



2025-2026 Santa Clara County Civil Grand Jury

Alum Rock Union School District: Known problems, unfinished solutions

June 17, 2026

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SUMMARY

The Alum Rock Union School District (District) has experienced significant and long-standing deficiencies in governance, financial management, and transparency. Despite repeated audits and investigations over the last decade, the District and its Board of Trustees (Board) have struggled to fully implement meaningful and sustained corrective action.

The District faces significant financial risk driven by persistent enrollment decline and the resulting structural deficits. Enrollment has dropped by 39% over the past decade, from about 10,900 students to roughly 6,700 (SchoolWorks, 2024).

The District's declining student population has significantly reduced state funding. In response, the District closed six schools at the beginning of the 2025-26 school year and expects to continue incurring fiscal deficits as enrollment is forecast to decline by an average of 309 students per year over the next five years (SchoolWorks, 2024). These recurring deficits are expected to erode reserves, raising serious concerns about the District's ability to maintain solvency without substantial corrective action.

California Education Code section 15278 requires school districts that receive voter-approved bond funds for the construction, reconstruction, rehabilitation, or replacement of school facilities to establish a Citizens' Bond Oversight Committee (CBOC), an independent group of community members that reviews whether funds are spent only on authorized projects and reported to the public. The CBOC for the District was inactive from May 2021 to December 2025, and the required annual reports were not produced or published (Financial Crisis and Management Assistance Team, 2024; Harvey M. Rose Associates, 2026). During this period, the District spent \$52.8 million in bond funds without the independent oversight required by state law (Cal. Ed. Code § 15278). As a result, oversight of bond expenditures was inadequate, eroding accountability to taxpayers.

Financial issues are compounded by leadership instability, weakening the District's ability to respond effectively. Between 2024 and 2026, five individuals served as superintendent, preventing continuity, reducing accountability, and reinforcing a reactive approach to decision-making.

The District has been the subject of multiple independent reviews, including the state's Financial Crisis & Management Assistance Team in 2017, 2020, 2024, 2026 (FCMAT); the California State Auditor, 2019 (State Auditor); and an audit by Harvey M. Rose Associates, 2026 (Harvey Rose). These reviews have consistently identified weak internal controls, inadequate capital and financial planning, and failure to implement recommendations previously accepted by the District. The persistence of these issues demonstrates a lack of follow-through and accountability.

Public access to key records has been inconsistent, with Board meeting videos, minutes, audit materials, and presentations often missing, incomplete, or difficult to locate. District information that should be readily available is often not, limiting the public's ability to understand and evaluate District decisions.

The 2025-26 Santa Clara County Civil Grand Jury (Civil Grand Jury) finds the District lacks essential financial planning. It lacks a comprehensive capital plan and a long-term financial strategy to guide spending decisions, prioritize capital investments, and address declining enrollment. The Civil Grand Jury also finds a persistent pattern, for nearly a decade, of weak governance, inadequate oversight, limited transparency, and failure to implement recommendations from the various reports and audits received by the district. Without immediate and sustained corrective action, these deficiencies continue to threaten the District's financial stability.

BACKGROUND

The District is in eastern San José, in Santa Clara County, and currently operates 15 schools, which include 10 transitional kindergarten (a year of learning before traditional kindergarten) through 5th-grade schools, 2 transitional kindergarten through 8th-grade schools, and 3 middle schools for grades 6-8 (Alum Rock Union Elementary School District, 2026).

Six schools were closed during the 2025-26 school year, driven by a significant decline in enrollment. Enrollment decline is, in part, attributed to lower birth rates and the high cost of housing (Silicon Valley at Home, 2022).

Many school districts in California, particularly in the San Francisco Bay Area, have implemented layoffs, budget cuts, and school closures due to declining enrollment (Gibbs, 2026). This District's declining enrollment and resulting budget deficit are more severe than those of most public-school districts in Santa Clara County (Silicon Valley at Home, 2022).

The District is governed by a five-member Board (Cal. Ed. Code § 35012).

METHODOLOGY

The Civil Grand Jury conducted 13 interviews, including current and former District officials, teachers, consultants, District community members, and officials at the Santa Clara County Office of Education (SCCOE).

The Civil Grand Jury reviewed external reports and audits, requested documents, observed Board meetings, and reviewed Board agendas, meeting minutes, and Board presentations during the 2025-26 school year.

INVESTIGATION

Prior Reporting and Audits

In 2017, SCCOE requested that FCMAT open an investigation into financial irregularities at the District. FCMAT issued an audit that found “sufficient evidence to demonstrate that fraud, misappropriation of funds and/or assets, or other illegal activities may have occurred in the specific areas reviewed” (FCMAT, 2017, p. 69). This investigation led to:

- SCCOE taking over financial control of the District (California Department of Education, 2017);
- The District’s bond rating being downgraded from AA- to BBB+ (S&P Global Ratings, 2017);
- The Santa Clara County District Attorney investigating the District’s contracting practices (Lauer, 2020).

Although no criminal charges were filed, the Office of the District Attorney stated that the investigation revealed “negligence by district staff and employees,” leading to a loss of public trust in the Board (Chase, 2020).

The 2017-18 Civil Grand Jury investigated the District and found that the Board had “failed to meet its governance standards and fiduciary responsibility” (Civil Grand Jury, 2018, p. 2) regarding the District’s contracting irregularities.

In 2019, the California State Auditor released an audit that examined the District’s operational and financial practices, governance, and public transparency. This audit documented fiscal mismanagement, governance failures, and noncompliance with operational processes.

The governance failures identified included inconsistent trustee attendance at Board meetings, trustees with conflicts of interest not recusing themselves from voting, board members receiving payment for meetings they did not attend, and failure to post timely meeting agendas as required by the Ralph M. Brown Act (Cal. Gov. Code §§ 54950-54963), thus limiting visibility of its operations to the public.

Noncompliance with the Board’s operational processes included failing to implement the 2017 FCMAT recommendations by 2019, failing to provide the District’s superintendent with timely performance evaluations, and failing to disclose legal costs associated with bond issuance (California State Auditor, 2019).

In 2020 and 2024, FCMAT issued Fiscal Health Risk Analysis reports.

In the 2020 report, FCMAT assigned the District a High-Risk rating of financial insolvency due to its fiscal challenges. The report stated:

[FCMAT] has identified the main areas of concern to be budget monitoring, budget development and adoption, internal controls and fraud prevention, non-voter-approved debt and risk management, contributions and transfers, deficit spending and fund balance and reserve for economic uncertainty. The board's decision to not act to implement either a plan to eliminate and/or reduce deficit spending; eliminate, reduce or control contributions/transfers to restricted programs; or restore the reserve is a detriment to the district's fiscal health and solvency unless further deep budget cuts can be made. Keep in mind that reductions in staff is not a complete plan. It is but one step in a well-crafted plan. The governing board is ultimately responsible for the district's budget (FCMAT, 2020, p. 8).

In its 2024 report, FCMAT again assigned the District a High-Risk rating, noting that it had not aligned the number of schools with enrollment declines and continued to project significant deficits. In fiscal year 2023-24, the District had capacity for 17,064 students but enrolled only 7,362, operating at 43% of its capacity.

On January 29, 2026, the Board released an audit by Harvey Rose as part of the agenda packet. The Board had commissioned the audit to evaluate the District's bond program from July 2021 to June 2024.

The audit identified systemic weaknesses in the District's management, oversight, and accountability of its bond program. Among other areas, it also found no capital planning or long-term financial framework to guide spending, limited public reporting, poor record-keeping, and missing documentation.

Given the concerns expressed in the Harvey Rose report and its recency, the Civil Grand Jury found it troubling that many District officials interviewed demonstrated a lack of familiarity with its contents.

See [Appendix A](#) for side-by-side summaries of the FCMAT - Extraordinary Audit (2017), California State Auditor (2019), and Harvey M. Rose - Bonds Audit (2026).

Failure to Implement Prior Recommendations

In 2019, the State Auditor found that the District and Board had failed to act on many of the recommendations from the 2017 FCMAT audit:

The district's delay in implementing the FCMAT recommendations can be partially attributed to the board, which has not directed district staff to formally track and document implementation efforts. ... [T]he board did not direct staff to prioritize monitoring the district's implementation efforts, and staff did not believe they had the authority to implement most of the recommendations without board approval (Cal. State Auditor, 2019, p. 35).

The Harvey Rose audit confirmed that this pattern of inaction persisted.

[W]e observe that the District has not yet implemented many of the FCMAT and State Auditor recommendations. These recommendations would improve the District's internal controls, operational and financial practices, governance, and public transparency for both bond funds and the District's overall operations (Harvey Rose, 2026, p. 8).

The District acknowledged the findings and accepted the recommendations in the multiple audits that identified deficiencies. Nevertheless, it failed to act. These unimplemented recommendations targeted fundamental issues, including contracting practices, internal controls, conflict-of-interest disclosures, and governance procedures.

Leadership turnover and instability, combined with the absence of systems to track and report on implementation, allowed the FCMAT and the State Auditor recommendations to be disregarded. The Board has not consistently enforced accountability or established timelines. This sustained inaction has permitted longstanding deficiencies to persist and reflects the Board's failure to provide management oversight and effective control.

As of January 2026, the District reports implementing 15 of 22 Harvey Rose recommendations (Harvey Rose, 2026, Appendix A). The Civil Grand Jury views this progress as encouraging but emphasizes that the District must break from its historical pattern of acknowledging deficiencies, accepting recommendations, and then failing to implement them. The true measure of the District's commitment will be demonstrated through consistent positive results over time.

Failure to Ensure Transparency and Timely Public Access to Information

The Civil Grand Jury was unable to locate or access information on the District's website that it is legally required to disclose, including bond audits and Board meeting minutes.

The Civil Grand Jury discovered:

- Videos and minutes from Board meetings were often not posted on the District's website afterward.
 - For the first 27 Board meetings during the 2025-26 school year, 17 meetings had working video links, 8 had no videos posted, and 2 returned a message stating "Video Unavailable," meaning 37% of meetings could not be reviewed ([Appendix B](#)).
 - Minutes were posted for only 19 of 26 meetings ([Appendix B](#)).
- Incomplete audit information on the District's website ([Appendix C](#)) regarding its General Obligation Bond funds limits the public's ability to understand how bond proceeds are spent. This documentation is legally required to be posted on the District's website by California Education Code sections 15278-15282.
- Harvey Rose completed the Board-requested audit within three months, by June 2025; however, the District delayed presenting it to the Board until November 2025, and the Board delayed agendaing it until January 2026, seven months after the audit's completion.

The District's website contains incomplete, missing, and/or outdated information. For example:

- The Superintendent's annual report has not been posted since September 22, 2023.
- Outdated CBOC Bylaws only refer to Measure I (2016) and Measure J (2012), with no reference to Measure S, which was passed in 2022.
- Salary schedules have not been updated since FY2023-24.
- Notices of Completion (for contracts) had not been updated since January 2023.
- The first interim (December 2025) and second interim (March 2026) budget updates for FY2025-26 were not posted.

These conditions were observed as of April 19, 2026.

The District's outdated and missing website information, coupled with inconsistent posting of key materials, impedes public access. Consequently, neither the public nor the Civil Grand Jury can effectively review many of the Board's actions or fully evaluate District decisions.

Failure to Comply with Administrator Ratio Requirement

The independent auditor, Crowe LLP, presented the results of the 2024-25 Fiscal and Performance General Obligation Bond Audits during the Board meeting on February 26, 2026 (Crowe LLP, 2026, p. 72). A key finding was that the District exceeded the administrative staff limit under California Education Code section 41402, which requires nine or fewer administrative staff for every 100 teachers. The District was found to have exceeded this limit by seven positions. This safeguard is intended to ensure that the bulk of the state funding supports classroom instruction rather than administrative overhead. As a result of noncompliance, the District was required to return \$180,554 to the State of California. The Civil Grand Jury finds that this outcome was entirely foreseeable and should have been prevented through basic fiscal oversight and workforce planning.

Leadership Turnover

Between March 2024 and March 2026, the District had five superintendents: two permanent and three interim. The Board is in the process of hiring its third permanent superintendent in less than three years.

- June 2014 – March 2024: Superintendent Hilaria Bauer
- March 2024 – July 2024: Superintendent Imee Almazan (interim)
- July 2024 – September 2024: Superintendent Emmanuel “Manny” Barbara (interim)
- September 2024 – July 2025: Superintendent German Cerda
- August 2025 – Present: Superintendent Sandra Garcia (interim)

In March 2024, the Board removed Dr. Bauer as District Superintendent. Following the announcement, the Board President stated that she was surprised by the motion (NBC Bay Area, 2024). Her statement indicates a lack of alignment among Board members regarding a significant governance action and raises questions about the planning and deliberation that preceded the superintendent's mid-year dismissal.

In July 2025, Mr. Cerda was removed as the District Superintendent 10 months after being hired by the Board. This termination imposed significant costs on the District, including more than \$300,000 paid to Mr. Cerda for the remaining term of his contract (Gabbert, 2025). During interviews, the Civil Grand Jury found widespread surprise and uncertainty within the District and community about the reason for the dismissal. Mr. Cerda publicly asserted that the removal was retaliatory, stemming from inquiries the superintendent made into Board members' expense reimbursements (*Id.*).

Through interviews, the Civil Grand Jury was told that the unexpected removal of the last two permanent superintendents has been disruptive to the District's ability to set goals and strategy.

District's Lack of Governance and Oversight of the Bond Program and Citizens' Bond Oversight Committee

Issuing bonds to fund a school district's capital needs is a complex financial activity regulated by both the California Education Code (Cal. Ed. Code §§ 15100–15425) and federal law and enforced by the U.S. Securities and Exchange Commission. The Civil Grand Jury identified several areas of concern regarding the District's bond program.

The District failed to publish CBOC annual reports for five straight years from FY2019-20 through FY2023-24. The CBOC also did not meet from May 2021 to December 2025. The 2024 FCMAT audit put the District on notice of these deficiencies. In October 2024, the District stated it planned to restart the CBOC, attributing its lapse to low interest and lack of participation, partly due to the COVID-19 pandemic. It then took another 14 months for the District to hold its next CBOC meeting (Alum Rock Union School District, Archive of Agendas and Minutes, n.d.).

Under California Education Code sections 15278 and 15280, the Board must establish and appoint the CBOC, ensure it meets and functions, and provide administrative support and public reporting; accordingly, the Board bears ultimate responsibility for the CBOC's failure to meet.

The Civil Grand Jury found no justification for the Board's failure to have a functioning CBOC as required by law. The Civil Grand Jury also found no evidence of meaningful efforts to address the problem until late 2025. During the years when the CBOC was not functioning, the District spent \$52.9 million from the 2021-22 through the 2024-25 school years with no citizen oversight (see Table 1). The Civil Grand Jury has concerns about the legality and accountability of spending bond funds without citizen oversight, especially given the history of financial mismanagement.

Table 1: District Expenditures by Year and Bond Measure without CBOC Oversight

| Year Ending June 30/Bond Program | Expenditures |
|---|---------------------|
| 2022 Measure J | \$819,797 |
| 2023 Measure I | \$11,461,682 |
| 2023 Measure J | \$3,694,356 |
| 2023 Measure S | \$427,160 |
| 2024 Measure I | \$21,840,812 |
| 2024 Measure J | \$603,547 |
| 2024 Measure S | \$519,860 |
| 2025 Measure I | \$12,869,284 |
| 2025 Measure S | \$620,596 |
| Total | \$52,857,094 |

Sources: Crowe LLP, Alum Rock Union Elementary School District Measure I General Obligation Bonds Financial Statements, 2023–2025; Crowe LLP, Alum Rock Union Elementary School District Measure J General Obligation Bonds Financial Statements, 2022–2024; Crowe LLP, Alum Rock Union Elementary School District Measure S General Obligation Bonds Financial Statements, 2023–2025.

The District’s management of its bond program reflects a pattern of weak oversight, inadequate planning, and failure to meet basic accountability requirements. Although the CBOC has been re-established, the District must ensure sustained independent oversight, fully implement prior audit recommendations related to the bond program, and establish disciplined planning and monitoring of bond expenditures. Without these actions, the District fails in its fundamental responsibility to safeguard and properly manage voter-approved bond funds.

Lack of Long-Term Capital and Financial Planning

A capital plan sets a clear roadmap for how a district prioritizes, approves, and funds investments in major assets such as roofs, HVAC systems, buildings, and other infrastructure. It outlines expected spending over multiple years, improving transparency and planning. By prioritizing and sequencing projects, a capital plan ensures that limited resources are directed to the most critical needs.

In its 2026 audit, Harvey Rose found that the District lacked a long-term capital plan and found no evidence that the Board had requested one. In the last five years, the District has allocated

almost \$100 million in bond funds to facilities without providing the public with a clear plan or prioritization of needs.

The Harvey Rose audit emphasized that:

The District does not have sufficient capital planning, debt management, or long-term financial planning policies, processes, or procedures. Without policies in these areas, as recommended by multiple authorities, the District is at risk of misusing bond funds, not optimizing the use of these funds, and not sufficiently planning for its financial future to ensure it is able to meet its future debt service obligations (Harvey Rose, 2026, p. i).

During the FY2021-22 through 2023-24, the District used bond proceeds without adequate planning or oversight. Specifically, it:

- Allocated \$56 million to a workforce housing project that was not included in its facilities plan while failing to evaluate competing needs;
- Spent over \$39 million on projects without documenting how the projects were selected, prioritized, or aligned with District goals;
- Failed to include timelines, funding allocations, prioritization, or financing strategies in its 2023-2038 long-range facilities plan (Harvey Rose, 2026).

The above examples show the District did not document how or why projects were selected, nor did it demonstrate alignment with strategic priorities. Further, the District lacks a 5 to 20-year financial outlook that includes revenue streams and capital project needs.

The District has projected a continued year-over-year enrollment decline of 4.6% from school years 2024-25 through 2030-31 (SchoolWorks, 2024). A long-term financial plan would allow it to better understand the implications of declining enrollment and projected shortfalls.

The District's projected deficits of \$4.2 million in 2026-27 and \$6.4 million in 2027-28 will continue to erode the District's limited financial reserves (Alum Rock Union Elementary School District, 2026). As the general fund is diminished each year, it is unclear how the District will avoid insolvency, particularly given the relative certainty of declining enrollment. Other districts in a similar situation have addressed ongoing deficits by leasing closed schools, closing additional schools, reducing staff, and/or finding new revenue sources such as a voter-approved parcel tax (Gibbs, 2026; Lafortune and Prunty, 2023).

The Civil Grand Jury finds that the District has failed to meet a core fiscal responsibility: developing long-term capital and financial plans. This gap exposes the District to significant financial risk and limits the public's visibility into key financial decisions. Although the District acknowledges the need for such a financial plan, as of April 2026, it has not developed a plan to address the financial impacts of declining enrollment. The District should promptly implement an integrated capital and long-term financial plan aligned with its fiscal capacity and strategic priorities.

CONCLUSION

The District must take immediate action to address its longstanding deficiencies in governance, financial management, and transparency. Prior audits have already identified the necessary reforms and documented the District's failure to follow through. The path forward is clear: The District must now demonstrate consistent execution and accountability.

The Board must fulfill its oversight role by setting clear priorities, enforcing fiscal discipline, and requiring measurable progress on prior recommendations. It must hire a superintendent who is an experienced leader, it must hold that person accountable for implementation, and it must sustain a stable, effective working relationship that supports continuity and results.

The District must ensure that Board materials, audits, and financial information are complete, accurate, and readily accessible to the public.

Finally, the District must implement comprehensive long-term capital and financial planning to guide spending, prioritize investments, and address the financial consequences of declining enrollment. Without these changes, the District will remain at risk of continued financial instability and erosion of public confidence.

FINDINGS AND RECOMMENDATIONS

Finding 1a

The District has not followed through on commitments to address deficiencies in governance, financial management, and transparency identified in prior audits.

Finding 1b

Many District officials were not familiar with the content and recommendations of the FCMAT, California State Auditor, and Harvey Rose audits.

Recommendation 1a

The Board should develop a detailed implementation plan for all remaining recommendations it has accepted but not implemented from the FCMAT, California State Auditor, and Harvey Rose audits. The Board should require the Superintendent to issue a written status report quarterly until all recommendations are implemented.

This should be implemented by December 31, 2026.

Recommendation 1b

The Board should retain an independent auditor with public-sector expertise to conduct a follow-up review of the Harvey Rose audit and assess implementation of its recommendations and present the results to the Board.

This should be implemented by January 31, 2027.

Finding 2a

The District's website content on school operations frequently has obsolete or missing data.

Finding 2b

The Board's meeting videos, materials, and minutes are often missing from the District website or are not published promptly.

Recommendation 2a

The Board should review its current website content, identify and refresh all outdated content, and ensure that all required content is publicly available.

This should be implemented by December 31, 2026.

Recommendation 2b

The Board should ensure that Board materials, once distributed to the Board, are made available to the public without delay, except where the Brown Act permits withholding confidential materials. Board meeting videos should be published within three business days of the meeting.

This should be implemented by September 30, 2026.

Finding 3

Board-initiated superintendent turnover has undermined the Board’s ability to set goals and execute a coherent strategy for the District.

Recommendation 3a

The Board should hire an experienced superintendent to align the District around a shared strategic vision, strengthen administrative performance, and ensure the District has appropriate staff expertise.

This should be implemented by September 30, 2026.

Recommendation 3b

The Board should strengthen its governance practices by establishing clear roles, expectations, and communication protocols with the superintendent to support a stable, effective, and long-term working relationship.

This should be implemented by December 31, 2026.

Finding 4a

The District and Board were negligent in failing to maintain a functioning CBOC from May 2021 through December 2025.

Finding 4b

The District spent \$52.8 million in bond funds during the 2021-22 through the 2024-25 school years without required citizen oversight.

Recommendation 4a

The Board should establish a regular reporting schedule for the CBOC within the Board’s meeting agenda to ensure timely updates on its activities and oversight efforts.

This should be implemented by September 30, 2026.

Recommendation 4b

The Board should embed ongoing recruitment for CBOC positions into its standard operations and actively target candidates with construction management and finance expertise to strengthen the committee’s capacity to analyze and interpret audits and reports.

This should be implemented by December 31, 2026.

Recommendation 4c

The Board should request the current CBOC review bond expenditures from the 2021-2022 through 2024-2025 school years and issue a supplemental report on this period. The CBOC should be provided with access to appropriate resources, such as an independent auditor, to produce this supplemental report.

This should be implemented by June 30, 2027.

Finding 5a

The District has not developed a long-term integrated capital and financial plan extending five years or longer.

Finding 5b

The District faces a serious risk of financial insolvency unless it develops and implements a realistic plan to eliminate its annual budget deficits.

Recommendation 5a

The Board should extend its budget-planning horizon to five years to provide clearer insight into emerging financial risks, including declining enrollment. This five-year plan should be presented to the Board annually.

This should be implemented by December 31, 2026.

Recommendation 5b

The Board should develop and regularly refresh a long-term financial plan, 5 to 20 years, that serves as a strategic roadmap for proactive, sustainable budgeting, and functions as an early-warning system to identify and address emerging financial trends. This plan should be presented for Board review and approval.

This should be implemented by December 31, 2026.

Recommendation 5c

The Board should develop and maintain a long-term capital plan to project future facilities needs and expenditures and align them with anticipated bond issuances.

This should be implemented by December 31, 2026.

REQUIRED RESPONSES

Pursuant to California Penal Code section 933(a) et seq. and California Penal Code section 933.05, the 2025-26 Santa Clara County Civil Grand Jury requests responses from the following governing body:

| Responding Agency | Findings | Recommendations |
|---|-----------------------------------|--|
| Board of Trustees for the Alum Rock Union School District | 1a, 1b, 2a, 2b, 3, 4a, 4b, 5a, 5b | 1a, 1b, 2a, 2b, 3a, 3b, 4a, 4b, 4c, 5a, 5b, 5c |

APPENDIX A: Audit Summaries

| Topic Area | FCMAT – Extraordinary Audit (2017) | California State Auditor (2019) | Harvey M. Rose – Bonds Audit (2026) |
|--|---|--|---|
| Overall Governance & Controls | Material weaknesses in internal controls; increased probability of fraud, mismanagement and/or misappropriation | Deficient oversight and weak internal controls contributed to operational and financial risk | Governance failures persist; lack of policies, enforcement, and follow-through undermines bond accountability |
| Capital Planning | Absence of structured planning contributing to fiscal risk | Lack of strategic and long-term planning | No capital improvement plan or capital budget during FY2021-22 to FY2023-24 |
| Long-Term Financial Planning | No long-term financial planning framework | Recommended multi-year financial planning | No long-term financial forecast prepared |
| Debt & Financial Risk Management | Weak controls impair ability to manage obligations | Financial oversight weaknesses increasing fiscal exposure | Outdated, incomplete debt policy and failure to operationalize policies |
| Bond Program Oversight | Need for strong expenditure oversight | Need for transparency and accountability in use of public funds | Bond program oversight ineffective, with missing reports and weak controls |
| Citizens’ Bond Oversight Committee (CBOC) | Governance weaknesses that foreshadowed oversight failures | Importance of independent oversight bodies | CBOC largely nonfunctional, understaffed, unable to document required activities |
| Procurement & Contracting | Significant deficiencies in purchasing practices and documentation | Ongoing procurement and contracting weaknesses | Could not demonstrate compliance with its own procurement rules |

| Topic Area | FCMAT – Extraordinary Audit (2017) | California State Auditor (2019) | Harvey M. Rose – Bonds Audit (2026) |
|---|---|--|---|
| Contract Monitoring & Performance Evaluation | Monitoring and documentation need improvement | Formal contract monitoring and performance evaluations needed | No contract monitoring policy or evaluations, despite prior recommendations |
| Conflicts of Interest / Ethics | Concerns about controls and transparency | Need to determine which contractors must file Form 700 disclosures | Still does not require Form 700 filings contractors |
| Transparency & Public Reporting | Limited transparency in financial practices | Need for clearer reporting and accountability | Insufficient public reporting, outdated website, and limited communication |
| Implementation of Prior Recommendations | N/A | Corrective action following audit was incomplete | Many FCMAT and State Auditor recommendations still unimplemented |

APPENDIX B: Board of Trustees Meeting Availability of Video and Minutes - Data as of April 17, 2026

| Date of Trustee Meeting | Video Available? | Minutes Available? |
|--------------------------------|-------------------------|---|
| April 16, 2026 | No | Should be approved at next Board Meeting |
| April 14, 2026 | No | No |
| March 26, 2026 | Yes | No |
| March 19, 2026 | Yes | No |
| March 12, 2026 | No, Broken Link | Yes |
| March 5, 2026 | Yes | Yes |
| February 26, 2026, 10:45 P.M. | No, Broken Link | Yes |
| February 26, 2026, 5:30 P.M. | No | Yes |
| February 19, 2026 | No | Yes |
| February 12, 2026 | Yes | Yes |
| January 29, 2026 | Yes | Yes |
| January 6, 2026 | Yes | Yes |
| December 18, 2025 | Yes | Yes |
| December 4, 2025 | Yes | Yes |
| November 20, 2025 | Yes | Yes |
| November 8, 2025 | No | Yes |
| November 6, 2025 | Yes | Yes |
| October 23, 2025 | Yes | Yes |
| October 9, 2025 | Yes | Yes |
| September 25, 2025 | Yes | Yes |
| September 11, 2025 | Yes | Yes |
| August 30, 2025 | No | No |
| August 28, 2025 | No | No |
| August 14, 2025 | No | Yes |
| August 2, 2025 | Yes | Yes |
| July 31, 2025 | Yes | No |
| July 17, 2025 | Yes | No |
| | | |
| Total Available | 17 (63%) | 19 (73%) |
| Total Not Available | 10 (37%) | 7 (27%) |

APPENDIX C: Availability of General Obligation Bond Audits on Alum Rock Union Elementary School District Website

| Bond Measure | School Year | Performance Audit | Financial Audit |
|---------------------|--------------------|--------------------------|------------------------|
| Measure S | 2024-25 | No | No |
| Measure I | 2024-25 | No | No |
| Measure S | 2023-24 | No | No |
| Measure I | 2023-24 | No | No |
| Measure J | 2023-24 | No | No |
| Measure S | 2022-23 | Yes | Yes |
| Measure I | 2022-23 | Yes | Yes |
| Measure J | 2022-23 | Yes | Yes |

Note: Data as of April 17, 2026

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Public Meetings Observed in Person, by Video, or Transcript
(<https://www.arusd.org/about-us/board-of-trustees/board-agendas>)

| Date | Meeting |
|---------------------------|--|
| June 12, 2025 | Alum Rock Union Elementary School District (ARUSD) Board of Trustees Meeting |
| July 17, 2025 | ARUSD Board of Trustees Meeting |
| July 31, 2025 | ARUSD Board of Trustees Meeting |
| August 2, 2025 | ARUSD Board of Trustees Meeting |
| October 23, 2025 | ARUSD Board of Trustees Meeting |
| November 6, 8, 20, 2025 | ARUSD Board of Trustees Meeting |
| December 4, 18, 2025 | ARUSD Board of Trustees Meeting |
| January 6, 2026 | ARUSD Board of Trustees Meeting |
| February 12, 19, 26, 2026 | ARUSD Board of Trustees Meeting |
| March 5, 12, 19, 26, 2026 | ARUSD Board of Trustees Meeting |
| April 14, 16, 2026 | ARUSD Board of Trustees Meeting |

This report was **ADOPTED** by the 2025-26 Santa Clara County Civil Grand Jury on this 17th day of June, 2026.



Dinesh Ramde
Foreperson