August 23, 2013

Honorable Brian C. Walsh, Presiding Judge
Santa Clara County Superior Court
191 North First Street
San Jose, CA 95113

Re: The 2012-2013 Santa Clara County Civil Grand Jury Final Report,
Our School Districts Do Not Need Zeros

Dear Judge Walsh,

On June 10, 2013, the 2012-2013 Santa Clara County Civil Grand Jury transmitted to the Campbell Union School District its Final Report, Our School Districts Do Not Need Zeros. California Penal Code § 933(c) requires that the governing body of a public agency which has been the subject of a Grand Jury final report shall respond within 90 days to the Presiding Judge of the Superior Court on the findings and recommendations pertaining to matters under control of the governing body. This letter is being provided to you as our response to the Final Report.

As stated in Penal Code § 933.05(a), we are required to “Agree” or “Disagree” with each applicable Finding(s) 1, and if we disagree in whole or in part, we must include an explanation of the reasons we disagree.

Civil Grand Jury Finding 1

Capital Appreciation Bonds (CAB’s) shift large, compounding interest costs to future taxpayers and will inevitably compound the burdens school districts face in operating effective schools for their students in the future.

Campbell Union School District’s Response to Finding 1

Campbell Union School District (CUSD) disagrees with the finding. Campbell Union School District’s financing package combined QSCB’s (Qualified School Construction Bonds), CAB’s (6.5% of total package) and regular bonds. This financing package enabled CUSD to have a total debt service to principal ratio of 1.59, far below previous bond sales in the district.
As stated in Penal Code § 933.05(b), we are required to respond to each applicable recommendation with one of four possible actions:

(1) The recommendation has been implemented, with a summary regarding 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, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.

(4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.

**Civil Grand Jury Recommendation 1**
Each school district in Santa Clara County should adopt a Board policy and any necessary administrative regulation indicating its intent to comply with the moratorium called for by the State Treasurer and the State Superintendent of Public Instruction.

**Campbell Union School District's Response to Recommendation 1**
The Campbell Union School District has not yet implemented the recommendation of the Santa Clara County Civil Grand Jury. The District will implement the recommendation by December 31, 2013. Tenets of proposed legislation, Assembly Bill 182, will serve as the framework of the board policy.

Sincerely,

[Signature]

Eric Andrew, Ed.D.  
Superintendent  
Campbell Union School District