July 24, 2014

The Honorable Glenda Sanders
Presiding Judge
Orange County Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

Re: Orange County Department of Education's Response to 2013-14
Orange County Grand Jury Report, "School Bonds – The Untold
Story of Assessed Values"

To the Honorable Glenda Sanders:

In accordance with California Penal Code section 933.05, the Orange County Grand Jury has requested that the Orange County Department of Education respond to Finding 9, Recommendation 1 and Recommendation 2 in the 2013-14 Orange County Grand Jury Report entitled, "School Bonds – The Untold Story of Assessed Values."

Finding 4: School districts located in lower AV areas are at a distinct disadvantage in terms of their bonding capacity per student. For instance, Laguna Beach Unified School District has over ten times the bonding capacity per student as Garden Grove Unified School District.

Response to Finding 4: The Orange County Department of Education agrees with this finding.

Finding 9: Orange County Department of Education (OCDE) does not have any statutory authority to ensure all Orange County school districts properly disclose assessed value assumptions for bond measures being presented to voters for approval.
Response to Finding 9: The Orange County Department of Education agrees with this finding that it does not have the statutory authority to ensure that all Orange County school districts properly disclose assessed value assumptions for bond measures being presented to voters for approval.

Recommendation 1: All school districts in Orange County should include a clear explanation of the assumed future growth rate of assessed values in the bond election materials made available to voters for future bond issues. This explanation should reference the relevant historical assessed value data for the individual district. For instance, if the district is fundamentally built out, the historical assessed value data should not include years with significant development because that is not indicative of the district’s current and future situation.

Response to Recommendation 1: The Orange County Department of Education partially disagrees with this recommendation. The Orange County Department of Education agrees that a clear explanation of the assumed future growth rate of assessed values in the bond election materials made available to voters is a good recommendation for school districts. The Orange County Department of Education also agrees that the explanation should reference relevant historical assessed value data for the individual district. However, the Orange County Department of Education cannot determine if there is a factual basis for the remainder of the recommendation.

Recommendation 2: Although there is no statutory requirement, the Orange County Department of Education (OCDE) should evaluate whether to assume voluntary oversight responsibility, with concurrence of the individual school district issuing the bonds, to ensure all Orange County school districts properly disclose their assessed value assumptions used for future bond measures.

Response to Recommendation 2: The Orange County Department of Education disagrees with this recommendation. The Orange County Department of Education does not have the legal authority to review district bond measures. The Orange County Department of Education does not receive any state funding for reviewing the district bond measures and does not have the resources to perform such a task. The Orange County Department of Education would have to divert existing resources from student programs to evaluate each school district’s bond measure. Acting without legal authority would raise potential liability for the Orange County Department of Education and would interfere with the voters’ rights in the school district to approve or disapprove a bond measure.
If you have any further questions, please do not hesitate to contact me.

Sincerely,

Wendy Benkert, Ed.D.
Associate Superintendent
Business Services

WB:cmn

cc: Orange County Grand Jury
    700 Civic Center Drive West
    Santa Ana, CA 92701

    Al Mijares, Ph.D.
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