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## **NAPA COUNTY CIVIL GRAND JURY**

**2024-2025**

**March 21, 2025**

**FINAL REPORT**

**Helping Napa Public Schools Make the Grade:  
Does Bond Financing Pass the Test?**

# SUMMARY

In the 2024 General Election, Napa voters narrowly approved Measure B, a \$230 million local bond measure to finance capital projects planned for the Napa Valley Unified School District (NVUSD). The 2024-2025 Napa County Civil Grand Jury observed that the NVUSD Board of Trustees has placed four bond measures on ballots in the last six general elections. The Civil Grand Jury decided to investigate the appropriateness and effectiveness of this reliance on bond financing.

Most public school districts in California depend on state financial support which can fluctuate significantly based on the State's annual financial conditions, which makes local budgeting of the resources needed for expensive and often multi-year initiatives challenging and complicated. Raising local revenues through bond sales can help stabilize local school district financing. Measure B funds are committed for repairs, renovations and classroom updates for Napa-based campuses within NVUSD.

After a seven-month investigation, the Civil Grand Jury made six findings of facts and six recommendations regarding NVUSD's use of bond financing for capital projects and the oversight of the allocation of funds.

- **Reliance on Bond Financing:** Bond financing is the primary source of funding for NVUSD capital needs. The Civil Grand Jury recommends NVUSD maintain an ongoing campaign using multiple media outlets and distribution tools to inform stakeholders and the general public on the details and progress of the projects associated with bond fund allocations.
- **Web Accessibility and Public Trust:** The NVUSD website is complex to navigate, making it challenging to access bond financial data and reports. Noting narrow bond election results, the Civil Grand Jury recommends that NVUSD proactively distribute information and updates to inform the general public on how bond funds are being allocated and used, to help build community trust.
- **Use of Bonds for Salaries:** While permissible in limited circumstances, using bond funds for NVUSD employee salaries may reduce public trust by contradicting public pledges and bond ballot language that states, "no funds for administrators". The Civil Grand Jury recommends NVUSD refrain from using bond funds for any district salaries, operating expenses or other administrative activities.
- **Public Awareness of Citizen Bond Oversight Committees:** California's Proposition 39 (2000) requires school boards to establish independent oversight committees and conduct annual financial and performance audits until all bond funds are spent. The Civil Grand Jury recommends NVUSD inform the general public about the role of bond oversight committees and actively encourage participation from stakeholder groups, especially community members and parents of students, to participate on such committees.

- Citizen Bond Oversight Committee Training: NVUSD Bond Oversight Committees lack thorough and independent training on the roles, scope of work, and authority of its members. The Civil Grand Jury recommends NVUSD provide independent training of Citizen Bond Oversight Committees, starting with the new Measure B committee.
- Facilities Master Plan and Public Participation: NVUSD's 2016-2025 Facilities Master Plan was developed and implemented with only limited public participation. The Civil Grand Jury recommends NVUSD fully implement its existing facilities planning policy by establishing a Facilities Advisory Committee consisting of staff, parents/guardians and business, local government, and other community representatives.

Prior to the publication of this report, the Civil Grand Jury learned that NVUSD began implementing elements of these recommendations shortly after Measure B was certified in December of 2024. The Civil Grand Jury commends the district staff and Board of Trustees for these actions.

# METHODOLOGY

The 2024-2025 Napa County Civil Grand Jury interviewed officials from the Napa County Office of Education and the Napa Valley Unified School District, as well as members of the Measure H and Measure A2 Bond Oversight Committees. Members of the Civil Grand Jury attended meetings of the Measure H and Measure A2 Bond Oversight Committees.

The Civil Grand Jury reviewed the budgets of the Napa Valley Unified School District, audits of Measure H bond spending, the annual reports of the Measure H Bond Oversight Committee, the minutes and recordings of Bond Oversight Committees, and the documents cited below in this report.

# DISCUSSION

## Introduction

The 2024-2025 Napa County Civil Grand Jury observed that the Napa Valley Unified School District (“NVUSD” or “district”) Board of Trustees has placed four bond measures on the ballots in the last six general elections. The Civil Grand Jury decided to investigate whether the district is relying appropriately on bond funding to finance capital projects in its 10-year Facilities Master Plan. The Civil Grand Jury’s review was limited to the use of bond financing, not the specifics, merits, or prioritization of any particular bond-funded projects.

## California School Financing

K-12 public education financing in California has a complex structure. To assist policy makers, California school business officers have developed “The Bottom Line”<sup>1</sup>, a guide to essential information about school business and finance. K-12 funding is generally provided through a combination of local, state, and federal sources.

Proposition 13, passed in 1978, sharply curtailed local property taxes, causing increased reliance on state funding, primarily through income taxes. Proposition 13 limited property taxes to 1% of assessed value, limited annual increases due to inflation to 2% per year, and permitted reassessments of value only when properties changed hands. It also required a two-thirds majority approval by voters for any local “special purpose” taxes.

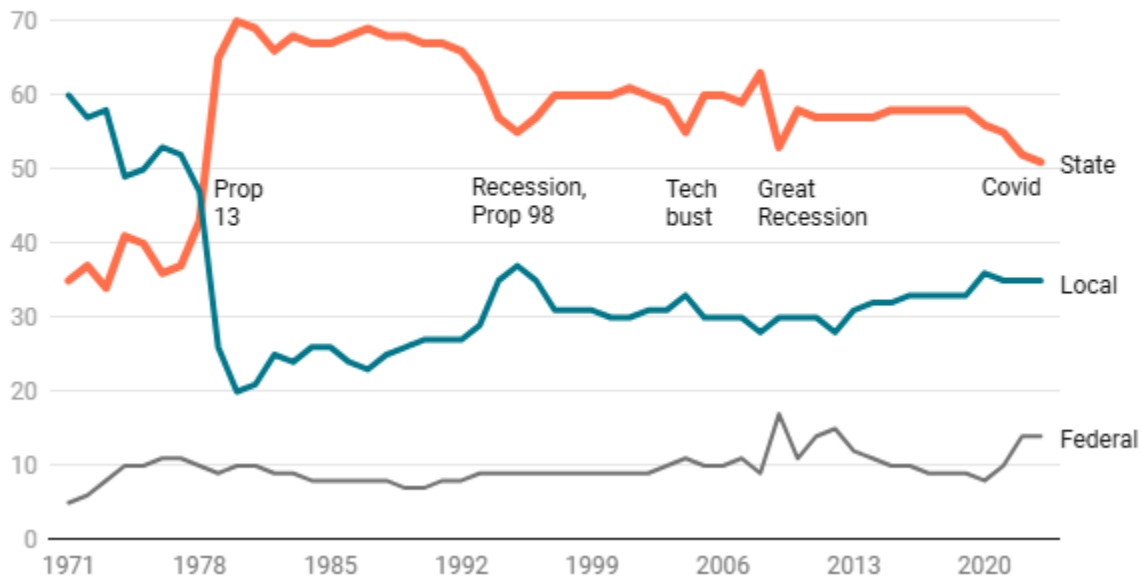
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<sup>1</sup> California Association of School Business Officials, “The Bottom Line: A CASBO guide on school business and finance in California” (2023) available at <https://www.casbo.org/wp-content/uploads/2022/11/CASBO-Guide-to-School-Business-and-Finance.pdf>.

Ten years later, in 1998, California voters passed Proposition 98, which mandates minimum education spending. In 2013, the California Legislature passed the Local Control Funding Formula (“LCFF”) which combined a myriad of previously existing K–12 funding streams, including revenue limits, general purpose block grants, and most state categorical programs.<sup>2</sup>

## Revenue sources for California K-12 schools since 1970

Percentage of public school funding from state, local, and federal sources



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LCFF funding provides an allocation to each district based primarily on average daily attendance, supplemented by additional allocations based on “unduplicated percentage of targeted disadvantaged pupils. Targeted pupils are those classified as English learners (EL), meet income requirements to receive a free or reduced-price meal (FRPM), foster youth, or any combination of these factors (unduplicated count).”<sup>4</sup> Local property taxes are used to meet the LCFF allocation, and the state funds for any shortfall beyond this level. If local property taxes exceed the LCFF allocation, the district retains this additional revenue and does not receive LCFF funding, though remains eligible for various categorical funding for specific purposes. These districts are referred to as “basic aid”, “excess revenue”, or “community supported” districts. Although the property tax base in Napa County has been rising each year for many years due to

<sup>2</sup> California Department of Education, “Local Control Funding Formula Overview”, <https://www.cde.ca.gov/fg/aa/lc/lcfftoverview.asp>.

<sup>3</sup> This chart is from Ed 100, “What are Basic Aid districts”, <https://ed100.org/blog/basic-aid>.

<sup>4</sup> California Department of Education, “Local Control Funding Formula Overview”, <https://www.cde.ca.gov/fg/aa/lc/lcfftoverview.asp>.

increased property values, NVUSD is not a “basic aid”, “excess revenue” or “community supported” district, though it may meet the criteria in coming years.<sup>5</sup>

The “local control” of LCFF allocations provides broader flexibility for local school districts to use funding to meet local needs and includes a requirement for Local Control and Accountability Plans (LCAP) for each district to set goals, plan actions, and leverage resources to meet those goals to improve student outcomes. Although flexible,

“... the amount of actual, discretionary money available from year to year for school districts can be very limited. The Base Grant must primarily support core expenses for teacher and staff salaries and health benefits, which account for the largest percentage of school expenses (typically 85-90% of a district’s budget). Fixed costs for categories such as utilities and maintenance must also come out of the base. The state has also increased the obligation of districts to fund retirement and pension costs. Fiscal pressure against the Base Grant can be extreme, especially when coupled with inflation increasing faster than the growth in school districts’ annual, ongoing LCFF base revenues and cost-of-living adjustment (COLA).”<sup>6</sup>

Districts are also required to maintain a minimum 3% reserve for contingencies (though encouraged to maintain reserves closer to 2 months of operating expenses, or 16.6%), and devote at least 3% of general unrestricted funds to facilities and maintenance.<sup>7</sup> These fiscal pressures have limited the ability of school districts, including NVUSD, to use general funds to address long-term facility needs. Instead, most districts turn to bond financing, combined with matching state funds, for capital projects. For example, in the most recent 2024 general election, 18 North Bay Area public school districts sought bond funding (14 passed), and 266 local school bond measures were on the ballot statewide, of which 204 or 77% passed, for a total of \$45.4 billion in bonds.<sup>8</sup> Over the past 20 years, California voters approved \$181 billion in local bonds for public school and community college facility projects.<sup>9</sup>

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<sup>5</sup> Calistoga Unified, St. Helena Unified, Howell Mountain Elementary and Pope Valley Elementary Districts are all “community supported” districts, as local property tax revenues exceed the LCFF allocations, as is the Napa Valley Community College District under a similar funding formula for community colleges. For a useful explanation of basic aid or community supported districts, see Ed 100, “What are Basic Aid Districts”, <https://ed100.org/blog/basic-aid>.

<sup>6</sup> California Association of School Business Officials, “The Bottom Line: A CASBO guide on school business and finance in California” (2023), page 4, <https://www.casbo.org/wp-content/uploads/2022/11/CASBO-Guide-to-School-Business-and-Finance.pdf>.

<sup>7</sup> Cal. Code Regs. Title 5 (Education) § 15450.

<sup>8</sup> California Local Government Finance Almanac, “Local Measure Results: November 2024”, <https://californiacityfinance.com/Votes2411final.pdf>

<sup>9</sup> Official Voter Guide, 2024 Election, Prop 2 Analysis by the Legislative Analyst, <https://voterguide.sos.ca.gov/propositions/2/analysis.htm>.

California Proposition 39, passed in 2000, allows 55 percent of local voters to approve school bonds, lowering the threshold from the previous two-thirds (66.7%) requirement. It imposed accountability requirements on districts that want to issue school bonds, including establishing citizen oversight committees to review all bond expenditures.<sup>10</sup> Proposition 39 contained ballot language that includes “a requirement that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3) [facilities], and not for any other purpose, including teacher and administrator salaries and other school operating expenses.” However, California Attorney General Opinion 04-110<sup>11</sup> concludes that “a school district may use Proposition 39 school bond proceeds to pay the salaries of district employees to the extent they perform administrative oversight work on construction projects authorized by a voter approved bond measure.”

K-12 school districts rely on local bonds to generate the funds needed for major capital projects. In addition, the State’s “School Facility Program” financing model for school districts generally requires local matching funds for new construction and modernization of facilities.<sup>12</sup> The State dollars typically are allocated to districts to reimburse for projects that have been completed and on a first-come, first-served basis. According to the legislative analysis accompanying AB 247 (2024), the bill to place Proposition 2 on the 2024 ballot:

“[State] K-12 allocations for new construction funds have been depleted since September 2018 while modernization funds were fully allocated in February 2019.

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<sup>10</sup> Implementing Proposition 39, California Education Code section 15282 provides in part that “The citizens' oversight committee shall consist of at least seven members to serve for a term of two years without compensation and for no more than two consecutive terms. While consisting of a minimum of at least seven members, the citizens' oversight committee shall be comprised as follows:

- (1) One member shall be active in a business organization representing the business community located within the district.
- (2) One member shall be active in a senior citizens' organization.
- (3) One member shall be active in a bona fide taxpayers' organization.
- (4) For a school district, one member shall be the parent or guardian of a child enrolled in the district...
- (5) For a school district, one member shall be both a parent or guardian of a child enrolled in the district and active in a parent-teacher organization, such as the Parent Teacher Association or school site council...”

<sup>11</sup> Attorney General Opinion 04-110, found at <https://oag.ca.gov/system/files/opinions/pdfs/04-110.pdf>.

<sup>12</sup> Public Policy Institute of California, “Equitable Funding for School Facilities”, <https://www.ppic.org/publication/policy-brief-equitable-state-funding-for-school-facilities/>

According to the Office of Public School Construction (OPSC), as of June 26, 2024, \$1.186 billion in new construction applications and \$2.282 billion in modernization applications have been submitted beyond Proposition 51 funding availability.”<sup>13</sup>

Proposition 2, approved by the voters in 2024, provides for an additional \$10 billion in state-issued bonds, \$8.5 billion of which is for public school facilities, with \$4 billion of that \$8.5 billion allocated for renovation of existing buildings.

### **Napa County Office of Education**

County offices of education, including the Napa County Office of Education (NCOE), have a narrowly defined role in overseeing district finances limited to ensuring school district fiscal solvency, with virtually no authority to manage local district bond funds. The “county superintendent of schools has fiscal oversight responsibility over school districts in the county... and authority to declare a district in jeopardy of being unable to meet its financial obligations through a qualified or negative certification at interim financial reporting periods or at any time during the year.”<sup>14</sup> The Civil Grand Jury heard testimony that NCOE provides technical assistance to Napa County districts only when asked to do so by any one of the five districts within its purview.

### **Napa Valley Unified School District**

Established in 1965, Napa Valley Unified School District serves the communities of Napa and American Canyon and surrounding areas. The district is governed by a seven-member Board of Trustees, elected by the voters by district. The Board hires the Superintendent, who in turn oversees the activities of the district, directly supervises district administrators, and makes operational recommendations to the Board for approval. Over 16,500 students attend twenty-seven schools in grades TK-12.<sup>15</sup> As set forth in Table 1 below, the NVUSD budget<sup>16</sup> for 2024-25 totals over \$264 million, and as indicated in Table 2 below, it maintains reserves above state minimum requirements. According to district officials, NVUSD currently has a \$40 million balance in “Fund 40” for facilities, in addition to the General Fund reserves.

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<sup>13</sup> Assembly Floor Analysis, “AB-247 Education finance: school facilities: Kindergarten Through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024”, [https://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill\\_id=202320240AB247](https://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill_id=202320240AB247)

<sup>14</sup> California Department of Education, “Criteria and Standards for Fiscal Solvency”, <https://www.cde.ca.gov/fg/fi/ss/csoverview.asp>

<sup>15</sup> “About NVUSD”, <https://www.nvUSD.org/about>

<sup>16</sup> The 2024-25 budget report is 124 pages, from which the details presented here are extracted. The NVUSD budgets for the past several years are found at <https://www.nvUSD.org/about/contact/business-services/financial-reporting>.



**TABLE 1: NVUSD GENERAL FUND BUDGET, 2024-25**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
<b><u>REVENUES</u></b>			
LCFF Sources	\$209,518,337	\$12,639,019	\$222,157,356
Federal Revenue <sup>17</sup>	\$0	\$9,004,431	\$9,004,431
Other State Revenue	\$3,822,933	\$25,163,576	\$28,986,509
Other Local Revenue	\$1,949,250	\$2,255,643	\$4,204,893
<b>TOTAL REVENUE</b>	<b>\$215,290,520</b>	<b>\$49,062,669</b>	<b>\$264,353,189</b>
<b><u>EXPENDITURES</u></b>			
Certificated Salaries <sup>18</sup>	\$88,508,844	\$30,844,605	\$119,353,449
Classified Salaries	\$28,873,947	\$15,635,557	\$44,509,504
Employee Benefits	\$38,472,601	\$24,081,877	\$62,554,478
Books and Supplies	\$3,831,738	\$13,651,005	\$17,482,743
Services and Other			
Operating Expenditures	\$25,347,625	\$16,479,119	\$41,826,744
Capital Outlay	\$207,000	\$71,385	\$278,385
Other Outgo - Transfers of Indirect Costs	\$12,200	\$0	\$12,200
Other Outgo (Transfers of Indirect Costs)	\$(6,996,580)	\$6,321,617	\$(674,963)
<b>TOTAL</b>	<b>\$178,257,375</b>	<b>\$107,085,165</b>	<b>\$ 285,342,540</b>

**TABLE 2: NVUSD GENERAL FUND RESERVES, 2024-25**

Non-spendable	\$220,658
Restricted	\$2,325,366
Committed	\$48,414,093
Economic Uncertainty	\$31,782,505

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<sup>17</sup> “Federal Revenue” includes restricted COVID-related federal funding which will expire at the end of the current budget year, as well as restrict funds for special education as projected when the 2024-25 budget was created. As of the writing of this report, federal education funding is under review by the federal government and the availability of it is the subject of litigation.

<sup>18</sup> “Certificated” are district employees such as teachers who require a valid credential/permit to qualify for the position, and classified are the non-certificated employees.  
<https://www.ctc.ca.gov/credentials/certification-glossary/certificated-staff>.

In 2016, the district identified over \$500 million in capital project needs, stating:

“the majority of Napa’s schools were built more than 60 years ago and are falling behind basic standards. As a result, our classrooms, labs, and school facilities face numerous challenges, including roofs that leak, unreliable heating, cooling, and ventilation systems, and safety hazards such as asbestos. Additionally, we have over 100 temporary structures that have exceeded their intended lifespan, posing safety risks such as water leakage, necessitating their removal.”<sup>19</sup>

The NVUSD Board of Trustees placed a bond measure (Measure H) for \$269 million on the 2016 general election ballot, which exceeded the 55% supermajority requirement by 350 votes, passing with 55.99% in favor.<sup>20</sup> Measure H did not fund all of the capital needs of the district, and costs continued to increase. The district placed two separate measures on the 2022 general election ballot: Measure A1 for issuance of \$200 million in bonds for schools in Napa and surrounding areas, and Measure A2 for \$25 million for schools in American Canyon. Measure A2 passed with 65.68% in favor. However, Measure A1 with 54.62% in favor failed by 130 votes to reach the 55% approval threshold. In the 2024 election, the district tried again with Measure B for \$230 million in bonds specifically for Napa schools, which narrowly passed the 55% threshold by 37 votes.

### **Citizen Bond Oversight Committees**

Citizen Bond Oversight Committees (“BOC”) were created for Measure H and Measure A2, and recruitment began for a committee following the 2024 passage of Measure B. Members of the Civil Grand Jury reviewed minutes and recordings of BOC meetings, reviewed Measure H BOC annual reports and audits, attended meetings of the Measure H and Measure A2 BOCs, and interviewed members of both BOCs. Because the Measure A2 committee has been active only since 2023, no audit or annual reports were available to review.

The Civil Grand Jury’s investigation found that appointments to the BOCs have fulfilled the required categories of membership. Also, those committee members have engaged in thoughtful questioning and discussions about the bond funded projects within their authority. Of note, BOCs are not engaged in planning or prioritizing projects, though members have expressed a willingness to do so. Their roles have been limited to reviewing spending only after it has occurred.

BOC members reported initial training and understanding of their authority has been limited, with members initially unclear about the scope of work and extent of their responsibilities. As noted in recommendation R5, the Civil Grand Jury concludes that the BOCs would benefit from thorough, independent training, both upon the formation of

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<sup>19</sup> Facilities Master Plan, and “Measure B”, <https://www.nvusd.org/about/contact/school-planning/measure-b>.

<sup>20</sup> Napa County current election results are found at <https://www.countyofnapa.org/402/Election-Results> and historical election results from 2016 onward are found at <https://www.countyofnapa.org/DocumentCenter/Index/1083>.

the committees and when any new members are added. Organizations such as the California Association of Bond Oversight Committees can provide appropriate training.

### **Allocation of Bond Funds**

The Civil Grand Jury has found that all but a small percentage of bond funds expended since the passage of Measure H have been used for capital expenses, which is consistent with the measures' ballot language. Nearly all of the Measure H funds have been expended, and approximately one half of the Measure A2 bonds have been sold to generate funds, with many projects underway. Measure B bonds are scheduled to be sold in the spring of 2025, and the district has begun recruitment for a Measure B Bond Oversight Committee.<sup>21</sup>

The ballot language for Bond Measure H (passed in 2016) included the following provision consistent with Proposition 39 (ALL CAPS as in original text):

“NO ADMINISTRATOR SALARIES: PROCEEDS FROM THE SALE OF THE BONDS AUTHORIZED BY THIS PROPOSITION SHALL BE USED ONLY FOR THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, REHABILITATION, OR REPLACEMENT OF SCHOOL FACILITIES, INCLUDING THE FURNISHING AND EQUIPPING OF SCHOOL FACILITIES, AND NOT FOR ANY OTHER PURPOSE, INCLUDING TEACHER AND SCHOOL ADMINISTRATOR SALARIES AND OTHER OPERATING EXPENSES.”

Similar ballot language was included in Bond Measure A2 (passed in 2022) and Bond Measure B (passed in 2024). Although this language would appear to prohibit expenditure for NVUSD employee salaries, the district relied on Attorney General Opinion 04-110 creating an exception for salaries for work related to bond-funded projects.

Proponents of NVUSD bond measures - including district officials - have campaigned on the basis that bond funds are used exclusively for capital projects, not administrative salaries. In the Measure B campaign, the Registrar of Voters published the proponents' "Rebuttal to Argument Against Measure B" that stated: "Yes on B stays local. Accountability measures keep Measure B funds locally controlled, for Napa schools only. No money for administration. Funds are for voter-approved projects, with independent oversight and annual audits."<sup>22</sup> Despite these statements, the Civil Grand Jury found that a small percentage of bond funds have been used by NVUSD for

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<sup>21</sup> NVUSD Board of Trustees Resolution 25-17, January 16, 2025, found at <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030213&AID=990540&MID=34993>

<sup>22</sup> "Rebuttal to Arguments Against Measure B", found at Napa County Elections website <https://www.countyofnapa.org/DocumentCenter/View/33464/November-5-2024---Measure-B---Rebuttal-to-the-Argument-Against---Napa-Valley-Unified-PDF> (emphasis added).

salaries. Measure H BOC annual reports and audits are available to the public<sup>23</sup> and were reviewed in detail by the Civil Grand Jury. As outlined in Table 3 below, each year the district allocated from .08% to 1.15% of bond proceeds to salaries and benefits.

**TABLE 3:  
NVUSD SALARIES AND BENEFITS AS PERCENTAGE OF  
TOTAL MEASURE H EXPENDITURES**

<b>Category</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>2022-2023</b>
Classified Salaries	\$203,043	\$339,179	\$376,281	\$86,548	\$4,129
Classified Benefits	\$67,334	\$115,501	\$119,135	\$35,003	\$396
Total Expenditures	\$79,154,27	\$65,490,430	\$43,111,051	\$24,304,585	\$6,024,184
% Expenditures for Salaries & Wages	0.34%	0.69%	1.15%	0.50%	0.08%

As of the writing of this report, the 2023-24 fiscal year audit was not yet published, and the district reported that no salaries had been charged to Measure H bond funds during that or the current fiscal year.

The Measure H Bond Oversight Committee inquired about the practice of using some bond funds for salaries related to bond projects and was informed by district staff that bond counsel and auditors have approved such expenditures as consistent with the Attorney General’s opinion.<sup>24</sup>

Charging employee salaries against the funding source may be appropriate practice in project management in the private sector. However, the Civil Grand Jury concluded that while minimal and possibly permissible in limited circumstances, charging NVUSD employee salaries against bond funds may reduce public trust by contradicting public pledges and bond ballot language that states, “no funds for administrators.” In its current practice, NVUSD has stopped charging any salaries to bond funds, and the Civil Grand Jury recommends that it continue to avoid charging any salaries to bond funds.

<sup>23</sup> The Measure H audits are found via the NVUSD Measure H Bond Oversight Committee site at <https://www.nvusd.org/bond-oversight-committee-measure-h> and directly online at <https://drive.google.com/drive/folders/16yZgrWfo8Nj704CKk6d8pO9T78rmPZu0>.

<sup>24</sup> Measure H Bond Oversight Committee Annual Report, Fiscal Year 2022-2023. <https://www.nvusd.org/bond-oversight-committee-measure-h>

## **Public Outreach**

Tight bond election results in recent years suggest that NVUSD can and should do more to inform citizens about district fiscal needs in general and bond financing in particular. Detailed information regarding bond spending is available online, but it can be difficult to find on the district's complex website and requires reviewing lengthy documents.

NVUSD should proactively distribute information and updates to inform the general public on how bond funds are being allocated and used. The Civil Grand Jury notes that the district recently engaged a communications consulting firm to assist with this work.<sup>25</sup> The district could publish periodic reports, send information to parents through district communication channels, use social media for information directed to the general public, and post signage at project sites where bond-funded work is in progress. NVUSD should maintain an ongoing campaign using multiple media outlets and distribution tools to inform stakeholders and the general public on the details and progress of the projects associated with bond fund allocations. The Measure A2 Bond Oversight Committee page reports expenditures by school, updated approximately every two months<sup>26</sup>. Such regular updates, by school and by project, are appropriate and beneficial to all interested parties. The district is also encouraged to publish such regular reports for the recently passed Measure B.

## **Public Participation in Capital Projects Facility Master Plan Development**

The Civil Grand Jury found that public participation in facilities planning is limited, with the process being primarily driven by NVUSD staff and approved by the district Board of Trustees. The district developed a 10-year Capital Projects Facilities Master Plan in 2016, which has been described as a living document updated during that period based on Measure H implementation plans. A new Facilities Master Plan will be required to update the 2016 plan and to comply with state requirements. NVUSD Policy 7110: Facilities Master Plan provides relevant language that directs this effort:

“The district's facilities master plan shall be based on an assessment of the condition and adequacy of existing facilities, a projection of future enrollments, and alignment of facilities with the district's vision for the instructional program.

To solicit broad input into the planning process, the Superintendent or designee may establish a facilities advisory committee consisting of staff, parents/guardians, and business, local government, and other community representatives. The Superintendent or designee shall ensure that the public is informed of the need for construction and modernization of facilities and of the district's plans for facilities.”<sup>27</sup>

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<sup>25</sup> Item 2.4, Agreement with Q Communications, NVUSD Board of Trustees meeting packet, January 16, 2025.

[https://simbli.eboardsolutions.com/SB\\_Meetings/ViewMeeting.aspx?S=36030213&MID=34993&Tab=Agenda&enIID=gjJx9jDUJbWMCRT0zEIOjA%3D%3D](https://simbli.eboardsolutions.com/SB_Meetings/ViewMeeting.aspx?S=36030213&MID=34993&Tab=Agenda&enIID=gjJx9jDUJbWMCRT0zEIOjA%3D%3D)

<sup>26</sup> <https://www.nvUSD.org/about/contact/school-planning/measure-a2>

<sup>27</sup> NVUSD Policy 7110: Facilities Master Plan is found at the NVUSD Policies website, <https://simbli.eboardsolutions.com/Policy/PolicyListing.aspx?S=36030213>.

The district does not have a Facilities Advisory Committee as contemplated by the policy, but with a new or updated Facilities Master Plan being required for eligibility for state matching funds<sup>28</sup>, this is an opportunity to expand public participation by creating such a committee. The Civil Grand Jury heard testimony that BOC members and others are ready, willing and able to participate in the planning process. As noted in our recommendation R6, the Civil Grand Jury recommends full implementation of the Facilities policy by creating a Facilities Advisory Committee before a new Facilities Master Plan is developed.

## **FINDINGS**

The Civil Grand Jury finds:

- F1: Bond financing is the primary source of funding for addressing the capital needs of the Napa Valley Unified School District.
- F2: The NVUSD website is complex to navigate making it difficult to find bond financial data and reports.
- F3: Charging NVUSD employee salaries against bond funds, while permissible in limited circumstances, may reduce public trust by contradicting public pledges and bond ballot language that states, “no funds for administrators”.
- F4: NVUSD does not adequately inform the general public that the Citizen Bond Oversight Committees play critical roles in satisfying California’s Proposition 39 (2000), which requires school boards to establish independent oversight committees and conduct annual financial and performance audits until all bond funds have been spent.
- F5: NVUSD’s Citizen Bond Oversight Committees lack thorough and independent training on the roles, scope of work, relationship with school district personnel, and authority of its members.
- F6: The creation and execution of NVUSD’s 2016-2025 Facilities Master Plan had only limited public participation.

## **COMMENDATION**

The 2024-25 Napa County Civil Grand Jury commends the volunteer members of the NVUSD Bond Oversight Committees for their monitoring spending of Measure H and Measure A2 bond funds.

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<sup>28</sup> Education Code § 17070.54.

# RECOMMENDATIONS

The Civil Grand Jury recommends:

- R1: NVUSD should maintain an ongoing campaign using multiple media outlets and distribution tools to inform stakeholders and the general public on the details and progress of the projects associated with bond fund allocations, and do so by September 30, 2025.
- R2: Narrow bond measure election results strongly suggest that NVUSD should build community trust by proactively distributing information and updates to inform the general public on how bond funds are being allocated and used, and do so by September 30, 2025.
- R3: NVUSD should continue its current practice to refrain from using bond funds for any district salaries, operating expenses or other administrative activities.
- R4: NVUSD should inform the general public about the role of bond oversight committees and actively encourage stakeholder groups, especially community members and parents of students, to participate on such committees, effective no later than 90 days after the publication of this 2024-2025 Napa County Civil Grand Jury report.
- R5: NVUSD should arrange for independent training of Citizen Bond Oversight Committees, starting with the new Measure B committee, and do so by September 30, 2025.
- R6: NVUSD should implement fully its existing facilities planning policy by establishing a Facilities Advisory Committee consisting of staff, parents/guardians, and business, local government, and other community representatives, and do so before a new Facilities Master Plan is created and no later than June 30, 2026.

# REQUIRED RESPONSES

Pursuant to Penal Code section 933.05, the Napa Valley Unified School District Board of Trustees is *required* to respond to F1-F6 and R1-R6 within 90 days of receipt of this report.

# INVITED RESPONSES

The Civil Grand Jury invites, but does not require, the Napa County Superintendent of Schools to respond to F1-F6 and R1-R6 within 60 days of receipt of this report and invites, but does not require, the Measure H Bond Oversight Committee and the Measure A2 Bond Oversight Committee to respond to F1-F6 and R1-R6 within 90 days of receipt of this report.