

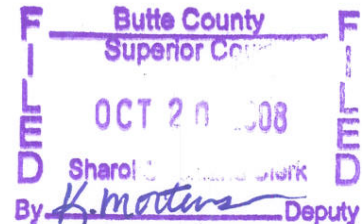


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July 18, 2008

The Honorable Judge James Reilley, Presiding Judge
C/O Court Administration
Superior Court of California, County of Butte
One Court Street
Oroville, CA 95965



RE: 2007-08 Final Report of the Butte County Grand Jury

Dear Judge Reilley:

Pursuant to California Penal Code 9933, this letter constitutes the response of the Chico Unified School District to the 2007-08 Final Report of the Butte County Grand Jury.

Bond Measure A

Chico Unified School District appreciates the level of detailed analysis which was undertaken in investigating the concerns regarding the application of funds as authorized under Measure A approved by the voters in 1998.

Before commenting on the findings and recommendations contained in the report we would like to clarify one statement made in the report. The report states, "The Bruce Road property for the proposed high school has been purchased for \$479,360." In fact the Canyon View High School site, located at the northwest corner of Bruce Road and Raley Boulevard was purchased for \$5,200,000. This purchase was completed utilizing Developer Fees rather than Measure A proceeds. The logic behind this move was to utilize available and appropriate funds to purchase the land keeping the bulk of the Measure A proceeds available for construction of Canyon View High School.

The \$479,360 listed in Attachment 2 as Canyon View High School expenses as of 9/17/07 reflect only expenses incurred from Measure A proceeds. These expenses are comprised of legal fees, appraisals, wetland consultants, the expenses related to preparing, circulating and certifying an Environmental Impact Report and other expenses related to putting the District in a position to acquire the property.

FINDINGS

Finding 1: The CUSD responded in 1994-1995 to the increasing number of students and pressures to improve existing educational facilities. The CUSD worked until 1997-98 to gain authorization to respond to the needs of the present school system and to respond to the potential that appeared by statistics.

Response: CUSD agrees with this finding.

Finding 2: Funds supplied by Bond Measure A, approved in 1998, are being properly utilized by the staff of the Chico Unified School District

Response: CUSD agrees with this finding.

Finding 3: Property has been secured for the possible construction of a third high school. Construction of this high school is not essential at this time.

Response: CUSD agrees with this finding.

RECOMMENDATIONS

Recommendation 1: The CUSD should examine whether to continue to hold the property on Bruce Road in light of their decision in 2007 to abandon the need to budget construction money at the Canyon View High School site.

Response: Agree. CUSD does review every property within the District on a periodic basis. The current review indicates that the District should retain the Canyon View site for development as a future high school. The District is very involved with both the Butte County general plan update and the City of Chico's general plan update. The cumulative growth foreseen in these two general plans will generate additional students which must be housed by the District. A good portion of this growth will occur within the southern parts of CUSD's boundaries. Finding an appropriately sized (50 acre) developable parcel of ground will become immensely more difficult in the future. CUSD believes the best way to prepare for that future is to hold on to the Canyon View site. The District reviews student housing needs on an annual basis. The District updates its Facility Master Plan on an as needed basis. The decision to retain the Canyon View site will be reviewed as part of the Facility Master Plan Updates.

Further, it has been the intent of Chico Unified School District to use the Measure A funds in the manner for which they were approved by the voters in 1998. The Board of Education recently took several necessary steps in full view of the public, as noted by the 2007/08 Grand Jury, to determine both the viability of building Canyon View High School at this time and the appropriate use of the remaining Measure A funds once it was determined that the high school was not currently needed. The Grand Jury's findings confirm our belief that the actions taken by the CUSD Board of Education in regard to Measure A were appropriate and reflect the will of the people of our community.

We thank the Grand Jury for the time and energy they dedicated to investigating concerns reported to them regarding Measure A funds. Please do not hesitate to contact Kelly Staley, Superintendent, at 891-3000 ext. 149, if you have any questions.

Sincerely,



Jann Reed, President
CUSD Board of Education



Kelly Staley, Superintendent
Chico Unified School District