



**The 2016–2017 Santa Cruz County Civil Grand Jury
Requires that the**

PVUSD Board of Trustees

**Respond to the Findings and Recommendations
Specified in the Report Titled**

**Pajaro Valley Unified School District
Bond Measure L**

by September 11, 2017

When the response is complete, please

1. Email the completed Response Packet as a file attachment to grandjury@scgrandjury.org, and
2. Print and send a hard copy of the completed Response Packet to

The Honorable Judge John Gallagher
Santa Cruz Courthouse
701 Ocean St.
Santa Cruz, CA 95060

Instructions for Respondents

California law PC § 933.05 (included [below](#)) requires the respondent to a Grand Jury report to comment on each finding and recommendation within a report. Explanations for disagreements and timeframes for further implementation or analysis must be provided. Please follow the format below when preparing the responses.

Response Format

1. For the Findings included in this Response Packet, select one of the following responses and provide the required additional information:
 - a. **AGREE** with the Finding, or
 - b. **PARTIALLY DISAGREE** with the Finding and specify the portion of the Finding that is disputed and include an explanation of the reasons therefor, or
 - c. **DISAGREE** with the Finding and provide an explanation of the reasons therefor.
2. For the Recommendations included in this Response Packet, select one of the following actions and provide the required additional information:
 - a. **HAS BEEN IMPLEMENTED**, with a summary regarding the implemented action, or
 - b. **HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE**, with a timeframe or expected date for implementation, or
 - c. **REQUIRES FURTHER ANALYSIS**, with an explanation and the scope and parameters of an analysis or study, and a timeframe for that analysis or study; this timeframe shall not exceed six months from the date of publication of the grand jury report, or
 - d. **WILL NOT BE IMPLEMENTED** because it is not warranted or is not reasonable, with an explanation therefor.

Validation

Date of governing body's response approval: _____

If you have questions about this response form, please contact the Grand Jury by calling 831-454-2099 or by sending an email to grandjury@scgrandjury.org.

Penal Code §933.05

1. For Purposes of subdivision (b) of §933, as to each Grand Jury finding, the responding person or entity shall indicate one of the following:
 - a. the respondent agrees with the finding,
 - b. the respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.
2. For purpose of subdivision (b) of §933, as to each Grand Jury recommendation, the responding person shall report one of the following actions:
 - a. the recommendation has been implemented, with a summary regarding the implemented action,
 - b. the recommendation has not yet been implemented but will be implemented in the future, with a timeframe for implementation,
 - c. the recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of the publication of the Grand Jury report, or
 - d. the recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.
3. However, if a finding or recommendation of the Grand Jury addresses budgetary or personnel matters of a County department headed by an elected officer, both the department head and the Board of Supervisors shall respond if requested by the Grand Jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision-making authority. The response of the elected department head shall address all aspects of the findings or recommendations affecting his or her department.
4. A Grand Jury may request a subject person or entity to come before the Grand Jury for the purpose of reading and discussing the findings of the Grand Jury report that relates to that person or entity in order to verify the accuracy of the findings prior to their release.
5. During an investigation, the Grand Jury shall meet with the subject of that investigation regarding that investigation unless the court, either on its own determination or upon request of the foreperson of the Grand Jury, determines that such a meeting would be detrimental.
6. A Grand Jury shall provide to the affected agency a copy of the portion of the Grand Jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. **No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report.**



Grand Jury <grandjury@scgrandjury.org>

PVUSD Grand Jury Response

1 message

Rodriguez, Michelle <Michelle_Rodriguez@pvusd.net>
To: "grandjury@scgrandjury.org" <grandjury@scgrandjury.org>

Thu, Jul 27, 2017 at 8:24 AM

Good Morning,

Please find the PVUSD Board of Trustees Grand Jury response to the Bond Measure L Report. A hard copy of the completed Response Packet will be sent to the Honorable Judge John Gallagher. The response was approved by the Governing Board on June 28, 2017.

Thank you,
Michelle Rodriguez, Ed.D.
Superintendent
Pajaro Valley Unified School District
Ph: 831-786-2135
Follow me on Twitter: @mlrod32

"What you get by achieving your goals
is not as important as what
you become by achieving your goals."
--Henry David Thoreau

 **PVUSD Response to Grand Jury Report July 21, 2017.pdf**
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**Response to the
Santa Cruz County Grand Jury Report
Regarding the Pajaro Valley Unified School District Measure L
Findings and Recommendations**

Findings

F1. The lack of a complete, comprehensive, and updated list of all Measure L projects planned, completed, or approved by the Trustees, makes it impossible for the public to be informed.

Response F1: The District disagrees with the finding; see explanation below:

Prior to the passage of Measure L, a comprehensive needs assessment and review of every District campus was completed with both staff and facility consultants, resulting in the identification of facilities needs amounting to over \$300,000,000. The results of this assessment and review were used in the development of a comprehensive Facilities Master Plan that was published in February 2012. Subsequently, the District, in an effort to not pass on the full burden to the taxpayers, approved a bond of \$150,000,000—about half of what was needed to meet the District’s basic facilities needs.

From the extensive list of projects identified in the Facilities Master Plan, the School Principals, School Site Councils, and the Assistant Superintendents generated site-specific project priority lists, which were merged into a single list that was ratified by the parties and then submitted it to the District’s Planning Department for project design and coordination with the sites. These projects were then systematically designed and phased in during summer months. The list of projects has been posted on the District webpage under Measure L since June 2016. The list includes project descriptions, locations, funding sources, and status updates, and also identifies responsible District personnel as well as architects, engineers, and contractors performing the work for each project. The list continues to be updated as projects are completed and/or added.

F2. The COC has not presented to the Trustees in public session a complete Annual Report for Measure L as of May 2017, in violation of state law.

Response F2: The District disagrees with the finding; see explanation below:

The COC and/or PVUSD staff have presented information regarding Measure L to the PVUSD Board of Trustees 25 times since passage of the bond in 2012. COC Annual Reports were presented to the Board on June 8, 2016 and on June 28, 2017. The COC meets during the school year in accordance with its adopted bylaws; thus, the Board reserves the COC’s Annual Report for the last month of the fiscal year in order to give the COC an opportunity to complete all of its meetings. A state-mandated independent audit has been conducted every year. To date, all annual performance and general bond audits have been favorable and resulted in no findings. Audit reports for years 2013 through 2016 are available on the District’s Measure L webpage.

F3. The COC has not received adequate training or information to fulfill its role.

Response F3: The District disagrees with the finding; see explanation below:

Membership on the COC has not changed since March 2013, with the exception of one member,

who was appointed in 2016.

Training for the first COC appointees was completed on April 12, 2013 and was followed up on April 6, 2016 during the COC meeting. The District's Bond Attorney Bill Kadi, from Jones Hall, was present during the April 6, 2016, meeting and helped facilitate the training. Training materials were also provided to all COC members. The topics covered at both the meetings were based on the requirements of Education Code section 15278 and Proposition 39 guidelines.

F4. The District's Maintenance, Operations & Facilities Department has not provided other district departments, school sites, the COC, or Trustees updated scheduling reports that meet industry standards for any project, leading to system inefficiency.

Response F4: The District disagrees with the finding; see explanation below:

From the inception of the District determining the need for a \$150,000,000 bond to help repair and improve facilities, the District has had numerous communications with the school sites, COC, and other departments. Measure L was passed in November of 2012. In September 2013, after issuing (selling) \$80,000,000 of the Measure L bond proceeds, the District presented a report to the COC and each school site that included project updates, funding, and estimated timelines. Following those presentations, the District continued to meet with individual school sites, COC, and the Board of Trustees in order to update them on the progress of the projects.

In September 2015, the District began issuing (selling) an additional \$40,000,000 of Measure L bond proceeds. During the process of issuing additional bond funds, the District met with individual School Site Councils to help determine and/or finalize the details of their Measure L site projects. The District has presented Measure L updates to the Board of Trustees 25 times and to the COC 14 times since passage of the bond. A list of meetings and back-up materials is posted on the District website.

F5. The District has not presented the COC or Trustees a composite change order list with a cumulative total cost for each site and project, leaving them unable to properly oversee the bond.

Response F5: The District disagrees with the finding; see explanation below:

All change orders meet the requirements of California's Public Contract Code, and, as required pursuant to Board-adopted COC bylaws, Section 3, sub section 3.4 (iii), all change orders go to the Board of Trustees for ratification. In addition, change orders are discussed routinely with the COC as part of the District's general reporting on Measure L matters.

F6. The COC and Trustees are unable to oversee the bond due to the District's failure to provide a timely financial summary of the bond's status by site, or a cumulative total cost for Measure L projects.

Response F6: The District disagrees with the finding; see explanation below:

The District gave the Board of Trustees, COC, and school site councils updated presentations regarding Measure L projects, which included timelines of projects, and estimated budget costs and funds remaining as they pertained to individual projects. Updated information regarding

ongoing projects at every school site can be found on the District's Measure L webpage.

In October 2015, the District along with the County Office of Education, migrated to a new financial system called Digital Schools. At the time, the system had limited reporting capability due to the fact that the County Office of Education had to focus most of its initial efforts on getting the payroll and human resources information functioning at full capacity. This left the District with the task of manually gathering financial and project data via spreadsheets, while waiting for full implementation of the new financial system.

The District purchased a bond reporting software system from California Financial Systems, which was approved by the Board of Trustees on June 8, 2016. The bond reporting system allows for reports to be pulled from the Digital Schools financial system by project or as a summary. Thereafter, the District began the process of integrating the financial system and the new bond reporting system in order to set up the systems for accurate data collection and reporting. This process was a coordinated effort between the County Office of Education, Digital Schools, California Financial Systems, and the District.

At the April 2017 COC meeting, the District presented reports to the COC using the new software reporting system. These reports provided the COC with a financial summary of the bond's status by site, and by cumulative total cost for Measure L projects. This data was placed on the Measure L webpage in April of 2017 as a link for the COC and general public to use as needed.

F7. The COC and the District have had no discussion about cost savings. With those designing and implementing Measure L projects, limiting the COC's oversight.

Response F7: The District disagrees with the finding; see explanation below:

It is a priority of the Board of Trustees to find and implement cost saving measures to supplement bond proceeds whenever feasible. As a part of the Board of Trustees' efforts to find and implement cost savings, the District refinanced its previous bond (Measure J).

In accordance with its adopted bylaws, the COC is informed of, but is not vested with authority to approve, cost savings engineering for any project. As a school district, we are bound by law and regulations and the Board-approved COC bylaws of November 13, 2013, to select the most responsible, lowest bidder. In addition, the District continues to look for ways to utilize Propositions 39 and 51 to help augment and supplement Measure L funds and projects.

F8. The COC in its official capacity has visited only two project sites in the past four years to inspect Measure L work progress, failing to adequately inform itself about the status of the projects.

Response F8: The District disagrees with the finding; see explanation below:

Over the past several years, COC members have individually visited Measure L project sites and participated in bus tours of project sites. However, since the majority of these projects were roofing projects (27), it was difficult for members to visit and observe progress on these projects first hand. In 2016, the District used drone technology to conduct a survey of Measure L projects that was compiled into a video and presented to the COC, general public, and Board of Trustees. In addition to site visits, the use of innovative technology such as drone surveillance, allows COC

members to keep themselves informed concerning the status of bond projects.

F9. Trustees and the COC cannot properly manage the bond because they do not know how much money remains to finish Measure L projects.

Response F9: The District disagrees with the finding; see explanation below:

On February 8, 2017, the District presented a comprehensive budget analysis of Measure L funds to the Board of Trustees and the public. The report included expenditures, encumbrances, and remaining fund balances for each project. At the April 25, 2017, COC meeting, the District gave the Committee a summary of the financial report for Measure L funds. The report included all projects with beginning budgets, encumbrances, and remaining fund balances for each project. As part of this report to the COC, the District introduced the new reporting system, which was purchased and implemented during the 2016-2017 fiscal year.

F10. The COC is not informed of all changes to the projects listed in the voter's Pamphlet, undermining their oversight and reporting responsibilities.

Response F10: The District disagrees with the finding; see explanation below:

The Voter's Pamphlet includes a compilation of sample projects aligned with the original needs assessment at every school site. The Pamphlet provides parameters on what the bond monies may fund as a project. Each school was able to create a priority list of projects identified in the Voter's Pamphlet. In some cases, the site priority lists have changed as needs were identified and their acuity was measured. All of these changes were made through a collaborative process with each school site team and were presented to the COC. To date, all bond projects completed are identified in the Voter's Pamphlet. The Pamphlet is reflected in Board resolution 11-12-31, dated June 13, 2012.

F11. Bond reporting may be greatly improved once the District's new accounting and business software is implemented.

Response F11. The District agrees with this finding.

As of June 8, 2016, the District has purchased new bond reporting software. In April 2017, the new business and financial software was fully implemented.

Recommendations

R1. The District, under the direction of the Trustees, should regularly provide the public and the COC a project list showing original and amended Measure L projects. (F1, F10)

Response R1: The District has implemented this recommendation.

As of January 2016, the District has been providing the COC with a comprehensive listing of the projects. The District will continue to provide comprehensive project lists including amendments, and will update this information on its Measure L webpage.

R2. The COC should comply with the California Education Code section 15280 and deliver annual reports to the Trustees at public meetings. (F2)

Response R2: The District has implemented this recommendation.

The COC has been providing the Annual Report each year and will continue to follow this mandate. On June 28, 2017, as previously scheduled, the COC presented to the Board of Trustees their Annual Report in compliance with California Education Code 15280.

R3. The District should comply with California Education Code section 15278 by providing to the Trustees and COC a comprehensive Measure L financial report, updated quarterly, and including it in their Annual Report. (F6, F7, F9, F10)

Response R3: The District has implemented this recommendation.

The District will continue to follow the Board adopted COC bylaws and comply with California Education Code 15278, by providing the Trustees and the COC with comprehensive Measure L financial reports using the new software bond reporting system that was implemented in April 2017.

R4. The District Trustees should provide the COC a comprehensive orientation program for new members and annual updates for returning members.

Response R4: The District has implemented this recommendation.

The last two COC trainings sessions were done on April 12, 2013 and April 6, 2016. The District will continue to monitor the needs of the COC and train as needed annually.

R5. The District should provide COC members a Measure L handbook detailing committee procedures, protocols, and responsibilities. (F3)

Response R5: The District has implemented this recommendation.

During the training sessions held on April 12, 2013 and April 6, 2016, each COC member was given a copy of the Board adopted COC bylaws. The Board adopted COC bylaws include the Committee's procedures, protocols and responsibilities. The District has also provided all COC

members with a binder, which includes the bylaws, bond language, and new member information. It is continually updated with information as it becomes available.

R6. The District should provide the COC and the Trustees a scheduling report of all Measure L activities depicting project milestones and sequential activity dependencies. (F4)

Response R6: The District has implemented this recommendation.

Since passage of Measure L, the District has made 25 presentations to the Board of Trustees, additional quarterly reports to the COC, and multiple presentations to individual school sites. The District will continue to provide project management lists and timelines for Measure L projects and will continue to post this information to the Measure L webpage.

R7. The District should provide the Trustees and COC a cumulative, quarterly change order list, including budget impacts by project and by site. (F5)

Response R7: This recommendation requires further analysis.

The District will take this recommendation to the Board of Trustees for further discussion on or before December 6, 2017. Currently, all change orders meet the requirements of the Public Contract Code and, as required by the Board-adopted COC bylaws, Section 3, sub section 3.4 (iii), all change orders must go the Board of Trustees for ratification. In order to facilitate transparency, the District is exploring creating a Public Information Officer position within the District. This position would be responsible for keeping the Board of Trustees, COC and other groups within the District and community informed of important decisions and implementation taking place throughout the District.

R8. The COC and the Trustees should meet quarterly to discuss recommendations for reducing costs in accordance with COC bylaws and California Education Code section 15278(b). (F7)

Response R8: This recommendation will not be implemented, because it is not warranted. The District's position regarding this recommendation is summarized as follows:

It is a priority of the Board of Trustees to find and implement cost saving measures whenever feasible. The Board is bound both legally and ethically to choose the lowest, responsible bid. In accordance with its adopted bylaws, the COC is informed of, but not vested with authority to approve, cost savings engineering for any project. The COC and Board of Trustees will not meet quarterly. Instead, the District will continue to provide the COC updated information regarding Measure L projects, and the COC will report to the Board of Trustees in accordance with applicable law and its adopted bylaws.

R9. The COC should regularly make on-site inspections of Measure L projects. (F8)

Response R9: The COC has implemented this recommendation.

The District will continue providing the COC members tours and/or video captured by drone technology yearly.

R10. The District should ensure its accounting software supports and enhances its efforts in meeting the financial reporting requirements of the California Education Code, the COC's bylaws, and CalBOCC's best practices. (F12)

Response 10: The District has implemented this recommendation.

The District will continue to use the new financial and reporting system, which was fully completed and implemented in April 2017.