



Board of Trustees: Tami Stedman, Mike, Blake, Leslie Lattyak, Naomi Schmitt, Marc Claydon
Superintendent: Dr. Andy Parsons



September 14, 2022

Dear Honorable Scott Thomsen:

The following is the required response to the 2021-2022 Nevada County Grand Jury report titled "Nevada County Schools: The Lesson Never Learned."

Union Hill School District appreciates the Grand Jury evaluating our county schools in regards to its fiscal health to support our students. Further, the Board of Trustees strongly believes in fiscal accountability and transparency. Our Superintendent, Dr. Andy Parsons, presented the Grand Jury report on August 16 during an open session of the Board of Trustees. Although our Superintendent, Board of Trustees and our partners who were present at the August 16 meeting appreciates the report, there were concerns about the title of this report. "Nevada County Schools: Lessons Never Learned" does not reflect either the content of the report nor the purpose of the Grand Jury report. Union Hill does not feel that this accurately depicts Union Hill, the other School Districts in Nevada County or the incredible educational opportunities in Nevada County. I hope the following responses supports the work of the Grand Jury and adequately portrays the diligence, transparency and the organizational goals of our Board of Trustees, our Superintendent and the entire staff of Union Hill School District.

As required by Penal Code Section 933.05, the Union Hill School District response in regards to the Recommendations:

RECOMMENDATIONS:

Recommendation 1

Each District develop and implement a strategic plan which addresses the potential continued loss of revenues and devise contingencies based on the projected revenues.

As a preface, it should be noted that the most significant expense in any school district is human capital (staffing). Regardless of our Average Daily Attendance (ADA) our operating expenses remain the same as well as unfunded mandates such as pension and nutrition costs. Therefore, in developing strategic plans and goals, the increase in operating expenses due to current inflationary pressures and unfunded mandates is an ongoing concern regardless of continued loss of revenues (ADA).

Union Hill School District has developed two processes that are strategic and addresses potential loss of revenue. First, our Local Control Accountability Plan (LCAP) encompasses our supplemental funding which is calculated by our unduplicated count for social-economically disadvantage students, our foster and homeless students and our English Language Learners. Moreover, our grant and one-time revenue funding from State and Federal sources are integrated throughout. The LCAP has four goals with associated expenses, metrics and action steps to support our families, students and staff: College and



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Career Readiness: Students will be prepared for grade level transition through equitable access to rigorous standards-aligned learning and Multi-Tiered Systems of Support. (State Priority: 1, 2, 4, 7), **School Culture and Climate:** Students will thrive in a safe, healthy, nurturing and supportive educational environment. (State Priority: 1, 5, 6), **High Quality Teaching and Learning:** Provide high leverage, research-based professional learning for all certificated and classified staff members that will support employee growth and retention is directly correlated to students with achieving their grade level goals (State priority 1, 2, 4, 7, 8), and, **Strengthen Stakeholder Engagement:** In order to support student achievement, Union Hill School District will increase involvement of our parents and community partners. (State Priority: 3). Our LCAP is updated yearly by evaluating our data, our funding streams, stakeholder input (including our Union Partners) and approved by our Board of Trustees.

Secondly, we engage in a multi-year budget process. This includes unaudited actuals from the prior year and using projected enrollment gains or losses and projected inflationary pressures in making budgetary decisions for the current year and out years of the budget process. Although we traditionally use historical data to project future revenues, the COVID-19 Pandemic altered some of our projections due to families choosing other educational options such as home-schooling as well as families moving away from Nevada County. Our budgetary process is fluid to ensure fiscal solvency adjusting, as needed, to support the ongoing support and learning outcomes for our students. As previously mentioned, the majority of School District budgets is staffing. Therefore, our relationship with our Union Partners is critical as we make staffing decisions based on student enrollment, Collective Bargaining Agreements and class sizes to support our student. Furthermore, Union Hill has built in to our multi-year budget process current and projected inflationary pressures that supports the mission and vision of Union Hill School District.

Recommendation 9

The NCOE develop and implement policy and procedures requiring all school districts to analyze their budgets to address critical maintenance of buildings and grounds.

This recommendation is required by all school districts in Nevada County. However, the recommendation states that the Nevada County Superintendent of Schools "develop and implement policies and procedures..." There appears to be confusion between the County Office of Education responsibilities versus Local Education Agencies (Union Hill) responsibilities and Statutory requirements. This is a Local Budget decision regarding deferred maintenance.

Union Hill School district has a specific line item for deferred maintenance that has been discussed in open Board of Trustee Meetings. On March 9, 2021. Our Maintenance, Operations and Transportation Supervisor presented our 5-year facility and grounds maintenance plan which includes deferred maintenance. This allowed public comments and Board discussion. At our June 21, 2022 Open Board meeting, the Board of Trustees prioritized our \$350,000.00 deferred maintenance budget. The Board of Trustees evaluated Union Hill's deferred maintenance projects and gave direction on the following structural projects which is the Board's priority: Replace C1 and C2 Roofs, Investigate and repair/replace dry rot and remove and replace asphalt. Other areas, particularly with beautification projects, are being



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evaluated as to whether one-time funds can contribute to support buildings and grounds. Furthermore, Union Hill has local partners who are supporting our grounds maintenance by providing landscaping plans and labor to achieve our goals. Following these projects, Union Hill will project future revenue streams and expenses in order to replenish our deferred maintenance budget and strategically plan for future deferred maintenance projects.

Please accept these responses as required to support the work of the Grand Jury.

Respectfully submitted,

A handwritten signature in cursive script that reads "Andy Parsons".

Andy Parsons, Ed.D.

Superintendent

Union Hill School District

Handwritten initials or mark.



Nevada County
Superintendent of Schools

SCOTT W. LAY, SUPERINTENDENT

380 Crown Point Circle
Grass Valley, CA 95945
530-478-6400 · fax 530-478-6410

September 8, 2022

Judge Scott Thomsen
201 Church Street
Nevada City, CA 95959



Dear Honorable Scott Thomsen:

The following is the required response to the 2021-2022 Nevada County Grand Jury report titled "Nevada County Schools: The Lesson Never Learned".

I appreciate the Grand Jury looking into the financial health of our local schools but I was very disappointed in the title "The Lesson Never Learned". I do not think it is an accurate assessment of our school districts in western Nevada County. I hope the response below helps clear up some of the confusion over state vs county office vs district responsibilities and statutory requirements.

As required by Penal Code Section 933.05, The Nevada County Superintendent of Schools Office response in regard to the Recommendations:

RECOMMENDATIONS:

Recommendation 2

The NCOE consider consolidation, unification plans, and shared services of two or more districts within their term of office.

Proposals for consolidation or unification can be initiated in one of several ways: by the county committee; by local agencies that govern the impacted area, such as city councils or the Board of Supervisors; by school district governing boards in the area proposed to be reorganized; or by a petition of registered voters within the affected territory. My position, the county superintendent of schools, isn't authorized to initiate the process. My office is charged, by statute, to independently review electorate petitions for sufficiency and, if directed by the county committee, call for an election on the proposed reorganization.

In terms of shared services between districts, this has been happening across the county for decades. Charter schools also use this shared service model. Currently, we have nurses, counselors, business services, and special education services that are shared between districts and schools. In the past this has also included administrative services.

Recommendation 5

The NCOE validate and assure compliance with California Education Code Sections 41372 and 41374 from Nevada City School District and Penn Valley School District (teachers' salaries and class size).

Education Code 41372 establishes a requirement that an elementary school district spends at least 60% of its general fund expenditures on classroom salaries and benefits, meaning teachers and paraeducators. It was established in 1929 when public school funding was dramatically different than it is now. Over time, all school districts in the state of California have had an increasingly difficult time meeting this requirement. In fact, in 2019/2020, 42% of elementary school districts did not.

An excerpt from a School Services of California article best explains why this is a problem.

"School districts employ many certificated and classified staff members that are not classroom teachers but still provide essential services to students, such as: counselors, psychologists, nurses and health aides, bus drivers, instructional coaches, librarians and library technicians, etc. As illogical as it may seem, the cost of these staff members actually counts against meeting the minimum classroom compensation requirement. Also, other direct classroom expenditures, such as utilities, facilities maintenance, textbooks, and instructional materials also count against meeting the requirement. And, due to the requirements for the appropriate use of supplemental and concentration grant funds, most school districts are dedicating those funds to additional staff and support for classroom instruction, but not necessarily staff assigned to the classroom.

The use of one-time funds can also affect whether a school district can meet the minimum classroom compensation requirement, so school districts should exercise caution in the use of one-time funds if there is concern about meeting the percentage requirement. In particular, the one-time funds that have been provided to local agencies during the last several years, which should not be used to pay for staff since the funds are one time, have been spent on technology, professional development, instructional materials, and other one-time purposes—not on classroom salaries and benefits—so these expenditures count against the requirement as well.

Considering these realities in the way school districts operate and are funded, it is no wonder why so many local school districts are unable to meet the minimum classroom compensation requirement."

The Nevada City Elementary School District and the Penn Valley Elementary School District did not meet this 60% threshold in the fiscal year 2020/2021. This does not mean the districts did not spend funding on students. Expenditures for counselors, nurses, school office support staff, custodians, maintenance workers, bus drivers, food service workers, instructional coaches, etc. are not included to meet this minimum percentage. Expenditures for books, materials and supplies, operational costs such as buildings and utilities are also not included in this formula. All of these expenditures contribute directly to student services.

The County Superintendent of Schools is required to monitor this minimum percentage and withhold funding from a district if it is not met. However, an exemption from the minimum classroom compensation requirement can be allowed for any one of the following reasons:

- The enforcement of this requirement would result in serious financial hardship for the district
- The school district meets the class size requirements in E.C. 41374 (class sizes of 28 or less)

- The school district's classroom teacher salaries are higher than that of similar districts

Both districts applied for and were granted an exemption and therefore are not penalized for this outdated and irrelevant requirement.

The Nevada County Superintendent of Schools has no authority to validate or assure the school district comply with this education code, it can only grant an exemption for meeting the conditions described above.

The school districts are often not able to comply with this requirement due to the demands to provide other support services to students under grant funding rules, one-time funding expectations and/or operational needs. Both districts had a percentage of minimum classroom expense of over 55%.

Recommendation 6

The NCOE provide a mandatory annual workshop to review all processes and procedures for the handling of ASB funds, requiring attendance of representatives from all nine districts.

Each school district, not the Superintendent of Schools or NCOE, is responsible for the training of staff to properly account for Associated Student Body funds. Due to the nature of the program, this is a frequent audit finding for many school districts. All of them have thorough policies and procedures in place to ensure proper handling of the funds, however, with students, parents, community members and staff all voluntarily serving to support Associated Student Body activities, there are some shortfalls. Districts often offer annual training to support all the people involved with these funds. Furthermore, if we were to hold a workshop there is no statutory language that would require attendance for the districts.

Recommendation 7

The NCOE conduct an analysis of past and current revenue and expenditure trends to be used for evaluating the overall future fiscal health of all County school districts.

Under AB1200 oversight requirements, the Nevada County Superintendent of Schools (NCSOS) has fiscal oversight responsibility over school districts. The County conducts quarterly reviews and analyzes each of the school district's financial status (including multi-year projections) and reports this analysis to the California Department of Education. If there are signs of fiscal distress, the County Office provides support and guidance as required by the AB1200 rules to the district

Recommendation 8

The NCOE develop and implement planning contingencies to cover deficits the districts may experience when special governmental funding ends and ADA dollars continue to decline.

The Nevada County Superintendent of Schools has no authority, obligation or resources to cover school district deficits, however, does provide guidance to administrative staff of districts on best practices for handling one-time special funding and planning for declining ADA.

I hope this information is helpful in understanding the authorities between school districts and county offices of education.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott W. Lay". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Scott W. Lay
Nevada County Superintendent of Schools



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SCOTT W. LAY, SUPERINTENDENT

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Grass Valley, CA 95945
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BOARD OF EDUCATION

Heino Nicolai, President
Susan Clarabut
Louise Bennicoff Johnson
Timothy May
Julie Baker

September 14, 2022

Judge Scott Thomsen
201 Church Street
Nevada City, CA 95959



Dear Honorable Scott Thomsen:

The following is the required response to the 2021-2022 Nevada County Grand Jury report titled "Nevada County Schools: The Lesson Never Learned".

We, the Nevada County Board of Education (NCBOE), first and foremost appreciate the efforts and recommendations of the Nevada County Grand Jury and understand the intent of its June 2022 report is to best serve the interests of students, families, and taxpayers in general of Nevada County. At the same time, we wish to communicate to the Grand Jury that we are disappointed in the title of the Grand Jury's report, "The Lesson Never Learned" as it does not reflect our actions and decisions over the years and creates a climate of "Divisiveness" between our organizations rather than a "Collaborative" environment of our mutually shared objectives. That being said we hope our response provides clarification to the Grand Jury as to the NCBOE's responsibilities, requirements and authority.

As required by Penal Code Section 933.05, The Nevada County Board of Education's response in regard to the Recommendations:

RECOMMENDATIONS:

Recommendation 2

The NCOE consider consolidation, unification plans, and shared services of two or more districts within their term of office.

This is not under the jurisdiction of the Nevada County Board of Education.

Recommendation 5

The NCOE validate and assure compliance with California Education Code Sections 41372 and 41374 from Nevada City School District and Penn Valley School District (teachers' salaries and class size).

This is not under the jurisdiction of the Nevada County Board of Education.

Recommendation 6

The NCOE provide a mandatory annual workshop to review all processes and procedures for the handling of ASB funds, requiring attendance of representatives from all nine districts.

This is not under the jurisdiction of the Nevada County Board of Education.

Recommendation 7

The NCOE conduct an analysis of past and current revenue and expenditure trends to be used for evaluating the overall future fiscal health of all County school districts.

This is not under the jurisdiction of the Nevada County Board of Education.

Recommendation 8

The NCOE develop and implement planning contingencies to cover deficits the districts may experience when special governmental funding ends and ADA dollars continue to decline.

This is not under the jurisdiction of the Nevada County Board of Education.

Please reach out if you have any further questions.

Sincerely,



Heino L. Nicolai
President, Nevada County Board of Education

CC Joe D'Andrea, Foreperson
Nevada County Grand Jury
950 Maidu Avenue
Nevada City, CA 95959
grandjury@ncccourt.net

SS.



Twin Ridges Elementary School District
Scott Mikal-Heine, Superintendent

16661 Old Mill Rd.
Nevada City, CA 95959

(530) 265-9052
FAX (530) 265-3049

October 11, 2022

Re: Nevada County Schools: The Lesson Never Learned

Cc: Joe D'Andrea, Foreperson

Dear Honorable Scott Thomsen,

Please accept this required response to the 2021/22 Nevada County Grand Jury report titled "Nevada County Schools: The Lesson Never Learned". Twin Ridges Elementary School District values transparency, fiscal responsibility, and civic accountability. This report was presented to the Twin Ridges Board of Trustees by District Superintendent Scott Mikal-Heine on September 30th, 2022. Input and guidance regarding how our district would respond to Recommendations 1 and 9 (R1 and R9) in this report was collected at that time. Approval of this complete and updated response was approved at the subsequent October meeting of this month, to meet the 90 day deadline of Penal Code 933.

Recommendation 1 (R1)

Each District develop and implement a strategic plan which addresses the potential continued loss of revenue and devise contingencies based on the projected revenues.

Twin Ridges Elementary School District (TRESA or The District herein) follows a statewide planning and budgeting process mandated by statute. This process includes a multi-year projection, as well as four budgetary interim deadlines annually. This process begins with an adopted budget in each fiscal year in June, moves to a first interim budget revision in December of the same year, then to a second interim budget revision in March, and is completed in September with Unaudited Actuals in September to close the fiscal year. Each of these revisions include an updated multi-year projection as a key component of the report. Throughout this overlapping budget cycle, TRESA, like all districts, monitors the state budgeting process and draft governor's proposals, and consults with educational planning and fiscal organizations like Association of CA School Administrators (ACSA), Capital Advisors Group, School Services of CA, California Association of School Business Officials (CASBO), and the CA School Board Association (CSBA).

As other school districts have likely described, school budgets and district revenues, in addition to the state budgeting process, are also dictated by a constellation of interdependent factors and

circumstances that include student enrollment numbers, student and family economic conditions, staffing ratios, and a community's tax base. All district budgets and reports are reviewed and certified by the county office of education (Nevada County Superintendent of Schools). Finally, this effort is circumscribed by an authentic stakeholder-based public planning process that includes budgeting guidance and input referred to as a Local Control Accountability Plan (LCAP). This document is also certified and approved, like budget reports, and annual budgets, by the board of trustees, and the county office of education each year.

Recommendation 9 (R9)

The NCOE will develop and implement policy and procedures requiring all school districts to analyze their budgets to address critical maintenance of buildings and grounds.

While recommendation 9 appears to be aimed at the Nevada County Office of Education, each local school district owns its real property and is responsible for developing internal policy and procedures regarding critical maintenance of building and grounds and the associated budgeting for such purposes. Like most districts, TRES D completes an annual Facilities Inspection Tool report that is approved by the Board of Trustees in October. TRES D is also in development of an updated Master Facilities Plan that will cover a scope of 5-10 years. While Twin Ridges Elementary only operates one main school (Grizzly Hill School 16661 Old Mill Rd. Nevada City) our district is very proud of its three school sites, two of which are historical; the Oak Tree School in North San Juan and the Washington Schoolhouse. Both of these other facilities are occupied by ancillary programs that support students (Little Acorns Preschool, and Washington Schoolhouse After School Program, respectively) and families in our district, keeping our facilities integrated and in-use in the communities we serve. TRES D is also in collaboration with Nevada County Government and North San Juan Parks & Recreation to explore continued and expanded use and access for these sites for North San Juan and Washington. Our district maintenance and operations professionals are working hard every week to keep our sites beautiful, well-maintained, open and occupied. Finally, state budgeting processes, outlined in response to Recommendation 1 and noted in the Grand Jury's report itself, notably lack distinct regular funding for maintenance and repair of school facilities. This is accompanied by a complex array of *Williams Act* and Division of State Architect (DSA) identified facilities requirements that result in what could be considered as "unfunded mandates".

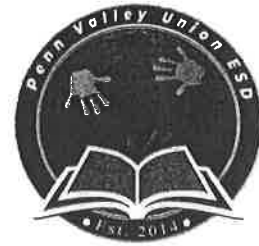
Respectfully submitted on behalf of the Twin Ridges Elementary School District Board of Trustees,

Scott Mikal-Heine



Superintendent

PENN VALLEY UNION ELEMENTARY SCHOOL DISTRICT
17328 Penn Valley Dr. Suite A, Penn Valley, CA 95946-9764
Phone (530) 432-7311 Fax (530) 432-7314
www.pvuesd.org



SA

Melissa Conley - Superintendent

September 30, 2022

Dear Honorable Scott Thomsen:

The following is the required response to the 2021-2022 Nevada County Grand Jury report titled "Nevada County Schools: The Lesson Never Learned."

Penn Valley Union Elementary School District appreciates the Grand Jury taking the time to evaluate Nevada County schools as it relates to fiscal prudence to support our students.

As is required by Penal Code Section 933.05, the Penn Valley Union Elementary School District response in regards to the Recommendations:

RECOMMENDATIONS:

Recommendation 1

Each District develops and implements a strategic plan which addresses the potential continued loss of revenue and devise contingencies based on the projected revenues.

The recommendation has been implemented.

Penn Valley Union Elementary School District (PVUESD) participates in multiple strategic planning and continual evaluations of funding, projected revenues, and potential loss. Our Local Control Accountability Plan (LCAP) provides a strategic plan regarding funding that allows for our educational partners to review, participate, and help structure. The LCAP has two goals.

Goal 1: The District will provide high quality instruction and learning opportunities in which all students, including students with special needs, will work toward attaining proficiency in English-Language Arts and Math, as well as achieve mastery of 21st Century learning tools, resources, and skills.

Goals 2: School Climate and family/community engagement: All departments and school sites will provide a physically, socially and emotionally safe and secure environment for all students and staff. We want to encourage, engage and increase parent and community involvement and communication throughout the District and in each school community.

PVUESD also actively participates in a multi-year budget process and evaluation. The budget process itself is very strategic and streamlined for efficiency and accuracy. The District evaluates unaudited actuals, enrollment projections and participates in a thorough budget analysis throughout the year.

Historical data is a valuable tool, however, due to COVID-19, our data is skewed as our enrollment has increased slightly above our projections.

An additional factor to consider is that our district historically moves in and out of Basic Aid. This can have a significant impact on budget items and projections year to year.

Recommendation 4

Penn Valley School District complies with California Education Code Section 41372 (teacher salaries).

The recommendation has been implemented.

Penn Valley Union Elementary School District (PVUESD) did meet the minimum requirement of California State Education Code 41372 for the 2021/2022 school year. PVUESD had a 63.43% classroom compensation according to unaudited actuals approved September 13, 2022.

PVUESD did not meet the minimum requirement of California State Education Code 41372 for 2019/2020 and 2020/2021. PVUESD filed a CEA Waiver Request with Nevada County Superintendent of Schools for 2019/2020 on November 10, 2020. It was granted on November 23, 2020. A Waiver Request was filed with Nevada County Superintendent of Schools for 2020/2021 on October 6, 2021. It was granted on November 4, 2021.

Included in the calculation is the required Routine Restricted Maintenance contribution. Although no classroom expenditures can be spent from these funds, the State does not recognize this contribution as an authorized reduction. The District would have met the requirement if it was an allowable reduction in 2019/2020.

The District received a large amount of COVID-19 relief funding. The majority of these funds were included in the current expense calculation, with the exception of ESSER I and a portion of State Learning Loss Mitigation funding. A large portion of the funds included in the expense calculation were spent on technology devices to support distance learning and classroom furniture for the return to in-person instruction which resulted in a lower classroom expense percentage in 2020/2021.

PVUESD maintained an average class-size of 17.8 for our grades TK-3 and 25.7 for our grades 4-8 through March 2021. This indicates meeting educational standards through appropriate class sizes as defined through the LCFF Grade Span Adjustment calculation.

Recommendation 9

The NCOE develops and implements policy and procedure requiring all school districts to analyze their budgets to address critical maintenance of buildings and grounds.

The recommendation will not be implemented because it is not warranted or is not reasonable.

The recommendation references Nevada County Office of Education to develop and implement policy and procedures to create procedures for districts to analyze their budgets to address critical maintenance of buildings and grounds. PVUESD cannot respond on behalf of NCOE as the request appears to be a local budget decision as it is the Local Education Agencies (LEA, PVUESD) responsibility to analyze the budget and address critical maintenance of buildings and grounds.

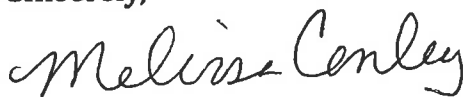
Currently our Maintenance Supervisor develops and monitors critical maintenance of buildings and grounds in conjunction with the CBO and Superintendent. Monthly reports are provided to the Governing Board of Trustees to keep them abreast of all planning and development. In addition, PVUESD has a specific line item for deferred maintenance, which when needed for strategic planning is presented at Board meetings for an opportunity for public review, comment and discussion.

Sincerely,



Rob Moen, President
Board of Education
Penn Valley Union Elementary School District

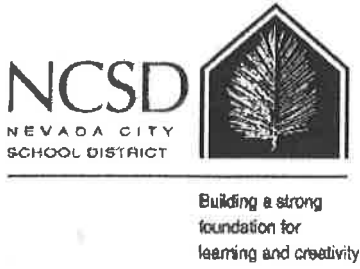
Sincerely,



Melissa Conley
Superintendent
Penn Valley Union Elementary School District

cc: Members of the PVUESD Board of Education

SA



October 4, 2022

Dear Honorable Judge Scott Thomsen:

The following is the required response to the 2021-2022 Nevada County Grand Jury report titled "Nevada County Schools: The Lesson Never Learned".

Thank you for recognizing the healthy relationship between administration and teachers in our county, especially during the COVID-19 pandemic. In your report you also decided to look at the financial health of our local schools. The title of your report, "The Lesson Never Learned" was disappointing. I do not believe you provided an accurate assessment of the Nevada City School District or other districts in western Nevada County. Our business office did not receive inquiries from the Grand Jury and would have been glad to provide information and clarification on any items of concern. I trust the response below helps clear the confusion as our district works tirelessly to educate students while effectively ensuring transparency and accountability to our Board of Trustees, stakeholder, and governmental entities to abide by all statutory requirements. Below is the required response in regard to your findings and recommendations

As required by Penal Code Section 933.05, The Nevada City School District Office response in regard to the Recommendations:

Recommendation 1

Each District develop and implement a strategic plan which addresses the potential continued loss of revenue and devise contingencies based on the projected revenues.

The recommendation has been implemented.

Our Local Control Accountability Plan goals are summarized below. The plan is also on our district website: <https://4.files.edl.io/c6a7/06/10/22/185529-19c4044a-6223-4819-b84a-a28b3c740351.pdf>

The LCAP is the result of extensive input from stakeholders and educational partners; including community members, staff, students and families through surveys, meetings, public hearings and approval by our Board of Trustees and the Nevada County School Board.

Goal 1: All students will demonstrate growth towards meeting or exceeding standards in English Language Arts (ELA) and math proficiency as demonstrated through local formative and summative assessments.

Goal 2: Nevada City School District will provide positive, safe and engaging learning environments and systems of supports that meet the intellectual, social, emotional, and physical needs of all students, so they are able to maximize their learning and achievement.

Goal 3: The metrics and actions described in the LCAP will be implemented to ensure that progress made with Priority 1 and the implementation of academic content and performance standards in Priority 2 will be maintained over the coming three years. These areas will be evaluated on a regular basis to ensure maintenance of progress and metrics and actions will be reevaluated as necessary to determine if there is a need to elevate a priority to a broad or focus goal.

Furthermore, NCS D actively participates in multi-year budget process and evaluation. The budget process is strategic, efficient and accurate. The District evaluates unaudited actuals, as well as pays for an external auditor annually. In the process, the district looks at enrollment projections and participates in a thorough budget analysis throughout the year; including but not limited to mid-year analysis, projections and reports to our Board of Trustees. Historical data can be a valuable tool, however, due to COVID-19, our data is skewed as our enrollment has decreased slightly from our projections.

NCS D operates as a community funded, or Basic Aid district, because it receives more funding from local property taxes than it would receive under the State's Local Control Funding Formula (LCFF) model. This means NCS D is not funded on student attendance as are most districts in California. Therefore, enrollment does not drive our revenues and budget projections. It is projected that property taxes will continue to exceed the State's calculated LCFF funding level for the foreseeable future. With property tax revenue being subject to dramatic changes the district's finances must be watched very carefully for signs of change.

Recommendation 3

Nevada City School District comply with California Education Code Section 41372 (teacher salaries).

The recommendation has been implemented.

Education Code 41372 establishes a requirement that an elementary school district spends at least 60% of its general fund expenditures on classroom salaries and benefits, meaning teachers and paraeducators. It was established in 1929 when public school funding was dramatically different than it is now. Over time, all school districts in the state of California have had an increasingly difficult time meeting this requirement. In fact, in 2019/2020, 42% of elementary school districts did not.

An excerpt from a School Services of California article best explains why this is a problem.

"School districts employ many certificated and classified staff members that are not classroom teachers but still provide essential services to students, such as: counselors, psychologists, nurses and health aides, bus drivers, instructional coaches, librarians and library technicians, etc. As illogical as it may seem, the cost of these staff members actually counts against meeting the minimum classroom compensation requirement. Also, other direct classroom expenditures, such as utilities, facilities maintenance, textbooks, and instructional materials also count against meeting the requirement. And, due to the requirements for the appropriate use of supplemental and concentration grant funds, most school districts are dedicating

those funds to additional staff and support for classroom instruction, but not necessarily staff assigned to the classroom.

The use of one-time funds can also affect whether a school district can meet the minimum classroom compensation requirement, so school districts should exercise caution in the use of one-time funds if there is concern about meeting the percentage requirement. In particular, the one-time funds that have been provided to local agencies during the last several years, which should not be used to pay for staff since the funds are one time, have been spent on technology, professional development, instructional materials, and other one-time purposes—not on classroom salaries and benefits—so these expenditures count against the requirement as well.

Considering these realities in the way school districts operate and are funded, it is no wonder why so many local school districts are unable to meet the minimum classroom compensation requirement.”

The Nevada City Elementary School District did not meet this 60% threshold in the fiscal year 2020/2021. This does not mean the district did not spend funding on students. Expenditures for counselors, nurses, school office support staff, custodians, maintenance workers, bus drivers, food service workers, instructional coaches, etc. are not allowed to be included in the calculation to meet this minimum percentage. Expenditures for books, materials and supplies, operational costs such as buildings and utilities are also not included in this formula. All of these expenditures contribute directly to student services.

The County Superintendent of Schools is required to monitor this minimum percentage and withhold funding from a district if it is not met. However, an exemption from the minimum classroom compensation requirement can be allowed for any one of the following reasons:

- The enforcement of this requirement would result in serious financial hardship for the district
- The school district meets the class size requirements in E.C. 41374 (class sizes of 28 or less)
- The school district’s classroom teacher salaries are higher than that of similar districts

NCSD filed a waiver as they did not meet the minimum requirement of California State Education Code 41372 for 2019/2020 and 2020/2021. While NCSD was granted a waiver from the Nevada County Office of Education for both fiscal years, we feel that the calculation associated with California Education Code Section 41372 is outdated and should be amended to be in line with today’s education. Given that the Local Control Funding Formula emphasized local control, this section confines a district’s ability to make decisions.

Nevada City School District has maintained low class sizes, but the influx of one-time pandemic related funding has only exacerbated the problem in that large expenditures were required for technology and to effectively provide a safe environment for students and staff as campuses reopened. Classroom teachers are a key component of a sound education system and will always be a large percentage of a district’s expenditures, however, districts should be allowed more flexibility to meet local needs.

Recommendation 9

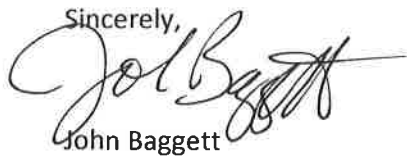
The NCOE develop and implement policy and procedures requiring all school districts to analyze their budgets to address critical maintenance of buildings and grounds.

This recommendation is required by all school districts in Nevada County. However, the recommendation states that the Nevada County Superintendent of Schools "develop and implement policies and procedures..." There appears to be confusion between the County Office of Education responsibilities versus Local Education Agencies (Nevada City School District) responsibilities and statutory requirements. This is a local budget decision regarding deferred maintenance, building and grounds.

Nevada City School district has specific funds for deferred maintenance and capital outlay projects that have been discussed in open Board of Trustee Meetings. On March 10, 2020, Williams & Associates presented an overview of the Nevada City Facility Utilization Master Plan prioritizing a list of projects that have been identified for Deer Creek, Seven Hills and the District Office. This allowed public comments and Board discussion. At our June 14, 2022, open Board meeting, the Board of Trustees discussed our \$407,000 deferred maintenance and \$1.2 million capital outlay budgets. The Board of Trustees evaluated Nevada City School District's deferred maintenance and facility upgrade projects and gave direction on the projects which is the Board's priority. Following these projects, NCSD will project future revenue streams and expenses in order to replenish our deferred maintenance and capital outlay funds and strategically plan for future projects.

I hope this information is helpful in understanding the authorities between school districts and county offices of education.

Sincerely,

A handwritten signature in black ink, appearing to read "John Baggett". The signature is fluid and cursive, with the first name "John" being the most prominent part.

John Baggett

Superintendent

Nevada City School District



SS

Bear River High School Ghidotti Early College High School Nevada Union High School North Point Academy Silver Springs High School

September 28, 2022

Judge Scott Thomsen
201 Church Street
Nevada City, CA 95959

Dear Honorable Scott Thomsen:

The Nevada Joint Union High School District (NJUHSD) was in receipt of your correspondence and the Grand Jury's report titled "Nevada County Schools: The Lesson Never Learned," on July 13, 2022. The following is NJUHSD's required response to the Grand Jury's report.

~~While there were no Findings in direct connection with the high school district, we are happy to provide responses to Recommendations 1 and 9 (R1 and R9) as required by Penal Code Section 933.05. The responses provided below will come before the district's Governing Board of Trustees for discussion at their regular board meeting on October 5, 2022.~~

RECOMMENDATIONS:

Recommendation 1 (R1)

Each District develop and implement a strategic plan which addresses the potential continued loss of revenue and devise contingencies based on the projected revenues.

The recommendation has been implemented.

The District follows the prescribed budgetary timeline, as dictated by statute, to evaluate revenue and expenditure projections, and actual revenues and expenditures. There are four budgetary deadlines each year; the adopted budget in June for the following fiscal year, first interim budget revision in December, second interim budget revision in March, and unaudited actuals in September to close the fiscal year. In addition to the required budgetary deadlines there is a 45 day revision that can be completed to update the adopted budget if there are significant changes due to the State adopted budget and a third interim budget for changes between March and June. Each public budgetary report includes a three year multi-year projection which prompts the device of contingency plans based on projected revenues and expenditures. In addition to the required budget periods, the district evaluates the State budget proposals for the following fiscal year in January and May to determine the impact they may have on the district's revenues. District revenues are most directly impacted by student enrollment and attendance. Enrollment is monitored closely and the District actively projects future enrollment based upon county trends in grades K-8. The District continually works on marketing and promotion of the schools in the District to attract and recruit potential students. As staffing costs are over eighty percent of the budget, staffing levels are closely evaluated in the Spring so that staffing adjustments can be made in accordance with the law (required deadlines exist in the months of March and May) based on the coming year's



Bear River High School Ghidotti Early College High School Nevada Union High School North Point Academy Silver Springs High School

projected enrollment. Additionally, the district actively pursues opportunities for grant funding in connection to a variety of programs, facility needs, staffing, and/or other state or privately funded grant programs. The District undergoes a robust planning process each Spring to develop the Local Control Accountability Plan (LCAP). The process evaluates District spending priorities based on the goals set in the LCAP. This process drives a significant portion of the District's spending. Budget projections and the District's fiscal health are reviewed with this group to help inform the planning process.

Recommendation 9 (R9)

The NCOE develop and implement policy and procedures requiring all school districts to analyze their budgets to address critical maintenance of buildings and grounds.

The recommendation will not be implemented because it is not warranted or is not reasonable.

This recommendation appears to be directed at the county office (Nevada County Superintendent of Schools, NCSOS). The District would likely comply with appropriate directives of the county office of education, although their oversight of Districts in the county is restricted and dictated by state statute.

We hope you find this information helpful. Please don't hesitate to contact me if you have additional questions or concerns.

Respectfully,

Dan Frisella

Superintendent
Nevada Joint Union High School District



RUSTY S CLARK, SUPERINTENDENT

22580 Kingston Lane
Grass Valley, CA 95949
(530) 268-2800



October 11, 2022

Dear Honorable Scott Thomsen:

Pleasant Ridge Union School District respects the Grand Jury's time to evaluate Nevada County schools as it relates to fiscal prudence to support our students.

The following is the required response to the 2021-2022 Nevada County Grand Jury report titled "Nevada County Schools: The Lesson Never Learned". The report was submitted to the Pleasant Ridge Union School District Trustees during the August 9th board meeting and was brought forward on the September 13th board meeting for further discussion. Pleasant Ridge Union School District has done a tremendous job supporting our students and staff during the COVID-19 pandemic.

As required by Penal Code Section 933.05, the Pleasant Ridge Union School District responses are included below regarding the proposed recommendations:

Recommendation 1:

"Each District develops and implements a strategic plan which addresses the potential continued loss of revenue and devise contingencies based on the projected revenues."

The outlined recommendation is an ongoing practice of Pleasant Ridge Union School District in accordance with the state of California Local Control Accountability Plan. Our Local Control Accountability Plan (LCAP) provides a strategic plan regarding funding that allows for our educational partners to review, participate, and help structure. The LCAP has three goals that drive each action, including fiscally responsible practices.

Goal 1: ENCOURAGING students through a positive school culture and a Multi-Tier System of Support (MTSS) for students' personal and academic growth measured by SEL pre & post assessments, annual parent, staff, and student surveys, and number of SSTs.

Goals 2: Create an ENGAGING learning environment that allows students to develop academic, social, and life skills measured by attendance, behavioral referrals, suspensions, expulsions, engagement in after school activities, and increased time on task of students within the class setting.

Goals 3: EDUCATE students to flourish as a productive citizen in a constantly changing global society measured by CaASPP, NWEA, STAR, and DIBELS.

Recommendation 9:

"The NCOE develops and implements policy and procedure requiring all school districts to analyze their budgets to address critical maintenance of buildings and grounds. "

The recommendation will not be implemented because it is not warranted or is not reasonable. The recommendation references Nevada County Office of Education to develop and implement policy and procedures to create procedures for districts to analyze their budgets to address critical maintenance of buildings and grounds. NCOE does not have the authority to adopt a policy for each school district. The upkeep and management of school facilities is the responsibility of each school district.

NCOE does have the authority to respond to a Uniform Complaint about facilities if the school district does not respond in a timely manner. This provision was given to County offices of education through the "Williams" act settlement. Furthermore, the Local Control Accountability Plan addresses such needs through the annual Facility Inspection Tool (FIT). This tool is used to identify any facilities that are in the below categories. If the facility/grounds are in the fair or poor categories, we make sure we address the necessary improvements.

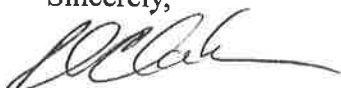
PERCENTAGE	DESCRIPTION	RATING
99%-100%	The school meets most or all standards of good repair. Deficiencies noted, if any, are not significant and/or impact a very small area of the school.	EXEMPLARY
90%-99.99%	The school is maintained in good repair with a number of non-critical deficiencies noted. These deficiencies are isolated, and/or resulting from minor wear and tear, and/or in the process of being mitigated.	GOOD
75%-89.99%	The school is not in good repair. Some deficiencies noted are critical and/or widespread. Repairs and/or additional maintenance are necessary in several areas of the school site.	FAIR
0%-74.99%	The school facilities are in poor condition. Deficiencies of various degrees have been noted throughout the site. Major repairs and maintenance are necessary throughout the campus.	POOR

The evaluation of the facilities and grounds under the "Williams" act is documented in each School's Accountability Report Card for the public to review. Finally, Nevada County Superintendent of Schools review school district's annual budget and will provide an annual certification of financial standing based on the school district's revenues, expenditures, and reserves.

We hope this information clarifies the authorities between school districts and county offices of education.

Provided on behalf of the Pleasant Ridge Union School District Trustees,

Sincerely,



Rusty S Clark
 Superintendent
 Pleasant Ridge Union School District

84.



Grass Valley School District

September 23, 2022

Dear Honorable Scott Thomsen:

The following is the required response to the 2021-2022 Nevada County Grand Jury report titled "Nevada County Schools: The Lesson Never Learned". The Grass Valley Trustees believe in transparency as well as fiscal responsibility and accountability. District Superintendent, Andrew Withers presented the Grand Jury Report on October 11th during open session at our School Board Meeting. We hope the following responses support the work and questions from the Grand Jury. We believe the Grass Valley School District has done a tremendous job supporting our students, families, staff, and community before, after, and throughout the challenges of the COVID-19 pandemic.

As required by Penal Code Section 933.05, The Grass Valley School District responses are included below in regards to the proposed Recommendations:

Recommendation 1

Each District develop and implement a strategic plan which addresses the potential continued loss of revenues and devise contingencies based on the project revenues.

The Grass Valley School District implements key processes to ensure we have a well developed district plan that reflects the needs of our learning community. These processes are regularly reviewed, discussed and adjusted to ensure we are working within our district financial allocations. One key process that we implement per state requirement is the annual development of our Local Control Accountability Plan (LCAP). This plan includes our supplemental funding which is calculated by our unduplicated count for economically disadvantaged students, our foster youth and homeless students and our students who are also English Language Learners. We also use this plan to show connections between our grant and one-time funding from State and Federal sources. Our GVSD LCAP includes three (3) broad goals with detailed actions, metrics, and expenses to support our district learning community. Our district LCAP goals include:

Goal 1 - Grass Valley District Students will receive high quality instruction and support in core academic subject areas following state standards and guidelines which will increase overall student proficiency as measured by state and local assessments

Goal 2 - Grass Valley District Students will receive additional academic, social-emotional and behavior intervention, based on need, which will result in improved student outcomes as measured by state and local assessments and intervention success rates

Goal 3 - Grass Valley District Students and Families will be provided a school climate that is safe, welcoming, caring, and conducive to learning which will result in improved student attendance and suspension/expulsion rates.

Beyond our LCAP work, the Grass Valley School District also goes through a rigorous annual budgeting process to ensure all district funds are properly spent and accounted for. This includes a review of our unaudited actuals from the prior school year as well as utilizing the projected enrollment increases or decreases to assist us with long term planning. Our work also considers the impact of projected cost increases for products and services including projected inflationary impacts as well. We utilize historical attendance, revenue, and expense data to guide our current year and future year budgeting. This process is ongoing throughout the school year and it includes regular reporting, discussion and action during open session at our District Board Meetings. We rely heavily on this detailed review of our financial work and we annually review these impacts against the development of our three-year budget. We receive annual oversight from the Nevada County Superintendent of schools regarding the development of our LCAP and our single year and three-year district budget. This oversight allows us to show transparency and to receive accountability and assistance from an outside perspective.

Recommendation 9

The NCOE develop and implement policy and procedures requiring all school districts to analyze their budgets to address critical maintenance of buildings and grounds.

The Grass Valley School District has specific budget resources allocated for deferred maintenance needs. We maintain and review a District Facilities Master Plan and work with internal staff and outside agencies to ensure our facilities are safe and able to meet the needs of our learning community. The ongoing maintenance, repairs, and support for our district facilities are openly discussed at our monthly Board meetings. At these meetings we regularly report on how many work orders have been submitted as well as how many work orders were completed within the prior month. We also annually complete and report on the status of our district facilities through the State Facilities Inspection Tool (FIT). This report and the data generated is shared and discussed openly by the Grass Valley Board of Trustees through the reporting and approval of our School Accountability Report Cards (SARC).

We hope this information is helpful in understanding the authorities between school districts and county offices of education.

Respectfully provided on behalf of the Grass Valley School District School Board of Trustees,

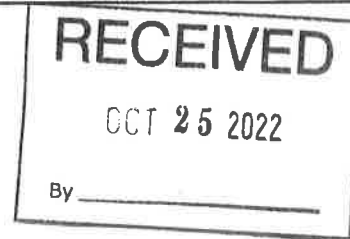


Andrew Withers

Superintendent - Grass Valley School District

Clear Creek
Elementary School District

"since 1867"



Board of Trustees
Patsy Hannebrink
Jerily McCormick
Nancy Messier
Bart Riebe
Karen Wallace

Superintendent
Carolyn Cramer

September 12, 2022

Dear Honorable Scott Thomsen,

The following is the required response to the 2021-2022 Nevada County Grand Jury report titled "Nevada County Schools: Lessons Never Learned" from Clear Creek School. While Clear Creek appreciates the time and effort the Grand Jury put into this report, the title does not accurately reflect the time, effort, and good work of our Clear Creek school community members. Just to note that while I did receive the report at the school address, it was addressed to an unknown individual, Eric Williams. To my knowledge, we have not had an Eric Williams employed at this school.

Recommendation 1

Each District develop and implement a strategic plan which addresses the potential continued loss of revenue and devise contingencies based on the projected revenues.

As part of our budget planning and implementation, we engage in a multi-year budget process. We currently are projected to meet all reserves and spending needs in the current and two future years. If our ADA projections exceed our staffing needs, then we have time to reflect and analyze staffing and services before the beginning of the next school year. We implement a continuous process of budget review and projection analysis to avoid deficit spending and remain fiscally responsible. Our District budget is also submitted to the NCOE for review and certification.

Recommendation 9

The NCOE develop and implement policy and procedures requiring all school districts to analyze their budgets to address critical maintenance of buildings and grounds.

First, the development and implementation of the procedures in the recommendation are a local responsibility not a County of Education responsibility. Our District has a 5 year Maintenance Plan in which we budget for current and future building and ground maintenance projects. Our District also completes an annual FIT and playground inspection. Each of these items are brought to our school board for review and discussion. We take pride in our school and want to provide a safe, healthy, and attractive environment for our students and staff. We inspect and review our buildings and grounds regularly and make adjustments to our plan as needed in order to maintain our school in top condition.

The above information is provided to the Grand Jury to complete the required response for Clear Creek School.

Sincerely,

Carolyn Cramer, Superintendent/Principal

"A California Distinguished School"
17700 McCourtney Road • Grass Valley, CA 95949
(530) 273-3664 • FAX (530) 273-4168

SA



CHICAGO PARK SCHOOL DISTRICT
15725 Mt. Olive Road, Grass Valley, CA 95945
(530) 346-2153 Fax (530) 346-8559
Katie Kohler, Superintendent/Principal

October 13, 2022

Dear Honorable Scott Thomsen:

The following is the required response to the 2021-2022 Nevada County Grand Jury report titled "Nevada County Schools: The Lesson Never Learned".

Chicago Park School District appreciates the Grand Jury evaluating our county schools in regards to its fiscal health to support our students. Further, the Board of Trustees strongly believes in fiscal accountability and transparency, however, I was very disappointed in the title "The Lesson Never Learned". I do not think it is an accurate assessment of our school districts in western Nevada County. I hope the response below helps clear up some of the confusion over state vs county office vs district responsibilities and statutory requirements.

As required by Penal Code Section 933.05, Chicago Park Elementary School District's response in regard to the Recommendations:

RECOMMENDATIONS

Recommendation 1

Each District develop and implement a strategic plan which addresses the potential continued loss of revenues and devise contingencies based on the projected revenues.

As a preface, it should be noted that the most significant expense in any school district is human capital (staffing). Regardless of our Average Daily Attendance (ADA) our operating expenses remain the same as well as unfunded mandates such as pension and nutrition costs. Therefore, in developing strategic plans and goals, the increase in operating expenses due to current inflationary pressures and unfunded mandates is an ongoing concern regardless of continued loss of revenues (ADA).

Chicago Park School District has developed two processes that are strategic and addresses potential loss of revenue. First, our Local Control Accountability Plan (LCAP) encompasses our supplemental funding which is calculated by our unduplicated count for social-economically disadvantage students, our foster and homeless students and our English Language Learners. Moreover, our grant and one-time revenue funding from State and Federal sources are integrated throughout. The LCAP has two goals with associated expenses, metrics and action steps to support our families, students and staff: **Strengthen academic achievement of all students including special populations:** Students will be prepared for grade level transition through equitable access to rigorous standards-aligned learning and Multi-Tiered Systems of Support (State Priority: 1, 2, 4, 7, 8). **Support an environment that ensures students and staff are healthy, safe, engaged, supported and challenged:** Students will thrive in a safe, healthy, nurturing and supportive educational environment (State Priority: 1, 3, 5, 6). Our LCAP is updated yearly by evaluating our data, our funding streams, stakeholder input (including our staff, student body and Site Council) and approved by our Board of Trustees.

Secondly, we engage in a multi-year budget process. This includes unaudited actuals from the prior year and using projected enrollment gains or losses and projected inflationary pressures in making budgetary decisions for the current year and out years of the budget process. Although we traditionally use historical data to project future revenues, the COVID-19 Pandemic altered some of our projections due to families choosing other educational options such as home-schooling as well as families moving away from Nevada County. Our budgetary process is fluid to ensure fiscal solvency adjusting, as needed, to support the ongoing support and learning outcomes for our students. As previously mentioned, the majority of School District budgets is staffing. Therefore, our relationship with our Union Partners is critical as we make staffing decisions based on student enrollment, Collective Bargaining Agreements and class sizes to support our students. Furthermore, Chicago Park has built into our multi-year budget process current and projected inflationary pressures that supports the mission and vision of Chicago Park School District.

Recommendation 9

The NCOE develop and implement policy and procedures requiring all school districts to analyze their budgets to address critical maintenance of buildings and grounds.

This recommendation is required by all school districts in Nevada County. However, the recommendation states that the Nevada County Superintendent of Schools "develop and implement policies and procedures..." There appears to be confusion between the County Office of Education responsibilities versus Local Education

Agencies (Chicago Park) responsibilities and Statutory requirements. This is a Local Budget decision regarding deferred maintenance.

Chicago Park School District has a specific line item for deferred maintenance that has been discussed in open Board of Trustee Meetings. This allowed public comments and Board discussion. Our 5-year facility and grounds maintenance plan which includes deferred maintenance is reviewed and updated at least yearly. Chicago Park School District has applied for around \$1 million dollars for modernization of the campus through the Office of Public School Construction (OPSC) due to financial hardship and facility need. Chicago Park also applied for the Transitional kindergarten and Kindergarten facilities grant through OPSC for predicted growth of Chicago Park School District.

Please accept these responses as required to support the work of the Grand Jury.

Respectfully submitted,

A handwritten signature in cursive script that reads "Katie Kohler". The signature is written in dark ink and is positioned above the printed name.

Katie Kohler

Superintendent

Chicago Park School District