

**Benicia Unified School District
350 East 'K' Street
Benicia, CA 94510
707-748-2610**

Responses to Findings and Recommendations from the 2003-04 Grand Jury Report

Finding #1 The Grand Jury found no evidence that the BUSD financial problems were due to illegal activities and agrees with the police and the District Attorney findings that there was no criminal intent involved. Agree.

Recommendation #1 None

District Response #1 Recommendation has been implemented

Finding #2 The Grand Jury did find unconventional bookkeeping practices and instances of inaccurate entries of income. Agree.

Recommendation #2 The School Board ensure that the District Superintendent , Chief Financial Officer, and appropriate District personnel be fully familiar with and trained to use and understand the Standardized Accounting Code Structure (SACS) mandated by the California Department of Education.

District Response #2 Recommendation has been implemented. The District Superintendent retired in 2003 and a new Superintendent came to the District in July of 2003. The majority of the Business Office staff has transitioned out and, effective July 2002 the District hired a new CFO. July 2003 the District hired a new Accounting Supervisor; both business officials have a great deal of knowledge of SACS and were actually members of the first agencies to convert to SACS statewide.

Finding #3 The Benicia School Board did not respond appropriately to the serious warning of the outside audits, and later by the Solano County Office of Education that their budget projections were not accurate. Agree.

Recommendation #3 The BUSD implement board policies and budget development and monitoring practices that provides an early warning of financial problems. The Benicia School Board takes immediate action when the County Office of Education issues a warning regarding certification status.

District Response #3 Recommendation has not yet been fully implemented, but will be implemented by June 30, 2005. Budget updates and revisions go to the Board monthly. The Board and Superintendent have committed to updating all of the Board Policies this year, beginning with Budget practices. The Superintendent and CBO have regular meetings with the County Superintendent and CBO to discuss the budget in BUSD. The County has required for the second year in a row a Fiscal Recovery Plan that is implemented and reviewed by the Board on a regular basis.

Finding #4 The Board approved retirement bonuses through the Public Agency Retirement System (PARS) based upon inaccurate and incomplete budget projections. Agree.

Recommendation #4 The Benicia School Board requires accurate and complete fiscal information and financial projections prior to approving retirement packages.

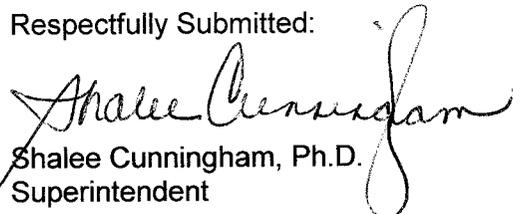
District Response #4 Recommendation has been implemented. The PARS decision was partially based on financial statements that indicated the District was in the black. Additionally, based upon the agreed upon assumptions, PARS analysis showed a savings.

Finding #5 The Solano County Office of Education fulfilled the minimal mandated responsibility of notifying the BUSD Board of potentially not meeting its fiscal budget by issuing 'qualified' and 'negative' certification. Agree.

Recommendation #5 The County Office of Education takes a strong stand in budget discussions when impending problems appear and work with the school district until budget problems are resolved.

District Response #5 Recommendation has been implemented. The Solano County Office of Education has a new superintendent and a new CBO. They meet with school district officials on a regular basis and offer to attend board meetings whenever needed.

Respectfully Submitted:


Shalee Cunningham, Ph.D.
Superintendent