bond oversight committees an opportunity to provide input in defining the scope and content of the required annual performance audit.

- **Recommendation is implemented.** No less than eight members of the CBOC provide and define input on the scope and content of the annual performance audit.

11. The district's annual independent performance audits should be detailed and comprehensive enough in scope, including a review of procurement practices, to allow the committee to identify waste and to evaluate the cost-effectiveness of the district's construction and facilities improvement program.

- **Recommendation is implemented.** The District's performance audits are detailed and comprehensive. The audit subcommittee reviews the District's procurement practices, in order to identify waste and to evaluate the cost-effectiveness of the District's construction and facilities improvement projects under its bond program.

12. A district should request that its oversight committees issue timely, comprehensive and informative reports, which should be posted on the district's website, along with a final, closing report when the bond funds have been spent and the committee's work completed.

- **Recommendation is implemented.** The information is posted and can be found on the District website @ <http://www.wccusd-bond-oversight.com/>

Sincerely,

A handwritten signature in blue ink, appearing to be 'Magdy Abdalla', written over the word 'Sincerely,'.

Magdy Abdalla

District Engineering Officer

cc: Dr. Bruce Harter, Superintendent of Schools
Bill Fay, Associate Superintendent of Operations