



High School District
COMMITTED TO EXCELLENCE
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• SUPERINTENDENT

RALF SWENSON

July 26, 2013

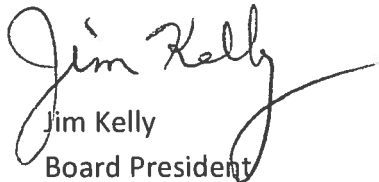
Honorable Robert J. Trentacosta
San Diego County Grand Jury
Hall of Justice
330 West Broadway, Suite 477
San Diego, CA 92101-3830

RE: California Penal Code Section 933.05(a), (b), (c) Required Response to Grand Jury Report Dated May 21, 2013: "Grossmont Union High School District – Fool Us Once, Fool Us Twice?"

Honorable Robert J. Trentacosta and Members of the San Diego County Grand Jury:

The Grossmont Union High School District Governing Board herewith provides our Governing Board response pursuant to Section 933.5 of the California Penal Code. This response is hereby filed with the Clerk of the Court, and has been released to the public on the above date.

Sincerely,



Jim Kelly
Board President

Grossmont Union High School District

enc.

GROSSMONT UNION HIGH SCHOOL DISTRICT

JULY 25, 2013

PROTECTING QUALITY EDUCATION FOR ALL STUDENTS:

**A COMMON SENSE APPROACH
TO CONSTRUCTING A NEW SCHOOL**

**GROSSMONT UNION HIGH SCHOOL DISTRICT
GOVERNING BOARD RESPONSE
TO THE GRAND JURY REPORT
DATED MAY 21, 2013**

**INCLUDING WRITTEN RESPONSES AS REQUIRED FOR
RECOMMENDATIONS 13-76, 13-77 AND 13-78**

GROSSMONT UNION HIGH SCHOOL DISTRICT BOARD OF TRUSTEES

RESPONSE TO THE SAN DIEGO COUNTY GRAND JURY REPORT DATED MAY 21, 2013

INTRODUCTION

The Governing Board of the Grossmont Union High School District appreciates this opportunity to respond to the San Diego County Grand Jury Report Dated May 21, 2013. We are gratified that the Grand Jury found no evidence of wrongdoing, unethical or illegal behavior. We also appreciate that most of your findings affirm our efforts to build a 12th high school in the Alpine community.

After careful analysis, we have concluded that some of the Facts as listed are inaccurate or incomplete, resulting in some erroneous Recommendations. Therefore, we are submitting some additional facts that will bring significant clarity to your Findings and Recommendations. This document will also provide additional information to the general public in regard to the funding and timing of the construction of a 12th high school in Alpine. You will find our specific responses to the Findings and Recommendations toward the end of this response.

FACTS AND FINDINGS OF THE GROSSMONT UNION HIGH SCHOOL DISTRICT BOARD OF TRUSTEES

DISTRICTWIDE DECLINING ENROLLMENT

Districtwide enrollment has declined by over 2,000 students (see Attachment A) over the past four school years, a decrease in enrollment equivalent to one complete high school. In effect, some people are advocating that we increase our number of school sites at the very time we are seeing a reduction in the utilization of our existing school facilities. The impact of declining enrollment has been significant across all of San Diego's East County. Enrollment at all but three elementary districts has continued to decline since the 2002-03 school year (even earlier in some districts). K-8 enrollment in East County districts in 2012-2013 was approximately 13% less than in the 2002-03 school year (see Attachments B1 – B7). Four of the feeder elementary districts have closed schools - Santee, Cajon Valley, Lemon Grove, and La Mesa Spring Valley. The impact of prolonged enrollment declines in the elementary districts will continue to be felt in the Grossmont Union High School District for many years.

ONGOING PROJECTED DECLINING ENROLLMENT

Among the various enrollment projection studies (from 3rd party firms) prepared for East County districts, there is agreement that declining enrollment will continue for the next several

years with a possible inflection point somewhere around 2017-2018. However, the growth projected past this point is likely to be relatively small, and the timeline for reaching the enrollment levels equal to 2002-2003 (the year in which the overall decline in enrollment began) is well beyond the time frame of long-term projections. As a high school district, GUHSD is able to develop enrollment projections based upon the seven (7) elementary feeder districts whose students matriculate to our high schools when they reach grade nine (9) (See attachment C indicating enrollment projections for GUHSD over the next several years). We believe that the SANDAG projections of 2007 (Please see attachment D) concerning school age growth is outdated and invalid as a result of the changing economic conditions subsequent to the issuance of that report.

DECLINING STUDENT FUNDING IN REAL DOLLARS

Like all school districts in California, our student funding from the state has actually declined in real terms since the 2007/08 school year. Our funding has decreased from \$6689 to \$6021 per pupil, a 10% reduction over that period through the last complete fiscal year, 2012/13 (See Attachment E). Contrasted to what our funding was expected to be (\$7746) if all statutory COLA's (Cost of Living Adjustments) had been applied, this represents a 22% reduction!

PERMANENTLY INCREASING OPERATING COSTS AMIDST DECLINING FUNDING

Due to underfunding of education by the State of California, the GUHSD has been forced to increase class sizes and even been forced to reduce the length of the school year in recent years. Our average class size is now 37 students per teacher, a 9% growth from our baseline of 34 students, last seen in the 2007/08 school year. In addition, we have had to eliminate the Class Size Reduction program for our 9th grade English and Social Science classes. (Please refer to Attachment F for a 6 year history of our class sizes and student instructional days). As you will see, the Governing Board has prioritized the student instructional year, re-establishing the 180 day school year through reductions to other areas of the budget. We applaud the heroic efforts of our teachers who are continually being asked to do more with less.

While our funding has been reduced, our costs continue to rise, thereby squeezing the dollars available for our instructional programs. Two of the largest increases are in the areas of healthcare and utilities costs, over which we have little to no control. These costs have steadily increased, with healthcare leading the way at an average increase of 10-12% per year and electrical utility costs are close behind. A recent notification from SDG&E indicates an upcoming 11% to 18% rate increase (Please see Attachment G). This represents a several hundred thousand dollar increase per year to the district, without any proportional increase in state funding.

Opening an additional high school will increase the estimated districtwide operating costs by an initial \$1.3 million, growing to \$1.9 million per year. Assuming the new school would attract new students to the district not otherwise already attending other district schools; this cost could be partially offset by additional revenue from these new students. If this were to occur, the net cost increase to the district could potentially be slightly less than \$1 million per year (Please Refer to Attachment H). While teachers are assigned where students attend, an additional school site will require additional administrators and custodians, as well as utility and maintenance expenditures before the first teachers or students show up to school. This is an additional permanent commitment of expenses that the GUHSD board wants to make in a thoughtful and deliberative manner. Board authorization in the bond language of both Propositions H and U is insufficient to justify construction in a time of declining enrollment and insufficient funding to cover operating expenses. History has shown that once a high school has been opened, it is virtually never closed (Please see Attachments I-1 and I-2 for articles about school districts in California that could not afford to open newly constructed high schools due to the operating expenses).

DELAYED FUNDING OF BOND PROGRAM DUE TO DECLINING PROPERTY VALUES

At the outset of the planning for Proposition U, the District's financial team expected to issue bonds incrementally over the period 2009 through 2016 based on a reasonable set of assumptions. This would have meant all projects would have been completed by the year 2018.

Since the passage of the bond measure by the voters, several factors have changed and have dramatically lengthened the time period over which the district can legally issue the authorized bonds, thereby delaying construction projects.

A combination of the decline in district property values in the years 2009/10 and 2010/11 (Please refer to page 4 of Attachment J) and pending legislation, AB 182, severely limiting school districts' flexibility in bond issuance (Please refer to page 3 of Attachment J), could delay the program by more than a dozen years, perhaps beyond the year 2030.

STATE WITHHOLDING FUNDS TO WHICH WE ARE ENTITLED

The State of California has also contributed to the delay of the construction program by withholding payment of funds owed the district under the State Facility Matching Fund program. To date, the district is owed \$12.5 million to which it is entitled under this program that has been approved by the State, but not yet paid. (Reference Attachment K, highlighted items for the Grossmont Union HSD).

FIELD OF DREAMS – “BUILD IT AND THEY WILL COME”

There are some special interest advocates of a 12th high school that have repeatedly stated that construction of an additional high school would somehow create additional revenue to the GUHSD that would more than cover the increase in districtwide fixed costs. Even though this has been the primary argument of most of these advocates for several years, there is no mention of it in the Facts, Findings or Recommendations included in the Grand Jury Report.

We are gratified that the Grand Jury did not give any consideration to this argument as evidenced by its exclusion from your Report. There is some evidence that districtwide enrollment would increase with the opening of a new school. However, even with the most optimistic increase in student enrollment, our modeling indicates that additional revenue does not offset the increase in fixed costs associated with operating an additional school (please see Attachment H).

RESTRAINT IN PLANNING THE CONSTRUCTION OF THE 12TH HIGH SCHOOL DURING UNIFICATION EFFORTS IN ALPINE

While the Grossmont Union High School District Board of Trustees remains fully committed to the construction of a 12th high school in Alpine, we believe that it is prudent to avoid incurring additional costs related to its construction until unification efforts in Alpine are resolved. While much of both the Grand Jury and GUHSD analysis of a 12th high school involves “the Alpine/Blossom Valley area,” a future potential Alpine Unified School District will exclude Blossom Valley and other areas considered in this report. Therefore the need for a high school adequate to serve an Alpine Unified School District will have a significantly smaller enrollment than “the Alpine/Blossom area.” Current enrollment in the Alpine Union School District of grades 6 to 8 is only 685 and projected to decline for several years (Please refer to Attachment L, Long Term Enrollment Projections, Alpine Union School District, Exhibit A, pages 1 and 2). Joan MacQueen Middle School (the only middle school serving Alpine students) is projected to decline by over 17% in the next ten years (See Attachment L, Table 7 on page 10).

The ballot measure calls for a high school to serve the Alpine/Blossom Valley areas. This would be a larger area than Alpine, which would be served under unification. Given this difference, we believe it appropriate that we do not impose any additional costs or planning for a new school on a potential future Alpine Unified School Board. In order to allow this potential future board to have the greatest latitude in future decision making, we believe it prudent that we make as few decisions as possible on their behalf.

SPECIFIC RESPONSES TO THE FINDINGS OF THE SAN DIEGO COUNTY GRAND JURY

The above facts and analysis have a significant impact on the Facts, Findings, and Recommendations of the Grand Jury. However, we recognize that the Grossmont Union High School District Board of Trustees is required to provide the Grand Jury with specific responses to its Findings and Recommendations as required by California Penal Code Section 933.05. It is to these Findings and Recommendations that we now turn.

GENERAL OBSERVATIONS REGARDING THE GRAND JURY REPORT

We are gratified that the Grand Jury has made no allegations of unethical or criminal activities by any board member or the staff of the Grossmont Union High School District, thereby limiting itself to providing an oversight report as to lawful decisions and actions taken by the GUHSD Board and staff. Every member of the Grossmont Union High School District Board takes his/her role as representing the public very seriously. We have worked diligently to maintain the highest standards of transparency and financial accountability as evidenced by receiving the Recognition of Achievement for Excellence in Financial Reporting by the Governmental Finance Officers Association for the third year running. Grossmont Union High School District is unique in the State of California having received this award three years in a row, and was the only public school recipient in the entire State in 2011.

ADDITIONAL OBSERVATIONS ON THE REPORT

Before addressing the content of the Grand Jury Report, we provide the following observations and concerns about the language used in the title of the report. Given that the title of the Report is often quoted in legal and media references to the Report, we believe that it should more accurately reflect the content of the Report. Specifically, there are two substantive inaccuracies that misrepresent the actual content:

“Fool us once, fool us twice?” is a misleading title for a legal report by an objective oversight agency such as the San Diego County Grand Jury. The inflammatory nature of the verb “fool” is inaccurate as evidenced by the content of the report itself. The Grand Jury made no allegations of unethical or criminal activities, so the use of the verb “fool” is contrary to their findings. We emphatically object to the use of this term in a summary title for the report, especially since there is no allegation of any board member intending to deceive anyone at any time. We emphatically deny any implication that any GUHSD Board member has misled the public while carrying out our responsibilities.

The subtitle, "The Promised High School in Alpine," is a phrase frequently used by special interest advocates, but is not reflective of the actual history of actions taken by the Board. At no time has the Grossmont Union High School District "promised" a high school in Alpine. Every board member has repeatedly affirmed the long term need for an additional high school in Alpine and expressed support of its timely construction when financially feasible. Many specific board concerns were addressed earlier in this Response. However, we believe that the choice of the word "promise" has been historically used by special interest advocates in order to imply that board members are somehow "breaking their promises." This is absolutely not true. Every board member continues to support the construction of a high school in Alpine. However, board members are also responsible to maintain the quality of education for all students throughout the entire district. In good faith, for reasons already summarized, the Board majority has concluded that it would be fiscally irresponsible to build an additional high school at this time. Expediting construction of a new high school in Alpine would, in effect, subsidize the increased costs of educating a relatively small number of students in a new state-of-the-art school by redirecting operational funding away from students attending schools in some of our lower socio-economic neighborhoods housed in 50-year-old facilities.

Our intent is not to take away anyone's hope. Our intent is to build a new high school in Alpine while equitably serving all students and communities represented in the GUHSD. A new high school has been authorized by bond language and continues to be supported by every member of the GUHSD Board. We have repeatedly acknowledged the long-term need for a new school in Alpine.

The last time this Board took an action to oppose construction of a 12th high school in Alpine was in 2002 when Members Priscilla Schreiber, Dan McGeorge and Gary Cass supported an amendment to remove the 12th high school from the bond language of Proposition T in order to fund performing arts facilities and other listed items within the district. Since 2004, every Board member has consistently affirmed the long-term need for an additional high school to serve the Alpine community. This Board included an authorization to construct a new school in both Propositions H and U. As you have documented, the Grossmont Union High School District has already invested substantial time, energy and resources towards the construction of a 12th high school in Alpine. We believe that a more accurate (and less inflammatory) subtitle for a Grand Jury Report could have been "The Planned High School in Alpine" or "The Authorized High School in Alpine."

We are concerned that a possible consequence of this report title may be to negatively influence bond rating agencies. These agencies ultimately set the bond rating that we receive when bonds are issued. In effect, the inaccurate, misleading, and needlessly provocative choice

of the name for this report may contribute to an increase in the bond interest rates paid by the district. This ultimately may delay the amount of capital improvement funds available to the Grossmont Union High School District, thereby undermining the interests of the people who initiated this complaint and increasing the overall cost of the bonds to all of our taxpayers.

In summary, we find the use of terms such as “Fool Us Once” or “Promised” in the title of this Report to be needlessly inflammatory, misleading, and inaccurate based on the facts available to the San Diego County Grand Jury. Publishing such an important document with the Grand Jury’s choice of title may further delay the already admittedly limited funds available to construct a high school in Alpine.

GRAND JURY PROCEDURE

Per the Report, “The Grand Jury conducted numerous interviews with the following: Officials and staff from the GUHSD, A member of the San Diego County Board of Supervisors, Concerned citizens.” Due to the confidential nature of the Grand Jury process, we do not know the identity of the concerned citizens that were interviewed. We can only assume that these are many of the same concerned citizens who have frequented our Board meetings in the past. Since Grand Jury procedures prevent us from knowing the identity of these “concerned citizens,” we can find no evidence that a cross-section of citizens from the entire Grossmont district community or the Alpine community was interviewed. We remind the Grand Jury to consider the fact that Grossmont Union High School District Board Members are responsible to represent the best interests of the *entire* Grossmont Union High School District without giving preference to any single community. Based on recent voting results, the Alpine area encompasses only between 4% to 5% of the Grossmont Union High School District.

Given the tenor and findings of the Report, we find it doubtful that the Grand Jury interviewed a significant number of people from Alpine who have consistently opposed any bonds in Alpine or those who live in the GUHSD but do not live in Alpine. Historically, the Alpine community has been the least supportive of building a 12th high school in Alpine of any community in the Grossmont Union High School District. Following is a summary of the results where voters living in the Alpine precincts voted on bond measures with language that included the potential construction of a high school in Alpine (The following data was obtained from San Diego County Registrar of Voters web site located at <http://www.sdcounty.ca.gov>):

Description	Election Date	GUHSD-Wide Support	Alpine Support
Alpine USD Proposition V \$12 million land for a high school	November 5, 2002	N/A	45.4%
Alpine USD Proposition W \$26 million construct high school	November 5, 2002	N/A	44.6%
GUHSD Proposition H	March 2, 2004	62.01%	59.6%
GUHSD Proposition U	November 4, 2008	56.65%	54.8%

We are appreciative of voters in Alpine who have supported Propositions H and U. However, the voters of Alpine did not support Proposition U in sufficient numbers (55%) for it to pass. The only reason there are any discussions today regarding the future construction of the 12th high school is that voters *outside* Alpine supported the bond in sufficient number to *overrule the wishes of Alpine voters* to defeat Proposition U. It is important that the GUHSD Board Members consider the interests of the entire district. A more diligent Grand Jury investigation would have ensured that a cross-section of Districtwide interests was considered when researching Board activities. Construction of a 12th high school is only one of many significant projects overseen by this Board.

Of the five existing Board Members, the two who were not called to testify are Dick Hoy and Rob Shield. To our knowledge, of current and former Board members, only Jim Kelly, Jim Stieringer and Priscilla Schreiber were called to testify before the Grand Jury. Jim Stieringer was elected to serve on the Board in November, 2012, and had only served on the board for a few months when he was called to testify. By his own admission, he is not fully informed about the history of this issue. Mr. Stieringer and Ms. Schreiber have refused to participate in the development of this document.

Neither Dick Hoy nor Robert Shield was called to testify. Robert Shield served as Board President from 2009-2012 and is currently on the Board Bond Subcommittee. Dick Hoy served on the Board Bond Subcommittee from August, 2010 to December, 2012. To our knowledge, no former board members who were involved in the creation or implementation of Propositions H and U were called to testify. Most of them still live in San Diego County. These former board members are Tom Page, Gary Cass, Ron Nehring, Dr. Gary Woods, and Evelyn Wills.

The Grand Jury Report does not disclose whether *any* members of the Citizens' Bond Oversight Committee were interviewed. On June 30, 2010, the CBOC voted unanimously to not support spending bond funds on the 12th High School until the enrollment threshold specifically written

into Proposition U is met. This unanimous declaration was presented to the GUHSD Board during the CBOC Report on July 8, 2010. We are convinced that many of the facts substantiated in this Response would have come to light had the Grand Jury made a more diligent effort in interviewing current and former members of our Citizens' Bond Oversight Committee.

California Education Code Sections 15278-15282 establish the requirement for school districts to create and maintain a citizens' oversight committee (referred to in GUHSD as the Citizens' Bond Oversight Committee) to oversee a bond measure passed with the Proposition 39 55% voter threshold. It specifies not only the structure but also the function of this committee which includes the review of expenditures, oversight of audits, and communications to the public.

We believe that our CBOC oversight is critical to the success of our bond program. Serving as public oversight of our board, they have diligently worked to be very informed as to the issues surrounding bond implementation, performing the very oversight task that the Grand Jury attempted to do in its Report. The CBOC is undoubtedly aware of the allegations brought to the Grand Jury and has given them appropriate consideration, unanimously arriving at the conclusion that we are correct by not constructing a 12th high school in the immediate future. We are confident that many of the deficiencies in the Grand Jury Report could have been avoided had it called representatives from this important group.

At a GUHSD Board Meeting on February 10, 2011, Karen Fleck, the President of the Foothills Secondary Council of PTAs provided comments on behalf of her board and all PTSA presidents from schools in the Grossmont District. We are unable to verify whether *any* current or former PTA/PTSA President from any of our schools was interviewed during the Grand Jury's investigation. Her comments aligned with those of the CBOC and this Board, as indicated in the following excerpts from her comments to the Board that evening:

"If economic times were different, our opinion would be different. We are all not opposed to a 12th high school. We are just opposed to the timing. The needs at the other 11 existing high schools will not be met, being cut already are school days, programs, teachers and support staff...Estimated operating costs for the Alpine high school are \$1.3 million/yr. even with the many efficiencies built in to the construction plan. But that money will be taken from the rest of the remaining sites/students. What programs will we cut at each site to make up \$1.3 million?...WAIT to build until we can afford to open the school, when the economic times and the enrollment numbers support it." However these concerns are not identified anywhere in the Grand Jury Report.

Of additional concern to us is the fact that, to our knowledge, the Grand Jury chose to obtain testimony from only three of the ten current or former Board members involved in the creation or implementation of Propositions H and U. Two of these three have consistently advocated for the expeditious construction of a high school in Alpine, refused to discuss alternative views, and have challenged the board's majority opinion to the point of walking out at the beginning of meetings when the subject of the creation of this Response was to be discussed on our agenda. We can only conclude that Grand Jury investigative procedures resulted in a similarly skewed population being interviewed from the group identified as "Concerned citizens." Since this was a Grand Jury Investigation into the actions of the GUHSD Board, we are confident that many of the corrections and clarifications in this response would have been provided to the Grand Jury had it called the other two members supportive of the current board's policy on this issue. See Board Resolution 2012 - 05.

In summary, there are significant procedural shortcomings in the Grand Jury's obtainment of data and representative testimony from both Alpine and the entire GUHSD area. Although the investigation was focused on the GUHSD Board, to our knowledge, the vast majority of current and former board members were not contacted. This limited inquiry has resulted in the testimony obtained being largely skewed towards a well-organized special interest advocacy group that has consistently advocated for a specific design and early construction timeline for a 12th high school in Alpine regardless of the concerns of many detractors in Alpine or its impact on other communities and schools in the GUHSD. Therefore, many of the Facts, Findings and Recommendations are limited in scope and accuracy due to the Grand Jury having incomplete information.

RESPONSE TO GRAND JURY FINDINGS

Our choosing not to provide a critique of certain Facts does not imply that we agree with them, merely that we consider them irrelevant to the Findings and Recommendations to which we are compelled to respond. **Bolded Findings, Facts and Recommendations** are direct quotes from the Grand Jury Report; their inclusion is for clarity, and does not imply agreement.

Grand Jury FINDING 01: This [the failure for Propositions T, V, and W to pass] was the first of many disappointments for Alpine residents concerning the 12th HS.

This finding is as invalid as it is speculative. The vagueness of this finding allows it to be left open for individual interpretation. It is not possible to give a verifiable response as it calls for speculation. There is absolutely no way to prove or disprove Finding 01 with reasonable certainty.

Propositions V and W to purchase land and construct a high school in Alpine received only 45% support. This means that over half of Alpine voters voted against the purchase of land and the construction of a high school in Alpine. A clear majority of Alpine residents voted to oppose bonds to purchase land and construct a high school in Alpine on November 2, 2002. Therefore at best, only a minority was disappointed.

All it would take is two people in Alpine to be disappointed to make Finding 01 valid. Therefore we must conclude that, yes, a significant minority of voters in Alpine were probably disappointed. The majority voted to oppose construction of a 12th high school in Alpine. By definition, the winning majority is not disappointed in an election result. They got what they wanted!

Even if Finding 01 was valid as written, it does not address actions initiated or controlled by the GUHSD Board. It is merely an opinion of the effect of the public's attitude resulting from an election. This finding is irrelevant to any investigation regarding the history or actions of this Board.

Grand Jury FINDING 02: It was obvious by 2008 that GUHSD would not build the 12th HS due to a shortage of remaining Proposition H funds.

This finding is partially valid. It is valid if rephrased as "It was obvious by 2008 that GUHSD would not build the 12th HS using Proposition H funds." However, the GUHSD has a significant, recent history of building high schools without voter approved bond funding. Both West Hills High School (mid 1980's) and Steele Canyon High School (late 1990's) were constructed by GUHSD without voter approved bond funding. (Please see Attachment M for more detail) Therefore, it is not a valid conclusion that "GUHSD would not build the 12th HS" but merely that GUHSD would not build the 12th high school utilizing Proposition H funding.

Assuming that this was a valid Finding, it serves as the foundation affirming the Board's commitment to fund and build the 12th high school when the Board voted to put Proposition U on the ballot as a Proposition 39 Bond thereby creating a lower voter threshold for it to pass. Proposition 39 was passed by the voters of California in 2000, dictating several additional taxpayer protections in exchange for lowering the required voter approval rate to 55% from the traditional 66⅔%. Among the most significant is the requirement to establish a Citizens' Bond Oversight Committee and perform annual audits.

The GUHSD Board affirms to both the Grand Jury and the public our commitment to build the 12th high school in Alpine as soon as student enrollment and state funding can support it without compromising the quality of the education for the students served at all of our schools throughout the GUHSD.

Grand Jury Finding 03: Taxpayers in the region *again* felt that GUHSD would build the 12th HS.

We thank the Grand Jury for its observation that people feel “that GUHSD would build the 12th HS.” This is the position that every member of this board currently holds. We agree with the spirit of this Grand Jury finding.

We can neither affirm nor invalidate Finding 03 as there is no verifiable data documenting the feelings of taxpayers in 2008. It would be difficult to investigate data for a cogent response as Finding 01 refers to “Alpine residents” and Finding 03 refers to “Taxpayers in the region.” While there is undoubtedly significant overlap between these two groups, they are not synonymous.

While some taxpayers in the region may have felt that GUHSD would build the 12th high school, more informed taxpayers in the region would have read the Proposition U bond language which indicated it would be built when the attendance equaled or exceeded the official 2007-2008 CBEDS enrollment at the time of request for construction bids – and understood that construction would not occur until then.

The GUHSD acted in a manner that shows significant intent to construct the 12th high school in compliance with the bond language. The board did not slow down and ultimately stop the process until after enrollment fell (and continues to fall) significantly lower than the enrollment required to request construction bids in our efforts to comply with express bond language.

Grand Jury Finding 04: Selection of site and acquisition of the land *again* gave hope to Alpine/Blossom Valley area citizens.

We thank the Grand Jury and willingly stipulate to its observation. While the level of “hope” was not a factor considered in the decision to purchase land, we appreciate that many people in Alpine as well as the GUHSD Board members are looking forward to the day a new high school opens. This is the position that every member of this board (except Priscilla Schreiber until 2004) has always held and continues to pursue.

However, we can neither confirm nor invalidate Finding 04 as there is no verifiable data documenting the level of hope of Alpine/Blossom Valley area citizens in 2009. We cannot respond to the term “again” as this is the first reference in the Grand Jury Report to any group’s “hope.” We also question how this “hope” could be objectively measured.

We also note even greater difficulty to investigate objective data for Finding 04. Finding 01 refers to “Alpine residents,” Finding 03 refers to “Taxpayers in the region,” and Finding 04 refers to “Alpine/Blossom Valley area citizens.” The overlap between groups diminishes with each successive Finding. We can only guess if there is a statistically significant difference

between the amount of “hope” in 2009 exhibited by “Alpine Residents” verses “Alpine/Blossom Valley area citizens” verses “Taxpayers in the region.” We see no value in expending additional taxpayer funds to investigate this matter further.

Our intent is not to take away anyone’s hope. Our intent is to build a new high school in Alpine while continuing to equitably serve all students and communities represented in the GUHSD. This requires that we invest taxpayer monies wisely in the best interest of the entire district. We acknowledge the need and reaffirm our long-term commitment to construct a 12th high school in Alpine. We have provided substantial evidence of this commitment by conducting due diligence (such as obtaining Environmental Impact Reports, purchase of the land, clean-up of hazardous soils on site, design of grading plans and offsite improvements, LAFCO approval of sewer district realignment, and obtaining the various permits required to build from the U.S. Army Corps of Engineers, California Regional Water Quality Control Board, and The California Department of Fish and Game), the purchase of land, the required purchase of mitigation land, developing various site plans, and the budgeting set-aside of \$65 million.

Acquiring land enables earlier construction of a 12th high school, thereby proving the GUHSD Board’s commitment to this project. We appreciate that you agree with our decision to purchase the land for the 12th high school.

Grand Jury Finding 05: Resolution No. 2012-05 substantially revised the criteria to build the proposed HS in Alpine.

Finding 05 is invalid. No Board Resolution of this type can bind a future Board. Resolution No. 2012-05 clearly stated the opinion and priorities of the Board as to when construction of the 12th high school would be pursued. It represents absolutely no change in “the criteria to build the proposed 12th HS in Alpine.”

Resolution No. 2012-05 was written and passed as a direct result of repeated requests, demands and accusations on the part of the special interest advocates in Alpine demanding to know the Board’s intent regarding the construction of a 12th high school. While these special interest advocates may not agree with its contents, we provided a clear statement of the current budgeting priorities for the construction of a 12th high school, as requested.

Grand Jury Finding 06: Based on Governing Board actions, the proposed construction of the 12th HS will not begin before the third quarter of 2018. There is no certainty that GUHSD will ever build the 12th HS.

The Facts indicated in the Grand Jury Report do not support Finding 06. We agree to the following Facts:

Grand Jury Fact: GUHSD Superintendent unilaterally withdrew the building design plans from DSA in the summer of 2012.

Grand Jury Fact: At the November 8, 2012 GUHSD Governing Board meeting regarding the building of the 12th HS, the Board: Ratified the superintendent's action of pulling the building design plans from DSA.

However, the following Fact listed in the Grand Jury report, while true, is of no consequence for the reasons indicated:

Grand Jury Fact: At the November 8, 2012 GUHSD Governing Board meeting regarding the building of the 12th HS, the Board:

- **Declared that the enrollment threshold called for in Proposition U must be met again before construction could begin on the 12th HS.**

The statement to which the Grand Jury Report refers to here is simply a reaffirmation of the bond language found in Proposition U. As stated in the Grand Jury Report on page 5, "Language was included in the bond that enrollment equal or exceed 23,245 at the time of request for construction bids." We have not issued any requests for bids as related to the construction of a 12th high school. Therefore, we cannot comply with the bond language merely by acknowledging that GUHSD had met the enrollment threshold set forth in Proposition U during the 2010/11 school year. There is no "again." Bond language clearly states that this enrollment threshold must be met "at the time of request for construction bids." It is our intent to comply with the voter approved bond language. We trust that the Grand Jury supports this intent and is not suggesting this Board ignore voter approved bond language.

- **Reaffirmed that ADA funding must return to 2008 funding levels before the 12th HS is built.**

To reaffirm a recent action is not to change course. It merely reassures the public that we intend to follow through with our stated priorities in regards to the construction of a 12th high school. This is a fact without substance. It is redundant. It adds no additional information.

Finding 06 has no foundation based upon the Facts included in the Grand Jury Report or merely identifies facts evident earlier. We will stipulate to the statement "There is no certainty that GUHSD will ever build the 12th HS." For our response, we will simply quote Benjamin Franklin: "Nothing is certain except death and taxes."

Once again, every member of the GUHSD Board affirms to both the Grand Jury and the public the need for, and reaffirms our long-term commitment to construct a 12th high school in Alpine.

We have provided substantial evidence of this commitment by conducting due diligence (such as obtaining Environmental Impact Reports, and obtaining the various permits required to build from the U.S. Army Corps of Engineers, California Regional Water Quality Control Board, and The California Department of Fish and Game), the purchase of land, the required purchase of mitigation land, the development of various site plans, and the budgeting set-aside of \$65 million.

RESPONSE TO GRAND JURY RECOMMENDATIONS

We are committed to full cooperation and transparency. We are concerned that some of the Grand Jury Recommendations are either unjustified or cannot be implemented as suggested. Therefore, we will implement any portion of a recommendation that will enhance our commitment to construct a 12th high school in Alpine.

The 2012-2013 San Diego County Grand Jury recommends that by December 31, 2013 the Grossmont Union High School District Governing Board bring clarity to the residents of the Grossmont Union High School District and the greater Alpine area by the following actions:

13-76: Make a final decision as to whether or not the District is going to unconditionally build the 12th HS in the Alpine area as called for in Proposition H in 2004 and Proposition U in 2008. The decision should be announced to the GUHSD citizens shortly thereafter via all appropriate media.

The GUHSD Board has already attempted to bring clarity by passing Resolution No. 2012-05. We will not make a decision to construct a 12th high school prematurely for reasons clearly outlined previously in this Report. A voter imposed enrollment condition cannot be disregarded lightly. Therefore, we cannot give an unqualified “Yes” answer.

We have attempted to communicate our clear intentions, recognizing that there are significant variables that we cannot control in the future such as future enrollment, state budgets, and construction costs. Our intentions are communicated in Board Resolution 2012-05 and the bond language.

It is the current intent of the Grossmont Union High School District Board of Trustees that we will give serious consideration that the time has arrived to construct the 12th high school:

- After districtwide enrollment at the existing comprehensive high school sites, including the two current charter schools, equals or exceeds 23,245 (which is the official 2007-08 CBEDS enrollment) at the time of release of request for construction bids, begin and complete construction... (Excerpt from Proposition U on November 4, 2008 ballot)

- Upon the restoration of ADA funding for the district to the level it was at the time Proposition U was passed in 2008 the Governing Board will review and consider resumption of the construction process. (GUHSD Resolution No. 2012-05; please see Attachment N)

Per your recommendation, we will again announce this decision via all appropriate media.

13-77: If the Board commits to building the 12th HS in Alpine, they should:

- **Deposit budgeted funds for building the high school into an escrow account.**

As previously stated, the Grossmont Union High School District Board of Trustees is committed to building a 12th high school in Alpine. However, it is prohibited by federal tax law to comply with this recommendation. The nature of public capital improvement projects is based upon several variables including current prevailing interest rates for similar bonds, and total assessed values of real property within the District. With two years of decline in assessed property values since 2007, significant limits have been placed upon short-term projected cash availability under Propositions H and U. There are legal constraints defining when and how large an issuance of bonds may be. The GUHSD is monitoring this situation closely, and is issuing bonds in as efficient and cost-effective manner as is permitted by law. It is the intention of this Board to continue to comply with state laws and regulations in our bond issuances.

Simply stated, the funds do not exist in a bank account to be transferred and held at will. They are budgeted against future cash receipts. It is prohibited by federal tax law and our fiduciary duty for the GUHSD to obtain bond funds and fail to utilize them in a timely manner in compliance with bond language.

On April 8, 2007, the GUHSD Board approved a \$65 million budget for the construction of the 12th high school in Alpine. Creating an actual bank account to have money generated from tax exempt bond sales sit unused for an extended period of time is prohibited by federal tax law.

13-77: If the Board commits to building the 12th HS in Alpine, they should:

- **Establish and pursue a credible implementation timeline for this project.**

In effect, this has been done (and is outlined in our response to Recommendation 13-76 above). This timeline is event-driven, not date-driven. We cannot predict the future. The financial commitment for the ongoing maintenance and operation of an additional high school is significant. We do not want to make this commitment prematurely during a time of declining enrollment and underfunded educational budgets.

13-78: If the Board does not elect to commit to building the 12th HS in Alpine they should take all reasonable steps to cooperate with the Alpine Union School District in support of the unification effort in that community.

We agree to this Recommendation. As stated throughout this Response, the GUHSD Board reaffirms our commitment to build the 12th high school in Alpine when bond conditions permit, without compromising the quality of the education for the students served at other GUHSD schools, and “upon the restoration of ADA finding for the District to the level it was at the time Proposition U was passed in 2008.”

SUMMARY

We have heard significant public comment over many years. We doubt that we haven't researched all of the issues that you have brought to our attention. It is therefore our conclusion that we have complied with both the spirit and letter of the law, developed an appropriate strategy for the future construction of a 12th high school in Alpine, and have made every effort to be transparent in this process.

While generating this response, we found it necessary to answer the following questions. Could this board:

- ignore voter approved bond language?
- obtain nearly \$40 million through tax-exempt bond sales and intentionally retain those bond funds in a bank account for an extended period, contrary to federal tax law?
- construct a high school when enrollment has declined by roughly one full high school in the last six years?
- make permanent planning and construction decisions for a 12th high school that will bind a potential future Alpine Unified School District?
- justify to the other 96% of our community who do not live in Alpine that constructing an additional high school that would require a permanent annual increase in our net fixed costs of approximately \$1.0 million?
- justify to the teachers and students in our district who have experienced a reduced school year, significantly increased class sizes, and submitted to other sacrifices in the classroom, constructing an additional high school that would require a permanent annual increase in our net fixed costs of approximately \$1.0 million?

- ignore our communities being served by 50-year-old schools housing a disproportionate number of at-risk and minority students in order to construct a brand new state of the art high school?

We look forward to having a substantive discussion with the board members who have yet to publically comment on these issues. We solicit and appreciate the thoughts of our remaining two board members.

We sincerely appreciate this opportunity to perform this analysis of the status and future of the 12th high school in Alpine.



Jim Kelly, President
GUHSD Board of Trustees

July 25, 2013