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DAVID H. YAMASAKI
Chief Executive Officer/Clerk,
Superior Court of CA County of Santa Clara
BY STEPHANIE WONG

September 4, 2013

Honorable Brian C. Walsh, Presiding Judge
Santa Clara County Superior Court
191 North First Street
San Jose, Ca. 95113

Dear Honorable Judge Walsh,

In response to the 2012-2013 Santa Clara County Civil Grand Jury Final Report, Our School Districts Do Not Need Zeros, please accept the following response to the finding and the recommendation.

Finding 1

CABS shift large, compounding interest costs to future taxpayers and will inevitably compound the burdens school districts face in operating effective schools for their students in the future.

Recommendation 1

Each school district in Santa Clara County should adopt a Board Policy and any necessary administrative regulation indicating its intent to comply with the moratorium called for by the State Treasurer and the State Superintendent of Public Instruction.

Response to Finding 1

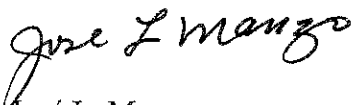
Oak Grove School District agrees with the Grand Jury Finding. The Oak Grove School District further wishes to state that there may be a time when a school district's immediate facility needs are so pressing that the issuance of a capital appreciation bond is warranted. Oak Grove School District strives to be more transparent with our communities when evaluating the appropriateness of capital appreciation bonds over issuing current interest bonds.

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Response to Recommendation 1

Oak Grove School District believes the recommendation of Santa Clara County Civil Grand Jury requires further analysis despite the moratorium called for by the State Treasurer and State Superintendent of Public Instruction. The District intends to comply with all State and Federal regulations regarding the issuance of bonds, including capital appreciation bonds. The District is supportive of possible future legislation similar to AB 182 that would provide further clarification and parameters on the issuance of bonds. If new legislation is proposed and adopted within the next six months, the Board of Trustees will discuss possible revisions to current Board Policy and any necessary administrative regulations.

Sincerely,



José L. Manzo
Superintendent
Oak Grove School District