

DRAFT

[draft]

To: The Hon. Barbara Roberts
Presiding Judge of the Butte County Superior Court
1 Court Street
Oroville, CA 95926

From: The Chico Unified School District Board of Trustees

1. Introduction

The Chico Unified School District (District) is pleased to have this opportunity to respond to the Butte County Grand Jury's 2004-2005 Final Report. The District will continue to provide enriched educational programs for its students, despite challenging legal and funding constraints, some of which are noted below.

2. Required Physical Education Uniforms

Findings:

- 1. Requiring and then charging for physical education uniforms is not consistent with the California Constitutional guarantee of a free school system in California, Regulation 350, Education Code sections 38118 and 60070. This view is consistent with the list of items for which the Attorney General concluded schools could not charge fees ("...gym suits and shoes for physical education classes..." 39 Ops. Cal. Atty. Gen. 136 at p. 138 (1962)). In addition, Education Code Section 49066 states "No grade of a pupil participating in a physical education class, however, may be adversely affected due to the fact that the pupil does not wear standardized physical education apparel where the failure to wear such apparel arises from circumstances beyond the control of the pupil." Accordingly, we conclude that a school may not charge for a physical education uniform that students are required to wear.*

Penal Code section 933(a) requires that the Grand Jury submit findings and recommendations. Penal Code section 933.05(a) requires a response to each finding and recommendation. However, this is not a finding as contemplated by Penal Code section 933. Instead, it is a statement of law, understood as correct by the District; the District is unable to provide any further response.

- 2. Grades of students at CHS were adversely affected by the policy of losing 5 points per day for failure to wear the school required PE uniform.*

The District disagrees with this finding in part. The District agrees that wearing PE clothes during PE classes is required. However, students have always had the opportunity to

“dress down” in gym clothes from the District, purchased from non-District retailers, otherwise obtained independent of the District, or available at the sites and without charge. While gym clothes are required (gray t-shirt, red or black shorts), the District does not require that a student purchase these clothes. The CHS written policy provides: “Students will not be graded differently if they choose not to buy a PE uniform. However, not changing into PE clothes prior to class will affect grades.” A student’s failure to “dress down” may be disciplined as a failure to participate: students are generally not permitted to exercise in their school clothes.

3. *Students at CHS are currently required to apply for a fee waiver to obtain a free school wide physical education uniform; one question on the waiver asks if the student qualifies for free/reduced price lunch. Both the fee waiver process and the questions regarding the free/reduced lunch are problematic; fee waivers should not be offered as most fees are not appropriate; and those authorized by law may not be used to prohibit a student from participating in curricular or extra curricular activity. Additionally, the Grand Jury learned during the course of its investigation that the confidentiality laws imposed by the Federal Government on the free and reduced lunch programs were due to concerns of discrimination or other civil rights violations.*

The District disagrees with this finding in part. Fee waivers are not prohibited; for some fees, waivers are required. However, CHS discontinued any use of a fee waiver in the context described above early in the previous school year (2004-05). Moreover, as explained above, PE clothes are available at no charge. The remainder of the paragraph does not appear to be a finding as defined in Penal Code section 933 and therefore the District is unable to respond.

4. *The course syllabus BJHS, PVHS, and CHS all state school wide physical education uniforms are required.*

The District agrees with this finding. Dressing in PE clothes is required for participation in PE. If a student does not want to (or cannot) buy gym clothes, the District will provide them.

Recommendations:

1. *All CUSD schools should immediately ban the practice of requiring students to purchase a specific uniform.*

This recommendation assumes that it has been the practice of CUSD schools to require students to purchase a specific uniform. This is incorrect. The recommendation will not be implemented because it is not and has not the practice of CUSD schools to require students to purchase a specific uniform and there is nothing, therefore, to ban. However, the District does acknowledge that there has been some confusion as to the various options available to students and parents for PE clothes. The written information currently provided by Chico High School (attached) is clear.

2. *Any public school that requires a specific school PE uniform shall provide the uniform to all students free of charge.*

Penal Code section 933(a) requires that the Grand Jury submit findings and recommendations. Penal Code section 933.05(a) requires a response to each finding and recommendation. However, this is not a recommendation as contemplated by Penal Code section 933. Instead, it is a general statement and therefore cannot be implemented. Moreover, this general statement does not appear to be entirely accurate. The California Department of Education (Fiscal Management Advisory 97-02) has opined that it is permissible for districts to require students to purchase their own gym clothes of a district-specified color, so long as the design and color are of a type sold for general wear outside the school. For example, because CHS permits students to use “general wear” shorts and t shirts in PE classes, it is not required to provide them. However, as explained above, CHS voluntarily does so.

3. *The Superintendent of CUSD should report to the school board on the district’s compliance with state law regarding PE uniform policy prior to the next school year.*

The recommendation will not be implemented because the District is and has been in compliance with state law regarding physical education uniform requirements. However, the District does acknowledge that there has been some confusion as to the various options available to students and parents for PE clothes and by way of the attached notices has made certain that the options are well-known.

4. *CUSD should immediately correct the grades of all students, current and previous, and notify all students of grade adjustments when points were lost due to not wearing the required school wide physical education uniform.*

This recommendation will not be implemented because it is not warranted. It has been and is the practice of the District to provide PE clothes to students if the students so choose. Students have always had the opportunity to “dress down” in gym clothes purchased from the District, purchased from non-District retailers, otherwise obtained independent of the District, or available at the sites and without charge. While PE clothes are required, the District does not require that a student purchase the shirt and t-shirt from the District. Because a student should not participate in PE in their school clothes, a student’s failure to “dress down” may be disciplined as a failure to participate.

5. *The fee waiver question “our family is eligible for free/reduced lunch” should be removed from all CHS applications.*

That language was removed independent of this recommendation. In addition, see attached District Practice.

6. *The practice of waiving fees for classes should be discontinued, as there are no*

legal fees for classes.

The recommendation has been implemented effective in the 2005-2006 school year. See attached District Practice; see also, CHS Student Handbook Curriculum Guide.

3. Student Fees at Chico High School

Findings:

1. *Substituting the word “donation” for fee and requiring donations continues to leave CHS in a position of questionable legal compliance.*

The District disagrees with this finding in part. CHS did not and does not have a practice of substituting fee for donation and requiring donations. However, the District acknowledges that there may have been some sporadic confusion as to the distinction between a permissible donation and an impermissible fee. It is the District’s intent to eliminate any confusion, District-wide, by way of the attached District Practice, implemented in the 2005-2006 school year; see also, CHS Student Handbook Curriculum Guide at page 35.

2. *CHS is asking students to identify if they are the recipient of free or reduced lunch when applying for fee (donation) waivers.*

The District disagrees with this finding in part. However, the District does acknowledge that this information has been requested in the past. It is the District’s intent to eliminate any unauthorized request or use of free or reduced lunch information, District-wide, by way of the attached District Practice, implemented in the 2005-2006 school year; see also, CHS Student Handbook Curriculum Guide. In addition, the District notes that certain fee waivers are not only permissible but required. (E.g., exemption for financial hardship for athletic team member insurance. Education Code section 32221.)

3. *The current system of funding curricular activities through ASB dollars inadvertently puts educators in a position of having purchasing power and requiring them to be responsible for and account for student funds. The Grand Jury believes this cannot help but undermine the quality of education teaching time in the classroom and generates the possibility of teachers inadvertently violating California law.*

The District disagrees with this finding because the District does not have, nor has it ever had, a system of funding curricular activities through ASB dollars. The District does, however, acknowledge that, in certain classes, District funds were deposited into ASB accounts and drawn there from for supplies. The funds were correctly used, but the improper bookkeeping procedure has been discontinued.

4. *The process of raising money and soliciting donations still remains connected to*

individual students as their responsibility; this is not consistent with a free public education/non-fee-based curriculum.

The District disagrees with this finding, in part, for two reasons. First, student-based fundraising may be student-tracked, where the funds are raised for certain activities. (E.g., out of state, non-class or non-curricular based travel; Education Code section 35330.) Second, it is permissible to track donations by donor, at least for refund purposes; thus when the student is the donor, student identification may be used. That said, it is the District's intent to eliminate any unauthorized student tracking of fundraising and donation receipts, District-wide, by way of the attached District Practice.

5. *Teachers believe that a quality curriculum cannot be provided without ASB funds being transferred into their district classroom accounts.*

Penal Code section 933(a) requires that the Grand Jury submit findings and recommendations. Penal Code section 933.05(a) requires a response to each finding and recommendation. However, this is not a finding of fact as contemplated by Penal Code 933; therefore, the District cannot agree or disagree. The employees of the District likely all share the view that years of cumulative state education budget cuts have taken a toll on the classroom. However, the District does not agree that teachers, District-wide, believe that the solution to this chronic problem lies in the classroom use of ASB money.

Recommendations:

1. *CUSD should establish a district-wide policy for handling donations to classrooms that is not fee based and does not create the appearance that it is the student's responsibility to fund his/her own learning experience.*

The recommendation assumes that the District has historically utilized a "policy for handling donations to classrooms that is...fee based and...create[s] the appearance that it is the student's responsibility to fund his/her own learning experience" and therefore cannot be implemented as premised. However, it is the District's intent to eliminate any potential confusion as to permissible and impermissible fees and donations, and the methods for collecting and disbursing the same, District-wide, by way of the attached District Practice, to be fully implemented in the 2005-2006 school year.

2. *Donations should not be tracked by student name/ID number, since this policy allows staff to have information on who has donated and who has not.*

This recommendation will not be implemented, in full, as it is not warranted or reasonable, for two reasons. First, student-based fundraising may be student-tracked where the funds are raised for certain activities. (E.g., out of state, non-class or non-curricular based travel.) Second, it is permissible to track donations by donor, at least for refund purposes; thus when the student is the donor, student identification may be used. That said, it is the District's

intent to eliminate any unauthorized student tracking of fundraising and donation receipts, District-wide, by way of the attached District Practice, effective in the 2005-2006 school year.

3. *The purchase price of the bus bought by CUSD for ACT with ASB funds should be restored by CUSD to the ACT account. This bus is clearly owned by CUSD and has never benefited the students who raised the money.*

This recommendation will not be implemented because it is not warranted. ACT ASB students made the decision to purchase the bus and it directly benefits students. More specifically, the ACT Presentation Teams received a \$3000 donation in the summer of 2003, serving as keynote speakers at a conference held at Chico State. Those funds went directly towards the purchase of the bus. Parent donations provided the balance of the purchase price.

In addition, ownership is irrelevant; title to durable good ASB purchases may be transferred by the ASB to the District.

4. *Since school libraries can account for books checked out and SLC ACT is unable to track inventory and issue equipment on a daily basis needed for classroom activities, all inventories should be moved to the library until a proper checkout procedure can be established in the classroom.*

This recommendation will not be implemented because it is not warranted. ACT students choose to work with teachers in the SLC's labs before and after school, during lunch and on weekends (in addition to class time). Equipment must be made available to them. The funding for an employee hired to check out equipment before, during and after the school days is both unavailable and unnecessary.

5. *Fee waivers should not have to be given or have to be requested for students not wishing to donate to their respective SLC or classroom.*

The District agrees with this statement. To the extent that it is a recommendation, fee waivers in lieu of donations are not permitted. See District Practice.

6. *Chico High should immediately stop charging mandatory classroom fees as in Glass Design and Advanced Glass Design.*

The District disagrees that "mandatory classroom fees" were routinely charged for CHS Glass Design classes. That said, however, the District acknowledges that fees and/or donations were requested in certain classes. The distinction between permissible and impermissible fees has been set forth in the attached District Practice, implemented District-wide, effective in the 2005-2006 school year; see also: CHS Student Handbook Curriculum Guide.

7. *Refunds should be provided to families who have paid fees that are not specifically authorized by law. All future fees or requests for funds should*

include a justification that the charge is a legal fee. Writing and drawing paper, pens, inks, blackboard, blackboard erasers, crayons, lead pencils, and other necessary supplies for the use of the schools, shall be furnished under direction of the governing boards of the school district.

The first sentence of the recommendation cannot be implemented as framed, for it is too broad and unspecific and is therefore unreasonable and unwarranted. However, the District will carefully consider requests for refunds on a case-by-case basis. The remainder of the recommendation has been implemented effective in the 2005-2006 school year. See District Practice.

8. *CHS should abide by the district adopted Fiscal Crisis Management Assistance Team, referred to as FCMAT, student body manual, Associated Student Body Accounting Manual, particularly the recommendation that maintenance costs of district owned equipment should not be paid for with ASB money.*

This recommendation has been implemented effective in the 2005-2006 school year. See District Practice.

9. *All donations collected on campus should be paid to the comptroller and deposited into ASB accounts.*

This recommendation will not be implemented because it is not warranted or reasonable. It is not feasible to have all donations collected on campus paid directly to the comptroller. Rather, consistent with FCMAT ASB practices, said donations may be collected by site personnel and then deposited with the comptroller.

10. *One wishing to donate to CHS Foundation via the NVCF should send any monies directly to the NVCF. They should not be collected on campus or associated with student fundraising.*

This recommendation has been implemented effective in the 2005-2006 school year. See District Practice.

4. Students Get What They Pay For

Findings:

1. *The CUSD superintendent's office concurred in an April 7, 2005, response that "Funds collected from parents and students fundraising were deposited in both the CHS foundation and ASB accounts. Generally speaking, parent contributions went to the foundation and student-raised funds went into an ASB account, but CHS does not have specific records to show that. CUSD does not have a policy authorizing or not authorizing school involvement with Foundations." California*

law specifically prohibits the deposit of student-raised money in non-insured accounts outside of the ASB funding mechanism.

Penal Code section 933(a) requires that the Grand Jury submit findings and recommendations. Penal Code section 933.05(a) requires a response to each finding and recommendation. However, this is not a finding as contemplated by Penal Code 933 and therefore cannot be answered by the District. Instead, it is a quote from a District document accompanied by a statement of the law, understood as correct by the District.

2. *Allowing students to go on a field trip that has not been paid for by the students attending, and withholding diplomas from those who do not pay, places the district in a questionable posture. Attempting to put a site administrator/educator in a position of responsibility for enforcing school board policy and accounting for over \$100,000 in funds that are maintained under questionable practices does not improve that posture.*

The District disagrees with this finding in that it implies that the District has or had a practice of permitting students to attend field trips without payment in full and withholding diplomas for failure to remit the balance. In fact, there is not now nor has there ever been such a practice. Instead, on one occasion, a student did not have sufficient funds to attend the CHS Choir's China trip. The student was permitted to go, but was told that the amount credited would have to be repaid and that the student's diploma would be withheld absent the promised reimbursement. In fact, the reimbursement was made and the diploma was not withheld. The District believes this was a single incident and will not be repeated. The District notes that Education Code section 35330 specifically provides that fees are permissible for expenses of students' participation in a field trip or excursion to a foreign country, so long as no student is prohibited from making the field trip due to lack of funds.

The District also disagrees with the finding that a site administrator should not be placed "in a position of responsibility for enforcing school board policy and accounting for over \$100,000 in funds that are maintained under questionable practices does not improve that posture." The District site administrators are without question appropriately charged with that responsibility; those duties are an integral part of the job. Site administrators are responsible for all site activities, including ASB fund matters. (Education Code 36020; Board Policy 2210.) In addition, the FCMAT review emphasized that site-level day-to-day supervision of the ASB Comptrollers be maintained.

3. *The current CUSD Board Policy for the required bonding of CUSD employees is insufficient for the large sums of money currently being handled by district employees.*

The District disagrees with this finding. The District maintains adequate criminal act/fraud insurance coverage, with limits of \$2,000,000 per occurrence. This coverage provides loss of funds coverage and applies to all employees and is therefore broader than employee-

specific bonded employee coverage.

4. *Generally, receipt books and accounting methods, other than comptroller issued and approved systems, have been used for collecting and accounting for money.*

This District agrees with this finding. The District has utilized several systems to accurately track funds. While different, the systems have been adequate. The District is, however, moving to a more uniform system.

5. *NVCF is accepting checks made payable to Chico High School as part of a fundraising effort by CHS students and paying bills on behalf of CHS without requisite signatures.*

The District agrees with this finding, in part, in that, infrequently, some checks intended to be deposited to the Foundation were unintentionally made payable by the checks' donors to CHS. To be faithful to the donor's intent, such checks were deposited with the Foundation. This has been rectified with the District Practice, whereby donors will be better advised as to the identity of the proper payee.

6. *CHS has no control over how NVCF invests their monies. According to FCMAT, it is illegal for any bank account associated with the district to be opened unless it meets specific criteria and is school board approved.*

Penal Code section 933(a) requires that the Grand Jury submit findings and recommendations. Penal Code section 933.05(a) requires a response to each finding and recommendation. However, this is not a finding as contemplated by Penal Code 933; therefore, the District cannot agree or disagree. It appears to be a statement of law. To the extent that this statement of law implies that the District opened a District account without Board approval or otherwise improperly, there is nothing in the Grand Jury's Final Report suggesting that and the District denies doing so.

Recommendations

1. *CUSD superintendent and school site administrators should abide by all of the adopted policies of the CUSD Board; if there is a policy that needs to be amended, it should be revised by the Board before procedures are altered.*

The District agrees with the language set forth in the recommendation but disagrees with the implication that the contrary has been District site administrator practice. The language set forth in the recommendation has been District practice independent of this Grand Jury investigation and therefore cannot be implemented as a result of this investigation.

2. *The ASB funds at all of the schools are ultimately the responsibility of the superintendent of the district and can be better managed by the CUSD business*

office. All school comptrollers and staff responsible for management of ASB funds should answer to the District Business Office. Training of the responsible staff should be standardized and complete, adopting a standard of best management practices approved by the CUSD School Board.

This recommendation will be fully implemented in the 2005-2006 school year, with the caveat that site-level day-to-day oversight, as recommended by FCMAT, remain in place.

3. *All monies generated by student activities should be deposited in the federally insured ASB account. Any and all donations to any foundation should be clearly marked as such on any check and delivered directly without the involvement of a CUSD employee during working hours. These donations should not be designated for the use of any specific student and applied only to the base amount of the cost of the activity.*

The District agrees with the language set forth in the recommendation but disagrees with the implication that the contrary has been District site practice. The language set forth in the recommendation has been District practice independent of this Grand Jury investigation and therefore cannot be implemented as a result of this investigation. To the extent that the donation procedure has been made more concrete, see District Practice, implemented effective in the 2005-2006 school year.

4. *A full and independent audit of all ASB accounts and accounting practices should be requested and directed by a committee of CUSD school board members. Audit results should be used to direct independent consultants to recommend a set of policies that comply with all legal requirements with respect to fees, donations, ASB accounting, and handling of cash and checks in the classroom. Independent consultants should monitor compliance of teachers, administrators, and district officials for not less than three years after the completion of the report.*

This recommendation has been implemented in part. The District has retained FCMAT; FCMAT has evaluated ASB accounting. The results of that investigation have been used, in part, to develop the District Practice referenced in this Response. FCMAT will continue to be used by staff for at least three years. The remainder of the recommendation will not be implemented because it is unnecessary in light of the above and therefore not reasonable and not warranted. The District also notes that the Education Code (section 41020) requires an annual independent audit in addition to the evaluation undertaken as described.

5. *Thereafter, annual training should be provided by CUSD for all CUSD teachers, administrators, and district office staff.*

This recommendation has been implemented with annual training to be provided.

6. *Only a district-designated comptroller/assistant should collect money and issue receipts to students. Monthly copies of reconciliation reports should be*

forwarded to both the CUSD Business Office and a subcommittee of the CUSD school board.

This recommendation will not be implemented as it is not consistent with the FCMAT's training nor its published ASB Accounting Manual (2005) and is therefore not reasonable and not warranted. Collection of ASB money at sites is specifically contemplated by FCMAT; central collection of such moneys would be impractical. That noted, monthly reconciliation has been implemented and is in place. Effective in the 2005-2006 school year, a quarterly summary of ASB activity, by site, will be submitted to the Board.

7. *The use of the NVCF for accepting donations for classroom activities or field trips and paying for the classroom activities or field trips from those accounts should be discontinued. Those donations made to the foundation identified for a particular cause or purpose should be acknowledged by the CUSD School Board in a public hearing and deposited into the corresponding district or school account for which it was designated.*

This recommendation will not be implemented; it is not consistent with the FCMAT's training nor its published ASB Accounting Manual (2005) and is therefore not warranted and not reasonable. Parents and others may independently donate to the Foundation. As noted by the Grand Jury, the Foundation is an entity independent of the District. The Foundation, may then, in turn, donate to the District, consistent with the donor's intent. There is no basis for requiring Board approval of Foundation donation activity.

8. *The practices of withholding diplomas and credit bureau reporting for students that owe fees should be discontinued immediately*

This recommendation will not be implemented because it is not reasonable and not warranted. Diplomas may be withheld and collection procedures utilized in certain circumstances for authorized fees, willfully unpaid; such fees include amounts due for damaged or destroyed District property.

9. *The CUSD manual, Parent's Rights and Responsibilities, should be updated to include specific language about donations and fees, a list of charges that the California Education Code explicitly allows with the corresponding code section, and a statement that all other charges are voluntary. This change should be reviewed and, adopted by the CUSD school board.*

This recommendation will be considered for the 2006-07 school year.

5. Marsh Junior High School Follows the Money

Findings:

1. *CUSD district office/business office has an excellent understanding of California Education Codes, CUSD School Board Policies, and CDE Advisories with regards to proper procedures for managing ASB funds.*

The District agrees with this finding and adds that staff have benefited from the FCMAT review.

2. *CUSD is not consistent in its implementation of the policies, procedures and advisories that it quotes in its disciplinarily (sic) packet against the former Principal of MJHS.*

The District disagrees with this finding and believes that it is and has been consistent in implementing its ASB procedures. The matters set forth in the personnel materials referenced above describe an affirmative, rather than a mistaken, misuse of ASB funds.

3. *The continued insistence by the district of ASB problems as “site issues” does not relieve CUSD of its responsibility for proper ASB management practices.*

The District disagrees with this finding in that it implies that the District administration is attempting to avoid responsibility for oversight of ASB funds. The Administration acknowledges that it is ultimately responsible for those funds. The District’s administration is responsible for ASB fund oversight, for developing ASB policies and procedures and for the necessary training thereof. The District administration also recognizes that site administrators are responsible for all site activities, including ASB fund matters. (Education Code 36020; Board Policy 2210.) In addition, the FCMAT review emphasized that principals continue to maintain day-to-day supervision of the ASB Comptrollers.

4. *In the context of the number of “site issues”, the CUSD policy designating the principal as the responsible individual for ASB practices conflicts with an objective of maintaining a uniform accounting system within CUSD.*

The District disagrees with this finding. As set forth in response to the previous finding, pursuant to the Education Code, the principal is responsible for implementing the District-developed ASB practices. That said, the District is continuing to develop more uniform ASB accounting practices.

5. *The former Principal of MJHS does not appear to have personally benefited (sic) or “misused public” funds as stated in his disciplinary charge filed against him.*

The District disagrees with this finding, in part. The District agrees that no ASB funds were deposited into any personal account of the former principal nor were ASB funds utilized to purchase items of personal use. However, the materials reference personal benefit when unauthorized expenditures were represented as made from the principal’s personal funds, thereby garnering favor with students, teachers and parents. The materials also reference affirmative

misuse of ASB funds. By way of illustration, this includes unauthorized sales of textbooks and unauthorized diversion of those monies by the principal, first, into the lost textbook account and second, into the principal's (unauthorized) ASB account; purchase of an LCD projector for a teacher with ASB funds after the ASB had rejected the same request; transfer of ASB student body card sales into the principal's account, and diversion of vending machine sales into the principal's account.

6. *Purchases were for school year 2004/05 made and reimbursements requested prior to ASB approval process. Although we found these types of problems throughout all secondary schools we visited, it is clear that MJHS was not following correct practices.*

The District disagrees with this finding in that it implies that all secondary schools routinely failed to follow ASB purchase approval regulations. While the District acknowledges some isolated instances of this, in general, the regulations were followed. The District intends to continue working towards complete compliance.

7. *Having a successful magazine drive or fundraiser can be an asset to any school. With proper controls in place, the student educational experience can be greatly enhanced by their own efforts.*

The District agrees with this finding.

8. *During the peak times in fundraising, there is insufficient support available at school sites to insure timely deposits.*

The District disagrees with this finding. The FCMAT evaluation confirmed that District staffing is appropriate.

Recommendations

1. *Since a great deal of media attention has been given to the former Principal at MJHS alleging misuse of public funds, CUSD should issue a public statement clarifying the questioned practices occurred throughout all secondary schools or issue a public retraction of those allegations.*

This recommendation will not be implemented because it is not warranted. By way of preface, the District notes a clarification issued on August 9, 2005 by the former Grand Jury Foreman, emphasizing that “[n]one of the recommendations or findings regarding CUSD includes language that recommends any personnel actions be taken by CUSD, nor are there required response from CUSD’s Human Resources.” The District understands this to mean that the Grand Jury does not intend that District take any action in any way related to personnel and therefore assumes that the District need not address that last clause of this recommendation.

In any event, and as set forth in response Finding 5, the District denies that the conduct of

the former MJHS Principal as described in the referenced materials was similar to conduct of secondary administrators, generally, and therefore cannot confirm the opposite.

2. *CUSD School Board should develop a work plan, which may require the use of consultants, to insure that all secondary schools are consistent in their implementation of CUSD policies, procedures and advisories.*

This recommendation has been implemented effective in the 2005-2006 school year.

3. CUSD Business Office should be responsible for oversight of all school Comptrollers and the standard implementation of account codes and practices throughout the district.

This recommendation has been implemented, in part, effective October 1, 2005. The District notes that site administrators are responsible and will continue to be responsible for the day-to-day supervision of school comptrollers. See District Practice.

4. Fundraising money should only be used to supplement the classroom experience based on the wishes of the students.

This recommendation has been the District Practice as to ASB funds.

5. *With ASB approval, an annual open purchase order system could be implemented to specific programs/classrooms, which could be used for miscellaneous supplies to enhance the classroom experience. This would provide teachers needed flexibility and be a benefit to the students.*

The District will consider this suggestion during the 2005-2006 school year.

6. *CUSD should implement controls recommended by Matson and Isom. During major fundraising drives, additional CUSD staff should be available to assist school sites and insure proper accounting and timely deposits.*

As to the recommendations of Matson and Isom, these controls have either been implemented or will be during the 2005-2006 school year. The recommendation for additional staff will not be implemented because it is not warranted. As set forth above, FCMAT has independently determined that the District has in place adequate supervision time.

7. *Detailed descriptions should be included in every transaction to accurately describe the intended use.*

This recommendation has been implemented effective the current school year.

8. *Monthly reconciliation reports should be delivered to the district office as well as the CUSD School Board. Detailed ledgers should be available upon request.*

This recommendation was implemented independent of the Grant Jury investigation, effective in the 2004-2005 school year.