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CLERK OF THE BOARD OF SUPERVISORS

Mary E. Hartsfield
CLERK OF THE BOARD

Kelly Rodriguez
ASSISTANT CLERK OF THE BOARD

TO: The Honorable Sonny Sandhu, Presiding Judge
Stanislaus County Superior Court

FROM: Mary Hartsfield, Clerk of the Board of Supervisors

DATE: August 31, 2026

RE: **RESPONSE TO THE CIVIL GRAND JURY 2025-2026 FINAL REPORT**

Please find enclosed the Stanislaus County Board of Supervisors response to the Civil Grand Jury 2025-2026 Final Report as approved by the Board of Supervisors on August 25, 2026.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY**

DEPT: Chief Executive Office

BOARD AGENDA: 4.B.3
AGENDA DATE: August 25, 2026

SUBJECT:

Consideration and Approval of the Response to the Stanislaus County Civil Grand Jury
Regarding the Stanislaus County Civil Grand Jury 2025-2026 Final Report

BOARD ACTION AS FOLLOWS:

RESOLUTION NO. 2026-0427

On motion of Supervisor Grewal Seconded by Supervisor C. Condit
and approved by the following vote,
Ayes: Supervisors: B. Condit, Withrow, Grewal, C. Condit, and Chairman Chiesa
Noes: Supervisors: None
Excused or Absent: Supervisors: None
Abstaining: Supervisor: None

- 1) X Approved as recommended
2) _____ Denied
3) _____ Approved as amended
4) _____ Other:

MOTION:



ATTEST: MARY E. HARTSFIELD, Clerk of the Board of Supervisors

File No. M-39-P-9

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Chief Executive Office

BOARD AGENDA:4.B.3
AGENDA DATE: August 25, 2026

CONSENT: ☒

CEO CONCURRENCE: YES

4/5 Vote Required: NO

SUBJECT:

Consideration and Approval of the Response to the Stanislaus County Civil Grand Jury Regarding the Stanislaus County Civil Grand Jury 2025-2026 Final Report

STAFF RECOMMENDATION:

1. Accept the response to the Stanislaus County Civil Grand Jury 2025-2026 Final Report, along with any changes the Board of Supervisors wishes to make to the recommended response, and authorize the Chairman of the Board to forward the response to the Presiding Judge of the Superior Court by September 13, 2026.

DISCUSSION:

The Stanislaus County Board of Supervisors received the 2025-2026 Stanislaus County Civil Grand Jury (SCCGJ) report on June 15, 2026. The report identifies five areas of investigation concerning the operations of various public agencies.

The SCCGJ has invited the Auditor-Controller and the Board of Supervisors to respond to a finding and commendation related to the annual financial report and audit for the fiscal year ending June 30, 2025. These responses are provided in accordance with California Penal Code Section 933.05. The Auditor-Controller has responded to the SCCGJ Final Report within the time frame allowed, and that response is attached to this report. As an invited response, the Board of Supervisors may choose or not choose to respond to this finding and commendation.

If the Board of Supervisors chooses to respond, the recommended responses are as follows:

- **Case #26-15GJ – Review of the Annual Financial Audit Report (Invited Response):**

Finding 1: Financial controls in the Stanislaus County Auditor-Controller's Office are accurate and effective.

Response: The Board of Supervisors agrees with the finding. The Board concurs with the response submitted by the Auditor-Controller dated July 31, 2026, and shares the Civil Grand Jury's assessment that the financial controls maintained by the Auditor-Controller's Office are accurate and effective.

Commendation 1: The Stanislaus County Civil Grand Jury commends the Auditor-Controller and his management team for their competent financial management.

Response: The Board of Supervisors concurs with the commendation and joins the Civil Grand Jury in recognizing Auditor-Controller Mandip Dhillon and his management team for their competent financial management. The Board remains committed to maintaining strong internal controls, adhering to established accounting standards, and ensuring the transparent stewardship of public resources on behalf of the residents of Stanislaus County.

POLICY ISSUE:

The SCCGJ studies and investigates citizen complaints and the operations of selected public agencies, publishing its findings, conclusions, and recommendations at the end of each fiscal year. Pursuant to California Penal Code Section 933(c), every elected county officer or agency head for which the grand jury has responsibility pursuant to Section 914.1, and who is identified as a subject of these investigations, is invited or required to respond to the findings and recommendations to the Presiding Judge of the Superior Court within 60 days after the final report is submitted, with an information copy of the response provided to the Board of Supervisors. The Board of Supervisors, when identified as the governing body of the public agency, is invited or required to respond no later than 90 days after the final report is submitted.

FISCAL IMPACT:

There is no fiscal impact associated with acceptance of the SCCGJ 2025-2026 Final Report and the response to the Presiding Judge of the Superior Court.

BOARD OF SUPERVISORS' PRIORITY:

The recommended actions are consistent with the Board's priority of *Delivering Efficient Public Services* by responding to the SCCGJ 2025-2026 Final Report within the time frame required.

STAFFING IMPACT:

There is no staffing impact associated with the recommended Board actions.

CONTACT PERSON:

Jody Hayes, Chief Executive Officer

Telephone: (209) 525-6333

ATTACHMENT(S):

1. 2025-2026 SCCGJ Final Report
2. Auditor's Response to SCCGJ 2025-2026 Final Report

2025-2026

STANISLAUS COUNTY
CIVIL GRAND JURY

Consolidated Report

Release Date: June 17, 2026



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June 25, 2026

The Honorable Sonny S. Sandhu
Presiding Judge of the Superior Court of California
800 11th Street
Modesto, California 95354

Dear Judge Sandhu,

It has been an honor and privilege to serve as the 2025-2026 Stanislaus County Civil Grand Jury Foreperson. The members who compromised this year's Jury were resolute in addressing concerns of the community. The final report reflects their determination to address these concerns and, where needed and appropriate, offer recommendations to improve operating principles and procedures.

The jurors were diligent in speaking to the professionals responsible for the daily operations of the agencies contained in this report. Hundreds of hours were spent reviewing documents, minutes, and manuals provided by the agencies to ensure the final report provided accurate and unbiased information.

On behalf of the 2025-2026 Jury, I would like to thank the many community leaders who took time from their busy schedules to provide information regarding their departments and how they support our citizens and local government. We are especially grateful to our legal advisors. Their guidance and support provided direction that assured the jury did not overstep our legal authority.

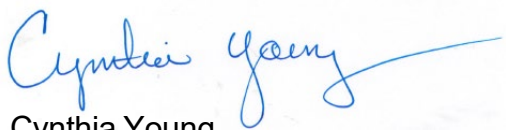
This jury implemented the new ADA requirements in preparing this year's report, in which it was our hope and intent to shine a light on each issue we examined. We must continue to hold our elected leaders and ourselves responsible to adhere to policies and laws that have been set forth. By doing so we strengthen our community and set an example for future leaders.

I personally learned so much from my fellow jurors and would like to take this opportunity to thank them for their hard work, professionalism, and camaraderie. Their dedication to publishing a final report that contains timely information while adhering to timelines was impressive.

The Stanislaus County Civil Grand Jury is extremely thankful for the staff and resources provided by the Court to the jury. Their knowledge, professionalism, and willingness to go that extra mile made our journey this year a positive experience for the members.

Serving on the Stanislaus County Civil Grand Jury is a role I would highly recommend for members of our community. It is a unique way of giving back and supporting all aspects of our local government and fellow citizens.

Sincerely,



Cynthia Young

Foreperson

2025-2026 Stanislaus County Civil Grand Jury

**2025 – 2026 Stanislaus County
Civil Grand Jurors**

Tom Anderson, Modesto
Nancy Berrens, Modesto
Janice Bridgeford, Modesto
Tim Buchanan, Modesto
Melissa Doerga, Turlock
Michael Eggener, Oakdale
Dan Freeman, Modesto

Alice Gonzalez, Patterson
John Herlihy, Modesto
Kristen Hoagland, Modesto
Janet Kenworthy, Modesto
Shirley Martin, Modesto
Larry Sanders, Turlock
Cynthia Young, Ceres



**Join the Stanislaus County
Civil Grand Jury!**

If you are interested in becoming a juror
for the 2027-2028 term, call (209) 525-4252
for information on how to apply
or scan this QR code.

If you have a complaint you would like the
Stanislaus County Civil Grand Jury to consider,
please complete a Complaint Form by clicking on this link:
[encrypt_1_complaint-form-rev-102518.pdf](#)
or copy the form on the previous page and mail it in
as per the instructions.



What is a Civil Grand Jury?

What are Its Duties?

Mission Statement

The primary function of the civil grand jury is to provide unbiased oversight and to investigate complaints from citizens about the operations of county and city government, school districts and special districts, as required by law. The grand jury assures citizens that government is operating efficiently and in an ethical, honest manner. The grand jury investigates policies and procedures and makes recommendations to improve local governmental operations.

Authority

Civil grand juries are mandated by Article 1, section 23 of the California Constitution. They operate under Title 4 of the California Penal Code, sections 3060-3074 of the California Government Code, and section 17006 of the California Welfare and Institutions Code. All 58 counties in California are required to have civil grand juries.

In California, civil grand juries have several functions:

1. to act as the public watchdog by investigating and reporting on the affairs of local government
2. to make an annual examination of the operations, accounts and records of officers, departments or functions of the county, including any special districts
3. to inquire into the condition and management of jails and prisons within the county
4. to weigh allegations of misconduct against public officials and determine whether to present formal accusations requesting their removal from office, and
5. to weigh criminal charges and determine if indictments should be returned.

Additionally, the grand jury has the authority to investigate the following:

1. all public records within the county
2. books and records of any incorporated city or joint powers authority in the county
3. certain housing authorities
4. special purpose assessing or taxing agencies wholly or partly within the county
5. nonprofit corporations established by or operated on behalf of a public entity
6. all aspects of county and city government, including dozens of special districts, and
7. the books, records and financial expenditures of any government agency including cities, schools, boards, and commissions.



Investigations

The civil grand jury conducts three types of investigations.

Mandatory investigations-those that the California Penal Code requires the grand jury to undertake.

Discretionary investigations-those over which the legislature has given the civil grand jury jurisdiction but has stated it is not required.

Citizen complaints-those complaints within the jurisdiction of the grand jury received from a citizen. The statutes preclude the grand jury from considering complaints on matters imminently before the court, matters that are the subject of litigation, matters involving agencies located outside the county, matters involving privately held companies and matters involving the fiscal and administrative operations of the Superior Court.

Acceptance

Anyone may ask the grand jury to investigate. Whether the jury chooses to investigate such a complaint is entirely in its discretion. Deciding factors include such things as determining if the complaint falls within the jurisdiction of the grand jury, if the facts warrant an investigation, whether the jury has sufficient time to conduct a proper investigation, and if a previous grand jury has already reviewed the topic of the complaint.

Final Reports

The findings and recommendations of those complaints and issues the jury chooses to study are published in a final report. Reports are distributed to public officials and to the community at large through the media, public libraries and the Internet. Statutes require the entities reported on to respond.

Confidentiality

In all its proceedings and investigations, the grand jury is sworn to maintain complete secrecy. The members of the grand jury apply the same objective standard of conduct and responsibility to all persons and entities, and are not influenced by sentiment, conjecture, sympathy, public feelings, passion, or prejudice.

Term Of Service

The grand jury's term of service begins July 1st and ends June 30th of the following year.



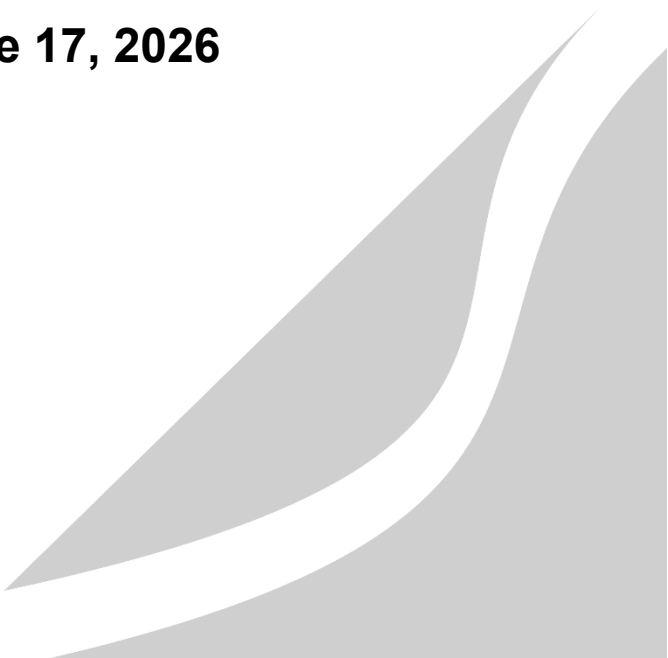
2025-2026

STANISLAUS COUNTY CIVIL GRAND JURY

**Funding Our Future:
How Schools are Maintained,
Updated, and Constructed**

Case #: 26-05C

Release Date: June 17, 2026



Funding Our Future:

How Schools are Maintained, Updated, and Constructed

Case Number: 26-05C

June 17, 2026

Summary

Voters passed Turlock Unified School District (TUSD) bond Measures N & O totaling \$88.8 million in funds in 2016. These bonds have been used over the last decade for updates and improvements to the school campuses and buildings. The oversight committee for the bond spending recently raised a public outcry regarding a “loss” of state matching funds. The 2025 - 2026 Stanislaus County Civil Grand Jury ("Jury") examined the training, communication, and oversight between the TUSD Board of Trustees (TUSD BOT), TUSD departments and the Citizens Bond Oversight Committee (CBOC).

Glossary

BOT: An acronym for board of trustees. The governing board of a school district comprised of elected members of the public.

CBOC: An acronym for Citizens’ Bond Oversight Committee. A group of interested persons independent from the **district** tasked with ensuring that bond expenditures follow the parameters of the ballot measure.

CDE: An acronym for California Department of Education. A department that oversees the California public school system and is responsible for enforcing education law and regulations, including **Title 5**.

district: A managerial organization that supervises all the schools within the district.

DSA: An acronym for Division of the State Architect. The California state agency that provides design and construction oversight for TK-12 schools, community colleges, and various other state-owned and leased facilities.

general obligation bonds: A common type of municipal bond that is secured by a state or local government's pledge to repay bondholders. Most general obligation bonds are repaid through an imposed property tax in the designated area.

Measure N: A \$40.8 million school bond passed in November 2016 for **modernization** and **new construction** in **TUSD's** TK-8 schools.

Measure O: A \$48 million school bond passed in November 2016 for **modernization** and **new construction** in **TUSD's** secondary schools (9-12).

modernization: Buildings can be updated to meet new health and safety codes or replace old systems such as HVAC, plumbing, roofing, electricity, etc. For **state matching** funds, structures must be more than 25 years old prior to improvements.

new construction: When a new building is constructed or the size of an existing building is increased more than 100 percent.

OPSC: An acronym for Office of Public School Construction. This office implements and administers a voter-approved school facilities construction program under the authority of the State of California's Department of General Services.

Proposition 39: (2000) An amendment to reduce the supermajority for the approval of school bond measures from two-thirds to 55%. It also requires that districts conduct annual, independent financial and performance audits.

1. **Proposition 51:** (2016) Authorized \$9 billion in **general obligation bonds** for **new construction** and **modernization** of TK-12 public schools and California Community College Facilities. Prop 51 funds were allocated as follows: \$3 billion for the construction of new public TK-12 school facilities; \$500 million for providing school facilities for charter schools; \$3 billion for the modernization of public TK-12 school facilities; \$500 million for providing facilities for career technical education

programs; and \$2 billion for acquiring, constructing, renovating, and equipping community college facilities.

Proposition 2: (2024) Authorizes \$8.5 billion in **general obligation bonds** for public schools and \$1.5 billion for community college facilities. The measure requires the state government to match between 50 and 55% of **new construction** project costs and 60 to 65% of **modernization** project costs. Prop 2 funds were allocated as follows: \$3 billion for new construction of public TK-12 school facilities, with up to 10% available to small school districts; \$4 billion for the modernization of public TK-12 school facilities, with up to 10% available to small school districts; \$115 million for lead in water testing and remediation; \$600 million for charter school facilities; \$600 million for career technical education program facilities; and \$1.5 billion for California Community Colleges.

school bond: A type of **general obligation bond**. When approved by voters, this common type of bond is issued by a state or city and backed by general tax revenue and the issuer's credit. Usually identified as "Measure ____" on a ballot, proposing funds for school building and repair. Locally funded through a less than 1% increase in property taxes within the district.

SFP: An acronym for School Facility Program. The SFP provides funding grants for school districts to acquire school sites, construct new facilities, and modernize existing school facilities.

state matching funds: Funds disbursed by the **SFP** for school **modernization** and **new construction** projects. Recently procured through **Prop 51** and **Prop 2**.

Title 5: Specific sections of the California Code of Regulations pertaining to education. References to Title 5 in this report specifically mean Division 1, Chapter 13, Subchapter 1 which provides the general standards for school facility construction.

TUSD: An acronym for Turlock Unified School District.

Background

Local School Bonds

Local school general obligation bonds are one way a school district can secure funding for updates and improvements. Approval or opposition to a local school bond measure is a direct way for the public to express opinions regarding structural changes and additions to their local schools. Bond funds can only be used for projects that are specified in the writing of the ballot measure.

District staff, consultants, contractors, and state agencies are involved in the complicated process of school construction. Most school districts work with outside consulting firms to handle the legalities and processes involved in bonds and school construction. Districts typically contract a bond consulting firm to assist in writing a bond measure, provide legal guidance on bonds, facilitate the sale and release of bonds, and perform many other tasks. Once a bond has been sold and funds are provided to the district, consultations begin with contractors and school construction specialists to design facilities and submit all the required permits and funding applications to state agencies for review and approval.

Bond Oversight

In 2000, Proposition 39 (Prop 39) created both a state statute and state constitutional amendment that allowed local school bonds to be passed with 55% voter approval with the requirement of annual performance and financial audits on use of bond proceeds. Prop 39 prompted a change in CA Education Code (Ed Code) requiring all school districts with bonds to have oversight conducted by a Citizen's Bond Oversight Committee (CBOC).

The purpose of a CBOC is to oversee expenditures of bond revenue and report to the public. CBOCs are governed by Ed Code and must meet certain requirements. They must maintain a minimum of seven members: two community members and five members representing designated groups within the community including 1) a parent, 2) a parent active in a PTA organization, 3) a senior citizen active in a senior organization, 4) a member active in a community business organization, and 5) a member active in a taxpayers' organization. They must also be independent from the district in that no member may be employed by the district or contractors working for the district. They must ensure bond funds are only used for the

projects listed in the ballot measure and no funds are used for staff salaries. Bond funds may be used for administrative oversight work in the construction process such as audits and project management costs that have been incurred due to the bond. Additionally, the CBOC may review the annual performance audit, review the annual financial audit, participate in site tours, and review cost-saving efforts implemented by the district. An annual report must be published by the CBOC to inform the community of district compliance regarding use of the bond funds. Once all bond funds have been spent, the committee will have fulfilled its duty and the board of trustees will dissolve the CBOC.

State Matching Funds

Another revenue source for school districts to fund structural updates and additions is state matching funds. A program known as the School Facility Program (SFP) was established by the Leroy F. Greene School Facilities Act of 1998 in which the State Allocation Board provides funding based on school enrollment. Districts can apply for these funds in two categories: modernization and new construction. Modernization requires buildings to be more than 25 years old and schools must have 40% of the funds to be eligible to receive a 60% state match. For new construction projects, districts must demonstrate a lack of adequate space for projected enrollment and match the state funding (50% district, 50% state).

Funding for projects approved through the SFP comes exclusively from statewide general obligation bonds approved by the voters of California. In the last decade, only two statewide bond propositions passed: California Proposition 51 (Prop 51) and California Proposition 2 (Prop 2). Prop 51 passed in November 2016 allowing general obligation bonds to be sold. Three billion dollars were allocated for new construction and three billion were for modernization of TK-12 public schools. All funds from Prop 51 were allocated by September 2018. Most recently, Prop 2 passed in November 2024 providing for the sale of general obligation bonds to replenish the SFP fund. Three billion dollars are allocated for new construction projects and four billion are allocated for modernization of TK-12 public schools. There is a special provision in Prop 2 setting aside 10% of these funds for small school districts of 2,501 students or less. The state provides matching funds on a first-come, first-served basis.

Application Process

School districts must submit applications to various agencies and receive approval from those agencies before submitting a funding application to the California Office of Public School Construction (OPSC). The OPSC oversees the SFP and grants all state matching funds.

California public schools must submit all structural updates and construction projects to the California Department of Education (CDE) and the Division of the State Architect (DSA) regardless of funding eligibility. The CDE reviews projects to ensure compliance with Title 5 regulations. DSA approval ensures that plans and specifications comply with California's requirements for structural safety, fire and life safety, and accessibility to provide adequately safe facilities to students.

According to the SFP Handbook, "school districts that sign construction contracts before obtaining DSA certification of construction risk their project's eligibility for state funding". Ed Code section 17072.30 requires that school districts obtain DSA approval of their project's plans and specifications before submitting a funding application to the OPSC. The date of DSA's approval letter, not the DSA stamp, is considered valid approval.

Even after state matching funds are granted by the OPSC, a district may not receive funds for years. For example, TUSD began the application process for state matching funds in October 2020 for the new science building at Turlock High School. Construction was completed in May 2021, but state funds were not received until August 2024. Many districts complete projects with other district funds and apply state matched reimbursements towards other projects. This is the standard practice for construction projects as state reimbursements are not considered part of the original bond funds.

Methodology

The Jury first became aware of the CBOC conflict with TUSD staff through citizens' complaints and various news sources. These concerns led to an investigation into what was happening within TUSD regarding their bond funds received through Measures N & O.

The Jury diligently researched school bonds and worked to understand their passage and usage both historically and presently by studying CA Ed Code, Prop 39 (2000), Prop 51 (2016), and Prop 2 (2024) to become familiar with all the legal requirements for school bonds and CBOCs.

News coverage dating back to April 2024 was reviewed. TUSD board meeting agendas, minutes, and relevant job descriptions were evaluated, along with CBOC meeting agendas and minutes to determine the history of governance and relationship between the two entities. The Jury visited the [bond information](#) webpage on the TUSD website, along with reviewing the annual financial and performance audits.

The Jury observed a TUSD CBOC meeting in October 2025 where the final status report was presented by TUSD to the CBOC regarding spending of the bond funds and projected timelines for project completion. The Jury had questions about communication between the parties and wondered about the legal obligations and duties of both TUSD and the CBOC.

This led the Jury to interview various consultants regarding bonds, state matching opportunities, and the function and scope of a CBOC. Past and present representatives of TUSD staff, the CBOC, and community members were also interviewed to identify the school bond fund issues in Turlock.

Discussion

School funding is a complex system that requires navigation by specialized experts. Since TUSD Measures N & O passed in 2016, there has been staff turnover in multiple positions, primarily within the Business Services Department, including the facility planning and maintenance and operations divisions, whose duty is to manage the bond funds. Changes in personnel caused disruptions in communication, especially while new employees were being trained and learning about current projects. These staffing changes coupled with the infrequent CBOC meetings ultimately created fractured communication between TUSD and the CBOC.

Timeline

Turlock voted to approve TUSD Measures N & O in November of 2016. Measure N provided \$40.8 million in school bonds to upgrade and add to district elementary schools, while Measure O provided \$48 million to upgrade and add to district high schools.

On February 21, 2017, the TUSD BOT appointed CBOC members for a two-year term with no more than three consecutive terms being allowed as indicated in the CBOC bylaws. The CBOC held its first meeting on March 16, 2017.

FF&J Architects was awarded the construction projects for new kindergarten classrooms at both the Wakefield & Osborn school sites in 2017. TUSD prioritized these projects and a few others in an attempt to secure newly available state matching funds under Prop 51. The kindergarten project at Osborn required the acquisition of property as part of its proposed project and the project was subsequently delayed.

In September 2017, work began on the Wakefield kindergarten project. Over the course of the project, the work was reclassified as a reconstruction project instead of retaining its initial classification of modernization. Because of this reclassification, the district chose to use a different funding source for the kindergarten project at Wakefield. The previously allocated Measure N funds were used for other approved bond projects at Wakefield.

On February 20, 2018, the CDE denied approval of site plans at the Wakefield location due to an error in square footage. The kindergarten classrooms were only 960 square feet, the necessary size for regular classrooms, but too small for kindergarten classrooms. Unfortunately, the site plans were submitted late, and construction had already started. On July 19, 2018, after multiple attempts to appeal the state decision, the district was able to receive a special waiver declaring an exemption from the required square footage. This allowed the Wakefield kindergarten classrooms to be considered in compliance with Title 5. The kindergarten classrooms at Wakefield were reported to the CBOC as completed on March 14, 2019.

Soon after, the kindergarten new construction project began at the Osborn school site under new TUSD department leadership. The Osborn Elementary School property acquisition issue was reported to the CBOC as resolved on October 29, 2019. Designs were being finalized and the classroom construction was scheduled for fall 2020.

COVID-19 related changes occurred in the government, construction, and education sectors throughout 2020 increasing the time it took complete government approval processes. At the November 5, 2020 CBOC meeting, the district informed the CBOC that all bond funds had been spent or allocated to planned projects. On February 4, 2021, TUSD staff reported to the CBOC that the Osborn plans were under review with the DSA. DSA approval for the kindergarten classrooms was reported to the CBOC on May 20, 2021.

In August 2021, a district employee expressed concern regarding Title 5 regulations along with a request to confirm specifications with the CDE before moving forward with construction. The Jury found no evidence of internal follow-up in this matter or in any communication with contractors or consultants.

Construction at the Osborn site was set to begin shortly after the February 2, 2022, CBOC meeting. Osborn plans for new construction were submitted to the CDE on June 8, 2022, after construction had begun. The district received a preliminary plan review letter from the CDE on October 3, 2022, indicating the Osborn classrooms did not meet the standard for state matching funds. The letter detailed the Title 5 issues regarding classroom sizes and bathroom placement.

State regulations require kindergarten classrooms to be 1,350 square feet and the kindergarten classrooms at Osborn were designed to be 1,280 square feet. The architectural plans included the bathroom square footage within the classroom measurements. California Code of Regulations section 14030(h)(2)(A) (Title 5) states, “Kindergarten classroom size for permanent structures is not less than 1350 square feet, including restrooms, storage, teacher preparation, wet and dry areas.” Restrooms may be included within the square footage of kindergarten classrooms when they are located within the classroom. If restrooms are not located within the classroom, special kindergarten restrooms must be within the kindergarten

complex and be visible from the classroom doorway. Both conditions must be met to qualify. The Wakefield and Osborn restrooms were not within the proper line of sight.

At the April 2023 CBOC meeting, the kindergarten project at Osborn was reported to have an expected completion date of December 2023.

In November of 2023, a report was submitted to the CBOC claiming the district lost \$8 million in matching state funds for the kindergarten construction project at Osborn Elementary School. This topic was not on the agenda for the November 2023 CBOC meeting and was outside the jurisdiction of the CBOC because it involved state matching funds and not bond funds. From this point forward, communications between TUSD and the CBOC became adversarial in nature rather than collaborative.

Despite changes in TUSD staff who worked on bond projects and coordinated with the CBOC, the situation between the CBOC and TUSD subsequently continued to escalate. Current staff are diligently working to secure all available funding sources for the district and complete the projects approved by Measures N & O.

On June 3, 2025, the TUSD BOT adopted a 10-year term for CBOC members (Resolution No. 34/2024-2025) which changed the CBOC bylaws from the original two-year terms. The change did not address the three consecutive term limit effectively allowing up to 30 years of service. At the time of this resolution, five members who were originally appointed in 2017 had served well past their legally allowed terms. The TUSD BOT re-appointed the remaining five members and filled vacant CBOC positions on June 17, 2025. This reappointment occurred six years after the original two-year term expired in 2019 and two years after the three-term limit would have been reached for original members in 2023 if proper reappointment had been conducted.

The final audits for Measures N & O were presented at the March 2026 CBOC meeting. The final CBOC report was delivered to the TUSD BOT and the public on April 21, 2026; the TUSD BOT can now dissolve the current CBOC. This marks the end of the current CBOC and a new one will need to be formed when new TUSD school bonds are passed.

Resulting Impact

Two major issues within the TUSD Business Services Department created misunderstandings. First, vague job descriptions regarding bonds and SFP funding as well as changes in personnel caused some projects, messages, and duties to not be addressed in a timely manner. Second, state agency approvals and matching funds applications were not submitted on time.

The TUSD BOT recently updated job descriptions for many positions under the Business Services Department and restructured the Department. However, the staff liaison position for the TUSD CBOC is not clearly outlined. Duties related to the CBOC are currently only listed in the job description of the department head and not delegated to any other position.

Regarding state agency approvals, the mistake made at Wakefield was not repeated at Osborn, but a different mistake was made due to a similar misinterpretation of Title 5. Construction began at Osborn after receiving DSA approval, but before design plans were submitted to the CDE. Once construction begins, changes become increasingly costly and projects are even more expensive to restart. The delayed application coupled with the associated costs made it impossible to correct the square footage error in the kindergarten classroom construction.

An alleged loss of state matching funds for the construction projects funded by Measures N and O was reported to the CBOC and created tension between the CBOC and district staff. While an error occurred during the construction of the kindergarten classrooms, there was no misappropriation or abuse of funds. Furthermore, state matching funds are outside the jurisdiction of the CBOC whose sole purpose is to oversee bond spending.

According to OPSC data, Prop 51 TK-12 allocations for new construction funds had been depleted since September 2018 while modernization funds were fully allocated by February 2019. Therefore, state matching funds were not available for the Osborn kindergarten project when TUSD submitted the state application, or when the report was presented to the CBOC in November 2023. There is currently a pending OSPC funding application for the Osborn new construction under Prop 2.

All staff members and CBOC members present at the introductory CBOC meeting in 2017 were provided training regarding the roles and responsibilities of the CBOC and the district by the district's bond consultant. Bond refresher training and new staff training were not provided throughout the remaining years of the bonds.

This lack of training resulted in confusion of responsibilities between district staff and CBOC members. The CBOC is not allowed to approve or deny any project contracts or spending. Their role is to:

- review bond spending and budgets
- receive staff reports on project updates
- report to the public about how bond funds are being managed and spent

The CBOC does not have jurisdiction over any other funding sources or applications unless granted by the BOT in the CBOC bylaws or a separate Memorandum of Understanding.

CBOC bylaws are generally prepared and presented to the CBOC by the governing board of the district. One of the first orders of business for the CBOC is to review and ratify these bylaws as their governing documents. The currently posted bylaws for TUSD allow two-year terms for up to three consecutive terms. When a concerned citizen brought attention to the CBOC being out of compliance with their term appointments, the TUSD BOT approved a 10-year term for CBOC members.

The adopted resolution established a 10-year term and still allows three consecutive terms. In effect, this allows a CBOC member to serve for up to 30 years. No other school district in the county has such a long term for CBOC members; the average is two or three years per term. In fact, Ed Code section 15282(a) states, "at least seven members who shall serve for a minimum term of two years without compensation and for no more than three consecutive terms". The wording of this passage allows for districts to tailor terms of service to their needs but implies a spirit of rotating membership and reasonable lengths of service.

Even if the term limit is extended for CBOC members, it has always been a struggle for TUSD to maintain full membership. Since the CBOC started in 2017, some previous committee

members moved, passed away, or resigned. Five of the eight originally appointed members are still active members of the committee. Of those five members, at least one has changed their designated group for required membership as they no longer fulfill the original group designation to which they were appointed. The chairperson's position has also never been rotated and as a result, the CBOC has been led by one individual for 10 years. In comparison, the TUSD BOT members serve four-year terms, and the president position is rotated on a similar four-year basis.

Looking to the Future

The problems between the CBOC and TUSD have caused the Turlock community to bring increased complaints and concerns. New management has been hired for the TUSD Business Services Department. Even though these new employees are reorganizing the Business Services divisions and moving forward, they have faced public criticism at meetings and personal attacks on social media. There have been numerous citizen complaints requiring internal investigations. This has caused increased security concerns for district employees and has diverted district time and money from the education of students.

A lack of public support for school bonds can impair the district's growth and improvement for the foreseeable future. When Measures N and O were placed on the ballot in 2016, it was expected that more school bond measures would be on the November 2026 ballot. TUSD is planning to place a bond measure on the November ballot pending a current community survey regarding school capacity and local support. Increasing public understanding of local school bonds is recommended.

TUSD's contracted bond consultant offers a pre-ballot informational service that can be provided to both the district and the public. This type of session would allow citizens to ask questions and receive comprehensive information about proposed school bond measures before they are on a ballot. TUSD staff could also explain bond project planning and execution. When bond funds are in effect, TUSD should host an annual project update meeting, separate from regular BOT meetings or CBOC meetings, to provide project and budget updates to the public. One annual meeting with project photos or designs and less focus on numbers could

create a more congenial relationship with the community and a better public understanding of bonds.

Findings And Recommendations:

Finding 1. The lack of training (initial and refresher) as well as the vague designation of responsibilities led to miscommunication.

Recommendation 1a. A policy for future bonds should be adopted requiring the TUSD Board of Trustees and any staff interacting with bond funds or construction projects to receive bond and CBOC training from a contracted bond consultant once a bond measure has been passed. This policy should be adopted by the TUSD Board of Trustees by October 31, 2026.

Recommendation 1b. A policy for bond training should be adopted by the TUSD Board of Trustees requiring training provided by a contracted bond consultant whenever a new staff member or new CBOC member is appointed. If no new staff are hired or CBOC members are appointed, bond refresher training should take place at the beginning of each new term. This policy should be adopted by the TUSD Board of Trustees by October 31, 2026.

Finding 2. A breakdown in intradepartmental communication created confusion regarding job duties responsibilities for district interactions with the CBOC and the numerous state departments involved in school construction projects.

Recommendation 2a. The TUSD Board of Trustees should update the job descriptions of all managerial positions involved in the bond and construction process to clearly and explicitly reflect the duties and responsibilities of these positions with respect to interactions with the CBOC, bonds, and state matching funds applications by October 31, 2026.

Recommendation 2b. A checklist should be created and followed regarding the status of each construction project to help ensure that applications to state agencies are submitted and approved on time and before construction begins. This checklist should be created and adopted by October 31, 2026.

Finding 3. The TUSD Board of Trustees should have kept the CBOC at membership capacity and properly appointed members in accordance with the CBOC bylaws and CA Ed Code.

Recommendation 3. The TUSD Board of Trustees should ensure future CBOC bylaws are followed regarding term limits and the chairperson’s position (TUSD CBOC bylaws sections 7 & 14).

Required Responses

The following responses are required, pursuant to Penal Code sections 933 and 933.05:
From the following governing boards within 90 days:

TUSD Board of Trustees: **All Findings and All Recommendations**

Responses are to be submitted to:

Honorable Sonny Sandu, Presiding Judge
Superior Court of California, Count of Stanislaus
P.O. Box 3488
Modesto, CA 95353

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Disclaimer

Case #26-05C is issued by the 2025-2026 Stanislaus County Civil Grand Jury with the following exceptions: Multiple jurors recused due to potential conflict of interest. Recused jurors are always excluded from all phases of the investigation including interviews, deliberations, voting, writing, and approval of this report. To prevent any potential bias in this report, none of the information included in this report was obtained from or investigated by the recused jurors.

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.



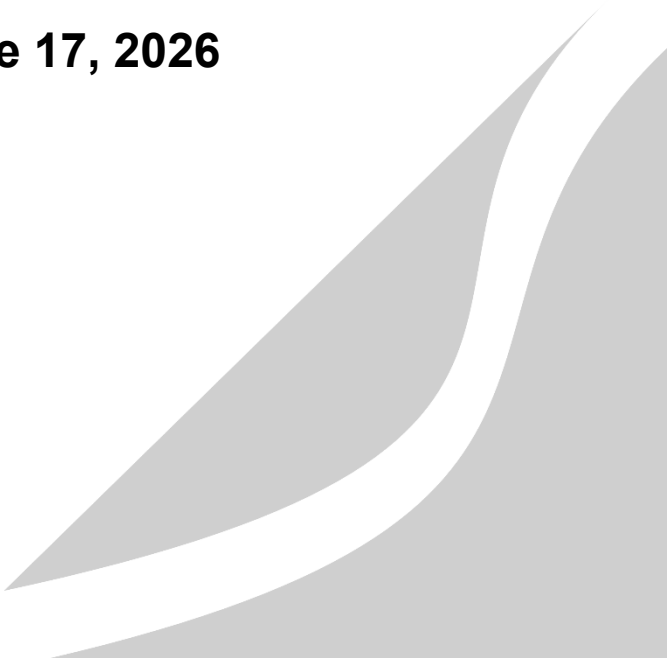
2025-2026

STANISLAUS COUNTY CIVIL GRAND JURY

**Review of the Annual Financial Audit
Report for the Fiscal Year
Ended on June 30, 2025**

Case #: 26-15GJ

Release Date: June 17, 2026



Review of the Annual Financial Audit Report for the Fiscal Year Ended on June 30, 2025

Case Number # 26-15GJ

Summary

In accordance with California Penal Code section 925, civil grand juries are authorized to investigate and report on the operations, accounts, and records of the departments or functions of the county. Therefore, the 2025-2026 Stanislaus County Civil Grand Jury (the Jury) reviewed the Stanislaus County Fiscal Year 2025 ending June 30, 2025, Single Audit Report dated December 31, 2025. The audit was conducted by the independent audit consultant CliftonLarsonAllen LLP (CLA) Certified Public Accountants.

Background

Accountability in spending tax dollars is a vital component of government. As a result, there are legal requirements for accountability. One is that the Board of Supervisors must annually publish a report summarizing the revenue, spending, and financial condition of the county as per CA Govt Code section 25253 (2024). This is the Annual Comprehensive Financial Report. In addition, since Stanislaus County receives more than \$1,000,000 in federal funds, it must submit an annual Single Audit performed by an external auditor (2 CFR section 200.50, 2025).

Methodology

The Jury attended an auditor meeting on July 23, 2025. The Stanislaus County Auditor-Controller's exit interview was completed in the fall of 2025 for the audit of fiscal year ending June 30, 2024.

The Jury held interviews with key staff members from the office of Stanislaus County Auditor-Controller.

Discussion

The Stanislaus County Office of the Auditor-Controller has released the county audit for the fiscal year 2024/2025. Using the new software implemented two years ago and with staff members who have received additional training in the software, the audit was completed on time and with no findings. This implies the office is well functioning, controls are in place, and

objectives are being met. The audit also indicated the accounting policies of the Stanislaus County Auditor-Controller office are being followed.

The continuity of management and additional training for staff has increased the depth of knowledge in the new software, providing an efficient working environment throughout the department. Staffing responsibilities have been adjusted to encompass strengths in skill sets creating an efficient team.

Finding and Commendation

Finding 1. Financial controls in the Stanislaus County Auditor-Controller's Office are accurate and effective.

Commendation 1. The Stanislaus County Civil Grand Jury commends the Auditor-Controller and his management team for their competent financial management.

Invited Response

Stanislaus County Auditor-Controller

Stanislaus County Board of Supervisors

Responses are to be submitted to:

Honorable Sonny Sandu, Presiding Judge

Superior Court of California, Count of Stanislaus

P.O. Box 3488

Modesto, CA 95353

Reports issued by the Civil Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Civil Grand Jury do not contain the name of any person or facts leading to the identity of any person who provides information to the Civil Grand Jury.



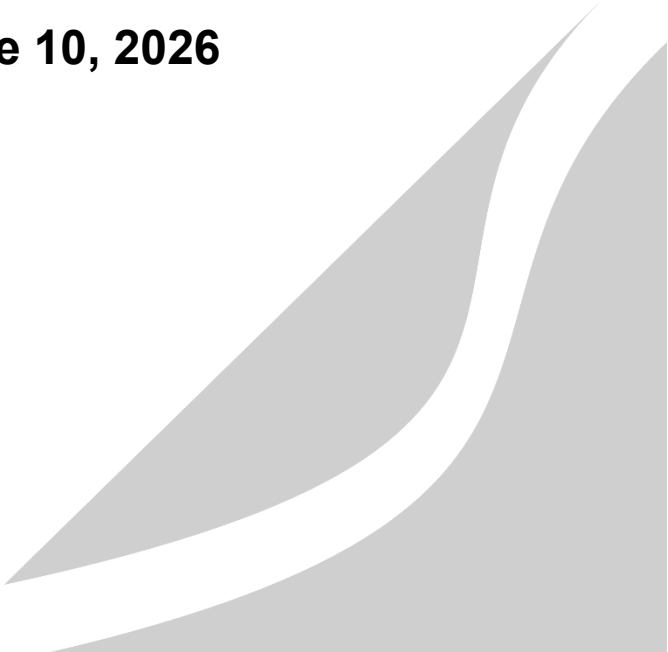
2025-2026

STANISLAUS COUNTY CIVIL GRAND JURY

**Riding Into the Sunset on Unapproved Cash:
Misuse of Vacation Policy at the
Stanislaus Council of Governments**

Case #: 26-22GJ

Release Date: June 10, 2026



Riding Into the Sunset on Unapproved Cash: Misuse of Vacation Policy at the Stanislaus Council of Governments

26-22GJ

June 10, 2026

Summary

The Stanislaus County Civil Grand Jury (the Jury) exists not just to investigate complaints, but it is also a “Civil Watchdog” to provide unbiased oversight and to look out for the interests of the residents of Stanislaus County. The Jury helps assure residents that government is operating fairly and in an ethical honest manner.

The purpose of this report is to focus on StanCOG’s *mandate* of ensuring that their work “is implemented in the most efficient and cost-effective manner possible.” This mandate is agreed to in writing annually by leadership and is important to their public funding sources. It will discuss the substantial negative consequences of the cash conversion of vacation and other forms of leave for the agency by the top three employees. This went against their basic policy that people should be taking vacation. It also went against their basic policy that “No employee will receive pay in lieu of vacation except on the termination of his or her employment”. There are exceptions allowed to this policy which are intended to address what should be infrequent workload demands.

The report also addresses a lapse by StanCOG in not adhering to their Joint Powers Authority (JPA) agreement with Stanislaus County and a recommendation to address that. It will also address multi-year lapses in important transparency to both the Policy Board and the public residents of this county which, in the case of the public, denied them their ability to ask

informed questions from their public representatives. Consequential information regarding policies that would increase the cost of running StanCOG was withheld from both the Policy Board and the public as the information was not provided in the online packet at public meetings over the course of several years despite it being clearly stated in Policy Board resolution that it would be.

Methodology

In order to explore these issues, the jury interviewed StanCOG employees who might reasonably be expected to be knowledgeable. The Jury also talked with members of StanCOG's Policy Board.

Documents reviewed include:

- Employee Policies and Procedures (EP&P) handbooks from StanCOG from 2018 to 2025, as well as the new EP&P changes presented to the Policy Board in April 2026
- StanCOG Policy Board and Executive Committee meeting minutes, agendas, and supporting data that were provided to the Policy Board and the public
- StanCOG payroll records with accrual and use of various kinds of paid leave
- Employment contracts for the former Executive Director
- Emails between employees of StanCERA and StanCOG discussing vacation policy changes at the time they occurred, and also at the time of employees' retirement
- The three most recent revisions to the Joint Powers Agreement (JPA)
- Crime insurance policy for StanCOG

Background

After the grand jury report, a new Executive Director was hired.

StanCOG was formed in 1971 by a Joint Powers Agreement (JPA) among local governments. Its role is to manage road and mass transit projects in Stanislaus County that cross city limits. For example, StanCOG coordinates the North County Corridor Project: it realigns CA-108 which connects Modesto, Riverbank, Oakdale, and adjacent areas of unincorporated Stanislaus County.

StanCOG operates in accordance with federal and state laws while directly managing projects, lobbying for funds, conducting research, developing plans, and communicating with the public.

If StanCOG did not exist, its work would be reassigned to a similar agency in a neighboring county whose priorities may be different from our own.

StanCOG operated at the administrative level independent of Stanislaus County government and procedures. Since revising its JPA in 2017, it has not used the County's pay scales for employee salaries. Its finances are no longer reviewed by the County Auditor-Controller. The annual federally required Single Audit of its finances is separate from the Single Audit for Stanislaus County. However, retirement funds for both StanCOG and County employees are managed by the Stanislaus County Employee Retirement Association (StanCERA).

StanCOG's largest task is to efficiently distribute to the cities, the county and local mass transit systems about \$40 Million annually in Measure L funds which are generated from a half-cent sales taxes collected in this county. They also allocate funds received from both Federal and State sources. StanCOG is overseen by their Policy Board, a group of 16 people which includes all five Stanislaus County supervisors, the mayors or city council members from each of the nine incorporated cities, a representative of the Stanislaus Regional Transit Authority and a non-voting representative from the California Department of Transportation. A majority of the Policy Board are elected officials. Day-to-day operations are managed by an Executive Director employed by StanCOG. Major decisions must be approved by the Policy Board. The Executive Director-reports directly to the Policy Board and has an employment contract with them.

Each year StanCOG documents an Overall Work Program (OWP) that is more than 100 pages long and can be found easily on their website. It details the projects they will work on, the cost of the work that is done including overhead, and the sources of taxpayer funds to complete the work. There is a great deal of planning involved in writing this report. Planning is at the heart of what they do. The OWP is signed by both the Executive Director of StanCOG as well as the Chair of the Policy Board. Directly above their signature line, reads as follows: "Be it further resolved that the Executive Director is authorized to make administrative changes, as needed, to ensure that the Overall Work Program is implemented in the most efficient and cost-effective manner possible."

Discussion

Unauthorized Vacation Increase

The Employee Policy & Procedure Handbook (EP&P) adopted by resolution of the Policy Board in 2018 had a schedule for earning vacation identical to that used by Stanislaus County government. At that time, regular full-time employees and management employees received five weeks of vacation beginning at the 21st year of service.

All versions of the EP&P strongly encourage StanCOG employees to use their vacation time annually. The EP&P stresses the importance of people taking vacations for rest and recreation. It further states that vacation time is valuable for employees to enhance their productivity and make their work experience with StanCOG personally satisfying.

Article 3 of the EP&P details their vacation policies. In section 3.2.5, the policy states, “No employee will receive pay in lieu of vacation except on termination of his or her employment as described in Section 3.2.11 or pursuant to Sections 3.2.6, 3.2.7, or 3.2.8.” These sections discuss rare instances that make it difficult to take a vacation, such as workload and demands of the job.

On November 3, 2021, the Executive Committee of the Policy Board received a written staff report from the Manager of Administrative Services recommending the Policy Board, which was later approved on November 17, 2021, adopt by Resolution the amendment to the Employee Policies and Procedures Handbook. “Periodically, the Handbook is updated to reflect changes in employment laws, and revisions to policies and procedures. The StanCOG EP&P has been reviewed by legal counsel and modifications have been made to reflect changes in the law and other administrative updates since the last amendment to the handbook in November 2018.”

However, the administrative staff never provided the written details of the “updated” EP&P in the online meeting packet, as other meeting agenda items were. Neither the Policy Board nor the public residents could then question the fairness of the increased vacation weeks granted and cost to the taxpayers in open session, which could run into tens of thousands of dollars based on their salary at the time. This information could only be gained by reading the EP&P. Specifically, the revised EP&P reduced the number of service years from 21 to only 12 to

begin receiving five weeks of vacation annually. This would have generated questions as it involves substantial amount of money and was not a routine matter that should qualify it as a consent item.

The Jury found three instances where the online packet sent out with the board agenda did not include the specifics and only a very vague and general description was found in the Board agenda. The Jury found no evidence that the Policy Board knew of the specifics of what they were approving on November 17, 2021 and September 17, 2025.

Unlike, the change in 2021, in 2023, without any form of approval by the Policy Board, employees with 12 or more years of service started accruing seven weeks of annual vacation (280 hours.) This change was reflected in payroll accrual records for two executives. In the final year of employment in 2025, the Executive Director was accruing 8.8 weeks of vacation annually. On September 17, 2025, the Policy Board passed a resolution to stop the unapproved vacation accrual and reaffirm the policy approved in November 2021.

Vacation policy used as a cash machine instead of its intended benefit

From the beginning of January 1, 2021 to September 17, 2025 only 8.4 days of vacation use were recorded by the top three executives combined. So numerically, these three people used an average of 0.6 vacation days per year. These positions are Executive Director, Director of Administrative Services, and a Deputy Executive Director of Planning who did not have 12 years of service in 2021. Meaning the taxpayers paid an extra \$595,241.65 in compensation costs paid out in almost five years (plus employer payroll taxes) which would not have been paid had those individuals simply taken their annual vacation and used any executive leave that may have been allowed in their intended way. These figures were provided to the Jury from StanCOG. These funds were paid out over the stated timeframe.

Cross training is critical in covering for employees who are on vacation. But with their turnover levels, that would have been difficult to achieve. Cross training was also something that StanCOG management agreed to in response to the June 30, 2023, auditor's report in the Corrective Action Plan section on page 67 as that audit was submitted late. In a public meeting on March 4, 2026, StanCOG leadership reported that paying out accrued vacation to departing employees depleted their reserves so thoroughly that they may have to sell the headquarters

building they purchased last year. It was also reported that building up such reserves is difficult as funding sources have rules StanCOG must follow.

Calculating cashed out hours is complicated because StanCOG's timekeeping records are inconsistent. One StanCOG payroll report shows hours as "used," while another shows it as "cash out." Some hours appear in one report and not in others. StanCOG executives were logging their vacation cash outs as "used." Cash outs were also retroactively logged more than a year later.

Where was the oversight?

The crux of this report is not individual wrongdoing, but whether procedures were in place to prevent employees from self-dealing, and whether these procedures were followed.

In April 2026, StanCOG brought to its Policy Board proposed changes to the EP&P to address vacation policy. These changes include capping accrued vacation hours at 500, reduced from 800. Also, requiring non-management employees to use at least one week of vacation prior to receiving any cash conversion of unused vacation. Requiring only one week of vacation to be taken before cash conversion seems totally at odds with section 3.2.5 of the EP&P which states that: "No employee will receive pay in lieu of vacation except on termination of his or her employment." Every time an office runs inefficiently, not allowing time for vacation, it costs StanCOG and the taxpayers more as pay in lieu of vacation is the result. This is not running an office *in the most efficient and cost-effective manner possible*. This is also not counting the human cost of the employee not getting time away for rest and relaxation.

Not all requirements of the JPA were adhered to.

The three most recent JPA amendments (2016, 2017, 2018) require that a fidelity bond be posted by the Executive Director. Fidelity bonds are recommended for industries with strict regulatory compliance standards.

Interviews determined that StanCOG had no record of such a bond, nor anything like it. It was only after our *persistent effort* they found the existence of a crime insurance policy. The lack of

the required fidelity bond has never been raised in the annual external audit required by the federal government.

StanCOG's official response to the 2025 CGJ report stated they would initiate an independent investigation to explore the allegations contained in the report and would pursue recouping any funds determined to have been used inappropriately. Specifically, they stated that: "The recommendations of the independent investigation will be considered/evaluated and implemented in a manner deemed prudent by the Policy Board." The results of this investigation are unknown at this time.

Findings and Recommendations

Finding 1. StanCOG executives and the Policy Board did not fulfill their signed agreement to ensure that the work of StanCOG is implemented in the most efficient and cost-effective manner possible.

Recommendation 1a. The Policy Board should direct the Executive Director to implement a process that documents all leave/vacation accruals and use. This ensures that items entered in the payroll system are approved by someone other than the employee entering the data. This should be completed by September 30, 2026.

Recommendation 1b. The Policy Board should include in their annual evaluation of the Executive Director to what degree employees are using their allotted vacation. Also, that it is truly an exception when cash in lieu of vacation is used and that this extra expense is documented and placed in their employee file. The format for this should be put in place by September 30, 2026.

Recommendation 1c. The Policy Board should include in their annual evaluation of the Executive Director that there is cross training of staff. This should be in place by September 30, 2026.

Recommendation 1d. The Policy Board should include in their annual evaluation of the Executive Director the amount of staff turnover, which points to the health of the

agency. High staff turnover can make it difficult to have office coverage so that people can take vacation. This should be put into place by September 30, 2026.

Recommendation 1e. The Policy Board should explicitly be the only authority to approve any Executive Director's cash outs of vacation time. Past practice was the Executive Director approved their own cash in lieu of vacation. This should be documented in Executive Committee's minutes as this is income being received above the employment contract. This change should be made by September 30, 2026.

Recommendation 1f. The Policy Board should keep current on the amount of money spent on cash paid in lieu of vacation for all staff and the Executive Director as this is an extra expense. The amount paid for such expenses should be identified in their financial reporting as a separate line item. This change should be made by September 30, 2026.

Finding 2. One of StanCOG's JPA requirements, the fidelity bond, was not implemented for years, but it is now.

Recommendation 2. The Policy Board should direct the accounting firm that performs the annual external audit to check whether StanCOG's financial systems comply with all provisions in its JPA requirements. This should be in place by September 30, 2026.

Required Responses

The following responses are required, pursuant to Penal Code sections 933 and 933.05:
From the following governing boards within 90 days:

- **Stanislaus Council of Governments, Policy Board:**

Findings 1 and 2, and Recommendations 1a, 1b, 1c, 1d, 1e, 1f, and 2

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Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.
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2025-2026

STANISLAUS COUNTY CIVIL GRAND JURY

**Obligations, Obstacles, and Opportunities
in School Bond Oversight**

Case #: 26-27GJ

Release Date: June 17, 2026



Obligations, Obstacles, and Opportunities in School Bond Oversight

Case Number 26-27GJ

June 17, 2026

Summary

The public expects much from its public schools: smaller class sizes, secure campuses, safe buildings and playgrounds, a quality education, dedicated teachers, nutritious lunches, and the list goes on. Most of the public, aside from voting for school bonds and paying the semi-annual tax bill, rarely give bonds a second thought.

In the 2024 election alone, more than half a billion dollars was approved for the improvement of Stanislaus County public school campuses. In the past ten years, \$1.128 billion in bond funding has been approved. These bonds currently improve the facilities and campuses for more than 85,000 students in 13 school districts.

The need for oversight of these public monies is crucial to prevent waste, fraud, and abuse. Districts are not only responsible for the spending of tens of millions of taxpayer funds, but also for reporting to the public through the Citizens' Bond Oversight Committee (CBOC). This report looks at each of the 13 school districts that have approved school bonds in the last ten years to see how they have addressed transparency and complied with California Education Code (Ed Code).

The Stanislaus County Civil Grand Jury (the Jury) conducted a broad-ranging study to identify specific successes and problems throughout the county. The Jury discovered that many of the districts were out of compliance in multiple areas outlined in Ed Code. This report to residents in Stanislaus County seeks to improve accountability and transparency in the management of school bonds.

Glossary

Audit (financial and performance): the budget review process to ensure that accounting standards are followed. The financial audit reviews the expenditure of applicable bond funds.

The performance audit reviews a specific area of spending selected by the auditor which can vary each fiscal year.

Bonds, school bonds: a type of general obligation bond. When approved by voters, this common type of bond is issued by a state or city and backed by general tax revenue and the issuer's credit. Usually identified as "Measure ___" on a ballot proposing funds for school building and repair.

bylaws: the rules and regulations of an agency, **governing board**, or committee.

CBOC: an acronym for *Citizens' Bond Oversight Committee*. In some **districts**, this committee is referred to as a Citizens' Oversight Committee (COC) or Bond Oversight Committee (BOC).

district: A managerial organization that supervises all the schools within the district.

Ed Code: an abbreviation for California Education Code.

FY: an acronym for *Fiscal Year*. It denotes the time period beginning July 1 and ending June 30 the following year; for example, FY 2024-25 refers to the fiscal period from July 1, 2024, through June 30, 2025. School **districts**, as well as many government agencies, budget on a fiscal calendar year instead of a traditional calendar.

governing board: the governing board is comprised of elected officials representing designated regions within the school **district**. They are frequently referred to as the Board of Trustees or the Board of Education.

the Jury: The 2025-2026 Stanislaus County Civil Grand Jury.

Measure: a proposed law or **bond** issue presented to voters during an election.

Quorum: the minimum number of members that must be present to conduct business. For most **CBOCs**, four members is a quorum (half the total members plus one).

TK-8, TK-12, 9-12: standard grade designations for elementary school districts (TK-8), elementary and secondary school districts (TK-12), and secondary districts (9-12). TK is an abbreviation for *Transitional Kindergarten* which is a classification for students who are 4-years old before September 1st of the school year; it is the first of a two-year kindergarten experience.

Background

School bonds were introduced in California in 1949 (Proposition 1) to help school districts with the financing of school construction and modernization. In 1978, Proposition 13 was enacted which placed limits on property taxes and allowed local governments to issue their own bonds with a 2/3 majority vote. In 2000, Proposition 39 lowered the State Constitution's voting requirement to allow school bond measures to be approved by a 55% majority (rather than a two-thirds majority) of voters in local elections.

The terms detailed in Proposition 39 were added to the California Constitution in Article XIII, Section 1. Subdivision (b) paragraph (3) outlines the provisions a local school bond measure must include when presented to the voters:

1. Designated projects for repair, construction or replacement of school facilities, and classrooms. These projects must be evaluated by schools, community college districts, and county education offices for safety, class size, and information technology needs.
2. An accountability requirement for annual performance and financial audits on use of bond proceeds.
3. A prohibition of the use of bond proceeds for salaries or operating expenses.

Due to the lower voter approval requirement, Ed Code sections 15264-15282 contain provisions ensuring public oversight and accountability concerning the expenditure of bond revenues. Specifically, Ed Code section 15278 requires school districts to appoint a Citizens' Bond Oversight Committee (CBOC) within 60 days from the date the school governing board records the results of the election in its minutes. The CBOC shall inform the public concerning the expenditure on bond revenues. Also, the CBOC shall convene to provide oversight for, but not be limited to, both of the following:

1. Ensuring that bond revenues are expended only for the purposes intended, and
2. Ensuring that no funds are used for any teacher or administrative salaries or other school operating expenses.

Ed Code section 15280 tasks the governing board of the districts to:

1. Appoint CBOC members
2. Provide administrative assistance including ensuring that meeting minutes and all documents received and reports issued are made available on a website maintained by the governing board of the district.
3. Provide responses to any and all findings, recommendations, and concerns addressed in the annual financial and performance audits.

This section also requires that the CBOC issue regular reports on the results of its activities at least once a year.

In accordance with Ed Code section 15282, the CBOC shall be comprised of at least seven individuals, five of whom must be from each of the following groups:

1. One member shall be active in a business organization representing the business community located within the school 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. One member shall be the parent or guardian of a child enrolled in the school district.
5. One member shall be both a parent or guardian of a child enrolled in the school district and active in a parent-teacher organization.

These members shall serve for a minimum term of two years, for no more than three consecutive terms, and according to the bylaws in each individual district. In order to remain independent from the school district, the following persons shall not be appointed to the CBOC: an employee or official of the school district; or a vendor, contractor, or consultant of the school district.

Methodology

The Jury conducted 16 interviews with relevant district personnel, CBOC members, a representative from the Stanislaus County Office of Education, and experts on the topics of bond management and bond oversight. The Jury wishes to thank all the interviewees for contributing their time, expertise, and insight into this report.

The Jury reviewed pertinent sections of California Education Code sections 15264-15288, Proposition 39, California Government Code sections 53410-53412, and the California Constitution Article XIII Section A.

Jurors examined agendas and minutes of districts' governing board meetings, CBOC meetings, and other publicly accessible documents from each district website. The Jury requested documents from five districts: CBOC training manuals, and CBOC bylaws.

Jurors attended six CBOC meetings in the five districts selected for additional research.

The Jury conducted two "Point-in-Time" studies analyzing each of the 13 Stanislaus County school districts with bonds that have passed since 2016. These studies were conducted in late October 2025 and early April 2026. Results of the April study are noted in this report.

This report does not include examinations of the quality of oversight performed by the CBOCs or the financial data the districts provided to their respective CBOCs.

Discussion

There were 177,875 households and 10,013 businesses in Stanislaus County according to the 2024 U.S. Census projections. Every household and business in the county currently pays taxes on at least one school bond.

Since 2016, Stanislaus County voters have approved bonds in 13 school districts totaling more than \$1.128 billion with \$532 million approved in 2024 alone. There is a requirement of transparency when a bond is approved. Posting required information on a district's website

reflects compliance with state laws, whereas the lack of sharing required information indicates non-compliance with one or more aspects of the law.

Obligations

“It is the intent of the Legislature that all of the following are realized:

- (a) Vigorous efforts are undertaken to ensure that the expenditure of bond measures ... are in strict conformity with the law....”

- CA Ed Code section 15264

The law does not describe average or casual efforts; rather, the law specifies “vigorous” efforts. When a district receives tens of millions of dollars from taxpayers, the district is obligated to provide transparency and follow the laws to ensure appropriate oversight and management of funds.

Stanislaus County School District Compliance Review. As previously noted, school districts are obligated to provide support to their CBOCs and report to voters through webpage postings of CBOC meeting minutes, annual CBOC reports, and annual financial and performance audits. Additionally, the CBOC must consist of seven members from qualifying groups. The Jury’s point-in-time study looked at how each district complied with these five standards and the ease of each district’s website navigation. The “Notes” following each district explain how the Jury found the information, indicate further observations regarding the webpages, and other items of note. When a district is considered “Non-Compliant,” it means that either Minutes, Audits and/or CBOC Annual Reports have not been posted to the district’s webpage, or that membership in the committee does not meet Ed Code requirements.

- **Overall Review.** The Jury has tallied the following results from the publicly available information that Ed Code requires:
 - **Minutes:** Ten districts Compliant, three districts Non-Compliant.
 - **Annual CBOC Reports:** Three districts Compliant, seven districts Non-Compliant, three districts not applicable.
 - **Financial and Performance Audits:** Seven districts Compliant, five districts Non-Compliant, one not applicable

- **Number of Members in Qualifying Groups:** Six districts Compliant, seven districts Non-Compliant.
- **Term Length:** Most districts have a two-year term with a maximum of three consecutive terms.

Ceres Unified School District www.ceres.k12.ca.us

Measure Y: TK-12, Bond Amount: \$114,000,000, passed November 5, 2024

District Information: 13,161 students, 21 schools

Minutes: Compliant. Two meetings had minutes; two other meetings had to be rescheduled due to lack of a quorum.

Annual CBOC Reports: Since this is a newly formed committee, the CBOC has not yet issued its annual report.

Financial and Performance Audits: Since this is a newly formed committee, financial and performance audits should reflect FY 2025-26 data when released.

Number of Members in Qualifying Groups: Unable to determine. The CBOC has seven members who were appointed by the Board of Trustees in February 2025, but the Jury was unable to determine if all qualifying groups are represented.

Term Length/Maximum Number of Terms: Unable to determine.

Notes: There is not a dedicated page for Measure Y or the CBOC. Bond information is searchable by inputting “Bond Oversight” in the district website’s search bar. Very little information is accessible overall.

Denair Unified School District www.denairusd.org

Measure Z: TK-12, Bond Amount: \$34,300,000, passed November 5, 2024

Includes the reauthorization of remaining bond funds from November 2007.

District Information: 604 students, 3 schools

Minutes: Compliant.

Annual CBOC Reports: Non-Compliant.

Financial and Performance Audits: Compliant.

Number of Members in Qualifying Groups: Non-Compliant. The CBOC has only three of seven members. The district is seeking additional applicants online and has included a link to

an application. There is an announcement of the search on the district's home page in a prominent position.

Term Length: Two-year terms with a maximum of three consecutive terms.

Notes: Bond information is searchable and also listed under DEPARTMENTS > BUSINESS SERVICES > CITIZENS BOND OVERSIGHT COMMITTEE. Minutes indicate that several meetings have been held without a quorum. Minutes were accessible only through links in the agendas. The "02202025 Agenda" is not accessible. The page contained dead and missing links. The audits are only available through links in agendas. There is no dedicated page for the bonds; rather, bond information is accessible on the Facilities page.

Hughson Unified School District www.hughsonschools.org

Measure B: 9-12, Bond Amount: \$46,000,000, passed November 5, 2024

Measure Q: TK-8, Bond Amount: \$3,200,000, passed November 8, 2016

Measure R: Gym, Bond Amount: \$2,200,000, passed November 8, 2016

District Information: 2,239 students, 6 schools

Minutes: Non-Compliant.

Annual CBOC Reports: Non-Compliant.

Financial and Performance Audits: Non-Compliant.

Number of Members in Qualifying Groups: Non-Compliant. The CBOC has only six of seven members. The taxpayer group is unrepresented.

Term Length: Two-year terms with a maximum of three consecutive terms.

Notes: Bond information is searchable and also listed under DEPARTMENTS > BUSINESS SERVICES > CITIZENS BOND OVERSIGHT COMMITTEE. The Jury appreciated the inclusion of a photo diary of bond updates; one of the photos mentions a CBOC meeting. No other information was available for Measure B other than the CBOC page listing its members. A link to prior bonds was included; minimal information was listed.

Keyes Union School District www.keyes.k12.ca.us

Measure U: TK-8, Bond Amount: \$8,500,000, passed November 5, 2024

District Information: 717 students, 3 schools

Minutes: Compliant.

Annual CBOC Reports: Since this is a newly formed committee, the CBOC has not yet issued an annual report.

Financial and Performance Audits: Since this is a newly formed committee, financial and performance audits should reflect FY 2025-26 data when released.

Number of Members in Qualifying Groups: Non-Compliant. The CBOC has only six of seven members. The taxpayer group is unrepresented.

Term Length: Two-year terms with a maximum of three consecutive terms.

Notes: Bond information is not searchable as there is no search bar on the district's website, but is listed under DISTRICT > MEASURE U. The page includes information about the bond's history, a recruitment message, and all appropriate documents to date. The district is working diligently to meet Ed Code requirements.

Modesto City Schools www.mcs4kids.com

Measure X: TK-8, Bond Amount: \$85,000,000, passed November 5, 2024

Measure L: 8-12, Bond Amount: \$198,000,000, passed November 8, 2022

Measure D: TK-8, Bond Amount: \$74,000,000, passed November 6, 2018

Measure E: TK-8, Bond Amount: \$57,000,000, passed November 6, 2018

District Information: 29,912 students, 34 schools

Minutes: Non-Compliant.

Annual CBOC Reports: Non-Compliant.

Financial and Performance Audits: Compliant although FY 2020-21 and FY 2021-22 are missing.

Number of Members in Qualifying Groups: Compliant. The CBOC has eight members, including the seven required members.

Term Length: Two-year terms with a maximum of three consecutive terms.

Notes: Bond information is searchable and also listed under DISTRICT > SCHOOL BOND MEASURES. Modesto includes a "quick facts" link with charts depicting bond sales and project expenditures for Measures D & E. Information regarding Measures L & X is only mentioned on agendas. Meeting agendas for each meeting have been posted, but no minutes were attached to them; minutes are the primary source of information for the public.

Newman Crows Landing Unified School District www.nclusd.k12.ca.us

Measure S: TK-12, Bond Amount: \$30,000,000, passed November 5, 2024

Measure T: TK-12, Bond Amount: \$27,000,000, passed November 5, 2024

Measure X: TK-12, Bond Amount: \$25,820,000, passed November 3, 2020

Measure P: TK-12, Bond Amount: \$11,090,000, passed November 8, 2016

Included the reauthorization of remaining bond funds from November 2008.

District Information: 3,085 students, 9 schools

Minutes: Non-Compliant.

Annual CBOC Reports: Non-Compliant.

Financial and Performance Audits: Non-Compliant.

Number of Members in Qualifying Groups: Unable to determine. Bylaws specify committee membership of up to 11 members, but the Jury could not find any list of current members.

Term Length: Two-year terms with a maximum of two consecutive terms.

Notes: Bond information is searchable and also listed under MENU > DISTRICT INFO > CITIZENS OVERSIGHT COMMITTEE. No information about Measures S & T is available. One agenda has been posted in the past three years with no corresponding minutes. Newman Crows Landing includes excellent CBOC reports which include photos and financial information, but they are from FY 2019-20 and FY 2020-21.

Oakdale Joint Unified School District www.ojUSD.org

Measure G: TK-12, Bond Amount: \$105,500,000, passed November 5, 2024

District Information: 5,062 students, 8 schools

Minutes: Compliant.

Annual CBOC Reports: Since this is a newly formed committee, the CBOC has not yet issued its annual report; the committee approved it at their most recent meeting.

Financial and Performance Audits: Compliant.

Number of Members in Qualifying Groups: Compliant. The CBOC has nine members, including the seven required members.

Term Length: Three-year terms with a maximum of three terms.

Notes: Bond information is searchable on the district's home page, and is also listed under DISTRICT > MEASURE G. The Measure G page has a multitude of links to many Bond

subjects such as Bond Rating, FAQ, and a Bond Fund Tracking Sheet. Oakdale has the best transparency of all districts.

Patterson Joint Unified School District www.patterson.k12.ca.us

Measure E: TK-12, Bond Amount: \$74,000,000, passed November 8, 2020

District Information: 6,170 students, 10 schools

Minutes: Compliant.

Annual CBOC Reports: Compliant.

Financial and Performance Audits: Compliant.

Number of Members in Qualifying Groups: Non-Compliant. The CBOC has six of seven required members.

Term Length: Two-year terms with a maximum of three consecutive terms.

Notes: Bond information is searchable and also listed under COMMUNITY > MEASURE E.

The member of a senior citizen's group is unrepresented; the district is actively recruiting online with a link to an application. Audits are not listed independently but are attached to meeting minutes. Patterson's web page is dynamic and relatively easy to navigate.

Riverbank Unified School District www.riverbank.k12.ca.us

Measure E: TK-12, Bond Amount: \$21,000,000, passed November 5, 2024

Measure G: TK-12, Bond Amount: \$19,100,000, passed November 6, 2018

District Information: 2,403 students, 6 schools

Minutes: Compliant.

Annual CBOC Reports: Non-Compliant.

Financial and Performance Audits: Non-Compliant.

Number of Members in Qualifying Groups: Compliant.

Term Length: Two-year terms with a maximum of three consecutive terms.

Notes: Bond information is searchable and also listed under DEPARTMENTS > BUSINESS SERVICES > MEASURE G. The web page has not been updated to include any information for Measure E. Meeting dates are announced with a note that training has been conducted. Audits and annual CBOC Reports are mentioned in meeting minutes, but none are posted. Regarding meeting minutes, Riverbank uses GAMUT/Simbli Meeting software which is time-consuming and frustrating for users who are unfamiliar with this program.

Salida Union School District www.salida.k12.ca.us

Measure Q: TK-8, Bond Amount: \$16,000,000, passed November 5, 2024

Measure U: TK-8, Bond Amount: \$9,240,000, passed November 3, 2020

Measure A: TK-8, Bond Amount: \$2,500,000, passed November 6, 2018

District Information: 2,041 students, 5 schools

Minutes: Compliant.

Annual CBOC Reports: Non-Compliant.

Financial and Performance Audits: Non-Compliant for Measures U and Q.

Number of Members in Qualifying Groups: Non-Compliant. The CBOC has 6 of 7 required members.

Term Length: Unable to determine.

Notes: Bond information is searchable and also listed under OUR DISTRICT > MEASURE Q or MEASURE U. The local business owner group is unrepresented on the CBOC, and Salida is actively recruiting members. The Jury has serious concerns about a claim on the Measure Q page in the “Improving Our Local Schools” graphic. The graphic claims “No projected increase in current tax rates” is potentially misleading since the language on the ballot called for a levy of \$19 per \$100,000 assessed property value.

Stanislaus Union School District www.stanunion.k12.ca.us.

Measure R: TK-8, Bond Amount: \$45,000,000, passed November 5, 2024

Measure Y: TK-8, Bond Amount: \$21,400,000, passed November 3, 2020

District Information: 3,329 students, 8 schools

Minutes: Compliant.

Annual CBOC Reports: Compliant.

Financial and Performance Audits: Compliant.

Number of Members in Qualifying Groups: Non-Compliant. The CBOC has 6 of 7 required members.

Term Lengths: Two-year terms with a maximum of three consecutive terms.

Notes: Bond information is searchable and also listed under MAIN MENU > COMMUNITY > SCHOOL BOND MEASURE Y or MEASURE R. The website is very comprehensive with most of the CBOC information on the Measure Y page. The taxpayer group is unrepresented; Stanislaus Union is actively recruiting members for their CBOC on their website.

Turlock Unified School District www.turlock.k12.ca.us

Measure N: TK-8, Bond Amount: \$40,000,000, passed November 8, 2016

Measure O: 9-12, Bond Amount: \$48,000,000, passed November 8, 2016

District Information: 13,488 students, 14 schools

Minutes: Compliant.

Annual CBOC Reports: Recently Non-Compliant.

Financial and Performance Audits: Compliant.

Number of Members in Qualifying Groups: Compliant.

Term Length: Ten-year terms with a maximum of three terms.

Notes: Bond information is searchable and also listed under DISTRICT HOME > DEPARTMENTS > BUSINESS SERVICES > BOND INFORMATION. Turlock's Bond Information page is organized and includes headings for all Ed Code required issues. The meeting minutes are prepared in a dictation format which is tedious and difficult to retain. There is a note in the most recent minutes that a Final CBOC Report will be completed soon. This committee is expected to be disbanded by the Board of Trustees as all bond funds have been accounted for.

Waterford Unified School District www.waterford.k12.ca.us

Measure K: TK-12, Bond Amount: \$10,650,000, passed November 8, 2016

District Information: 2,781 students, 5 schools

Minutes: Compliant.

Annual CBOC Reports: Compliant.

Financial and Performance Audits: Compliant.

Number of Members in Qualifying Groups: Compliant.

Term Length/Maximum Number of Terms: Two-year terms with a maximum of three terms.

Notes: Bond information is searchable and also listed under ABOUT WUSD > CITIZENS BOND OVERSIGHT COMMITTEE. All required documents are in the link to CBOC Agendas and Minutes. Community Reports are a summation of annual expenses. Waterford has succeeded in complying with Ed Code requirements.

Additional Considerations

The Jury also sampled five districts in more detail by conducting interviews with district representatives and CBOC members, attending at least one CBOC meeting, and reviewing CBOC training materials. This closer look was taken in order to gather more information, understand group dynamics, and assess the awareness of legal obligations. The Jury's selections represent small, medium, and large districts as well as districts with new bonds passed in 2024 and districts with existing bonds.

- Modesto City Schools: Large district with both new and existing bonds
- Turlock Unified School District: Large district in the bond completion stage
- Oakdale Joint Unified School District: Medium district with a new bond
- Stanislaus Union School District: Small district with existing bonds
- Keyes Union School District: Very small district with a new bond

From a District Perspective. The five sample districts all had a proficient level of understanding of the district's duties to support the work of the CBOC. Three of the five expressed frustration at the difficulty of recruiting volunteers in the qualifying groups for their CBOC.

From the CBOC Perspective. CBOC members in the five sampled districts were mixed in their understanding of two specific duties: 1) they primarily report to the taxpayers of the district as well as the governing board, and 2) they are obligated to write a brief annual report summarizing the use of bond funds and their annual activities. The Jury found that CBOC members spend about 15 hours per year preparing and attending meetings, district project tours, and bond workshops. Tours and workshops are optional.

CBOC Meetings at a Glance. Most of the CBOC meetings in the five sampled districts were conducted appropriately and lasted about one hour. Only Turlock had a lengthy three-hour meeting due to a controversy between the CBOC and its district. In general, district representatives were well prepared, able to answer the CBOCs questions, and assisted with special requests.

Training. All five sampled districts provided their CBOC members with training at their first meeting. This overview was frequently presented by a bond consultant contracted by the district. Training usually consisted of a 16 to 20-page Power Point presentation and handout covering the responsibilities listed in Ed Code and the California Constitution. Some included additional information on The Brown Act, a California law regarding the management and recording of public meetings. The Jury found no evidence in meeting minutes that this information was reviewed at the beginning of each new term or when a new member was appointed.

Obstacles

As happens with many committees that rely on volunteers, CBOCs have their fair share of obstacles that can complicate the CBOC's objectives.

In the middle of every difficulty lies opportunity.

- Albert Einstein

Attendance. As one expert claimed, "Attendance is the biggest issue." After reviewing dozens of CBOC meeting minutes, the Jury found frequent examples of absenteeism. At times, meetings were cancelled due to the inability to meet a quorum.

Posting an Annual CBOC Report. Finding a CBOC report in Stanislaus County proved nearly impossible. Only three of 13 CBOCs provided annual reports; two posted infrequently.

Maintaining Appropriate Membership. Recruiting and/or keeping seven members on the CBOC has proven to be a challenge for three of the five CBOCs evaluated. Even without the in-depth look, four additional committees in Stanislaus County were equally challenged. Unfortunately for smaller districts such as Denair and Keyes, there is no legal remedy to have a smaller CBOC based on district size. Any such exemptions would have to be amended into law at the state level.

The most common unfilled position is one who is "active in a bona-fide taxpayers' organization." For many years, Stanislaus County has not had a local functioning taxpayer

organization, and the only option had been to join the Howard Jarvis Taxpayers Association. There is now a new Stanislaus County Taxpayers Association (www.stancountytaxpayers.org) which qualifies as “bona-fide.”

Each governing board is responsible for maintaining the committee membership and for appointing the CBOC members. The board is also responsible for adhering to CBOC bylaws with regard to maximum terms of service.

Scheduling Issues. Upon reviewing many of the districts’ websites, the Jury found it difficult to find out when upcoming meetings were scheduled. Only a few districts had the calendar planned out for the year.

Minutes. When no meeting minutes are posted, as three districts failed to do, the public is unable to review what was covered in the meeting. This is a Brown Act violation.

Lack of Refresher Training. After two or three years of infrequent meetings, remembering the core responsibilities can be difficult to recall without reviews and reminders. A 10-minute overview at the beginning of each new term is not an unreasonable expectation.

Legal Language. The phrase “but not limited to” in the text of Ed Code section 15274(b) opens the door to misinterpretation of duties. One of the most dangerous obstacles in school bond oversight is a lack of agreement between the district and its CBOC regarding the CBOC’s discretionary duties. One district, Patterson, clearly states in their bylaws (section 3.5) that the CBOC duty is “Review and Oversight of Bond Fund Expenditures Only.”

Another term that appears frequently in the ballot text is “Independent.” This means that the committee: a) shall not include any members who are district employees or have a contract or business relationship with the district, and b) shall be able to develop their opinions without undue influence from the district. While the CBOC is independent, it must still operate within the confines of Ed Code, the California Constitution, and bylaws provided by each governing body.

Opportunities

The Jury developed several ideas to assist with transparency and help build a collaborative relationship between the district and the CBOC. To resolve the obstacles previously addressed, the Jury offers the following suggestions.

Create a Dynamic Web Page. In addition to ensuring required documentation is readily accessible, districts may consider adding photo progress reports, a CBOC meeting calendar, a list of its members, and a brief recruiting message with a link to an application, if needed. An informative web page can act as additional assurance to residents that the district is engaged with its community.

Conduct Tours and Workshops for Bond Projects. Invite the CBOC to participate in tours and workshops conducted for the governing body. This increases the CBOCs understanding of the projects they are overseeing.

Recruit from the Community. Use Town Hall meetings, PTA/Parent Club meetings, school celebrations, newsletters, push notifications on school apps, the school website, and word-of-mouth to fill vacant CBOC positions. Consider allowing committees of more than seven members to help ensure that all membership requirements are met and maintained.

What we have to be judged by is the work we try to do.

It's public service, not perfect service.

- Jesse Jackson

Findings and Recommendations

Finding 1: Many school districts in Stanislaus County lack required transparency regarding school bonds because they fail to fully comply with Ed Code mandates.

Recommendation 1: The governing board of the district should instruct its Superintendent to comply with Ed Code pertaining to CBOCs by December 31, 2026. The areas of compliance include posting minutes, posting annual performance and financial audits, and posting annual CBOC reports on the district's website as cited by Ed Code section 15280(b).

Finding 2: Stanislaus County CBOCs frequently do not have appropriate membership as required by Ed Code. Some CBOCs lack members representing each qualifying group, and/or members are regularly serving terms longer than specified in the bylaws.

Recommendation 2a: The governing board of any district lacking full membership should appoint additional members to their CBOC committees to comply with both Ed Code section 15282 and their respective CBOC bylaws by December 31, 2026.

Recommendation 2b: The governing board of the district should review CBOC membership to determine if long-serving members have exceeded their term limit stated in both Ed Code section 15282 and their respective CBOC bylaws. Remediation may include reappointment or replacement of the member. This should be completed by December 31, 2026.

Required Responses

Pursuant to California Penal Code sections 933 and 933.05, the Stanislaus County Civil Grand Jury requires a response within 90 days.

From the following governing boards:

Ceres Unified School District:

All Findings and All Recommendations

Denair Unified School District:

All Findings and All Recommendations

Hughson Unified School District:

All Findings and All Recommendations

Keyes Union School District:

All Findings and All Recommendations

Modesto City Schools:

All Findings and All Recommendations

Newman Crows Landing Unified School District:

All Findings and All Recommendations

Oakdale Joint Union School District:

All Findings and All Recommendations

Patterson Unified School District:

All Findings and All Recommendations

Riverbank Unified School District:

All Findings and All Recommendations

Salida Union School District:

All Findings and All Recommendations

Stanislaus Union School District:

All Findings and All Recommendations

Turlock Unified School District:

All Findings and All Recommendations

Waterford Unified School District:

All Findings and All Recommendations

Responses are to be submitted to:

Honorable Sonny Sandu, Presiding Judge
Superior Court of California, Count of Stanislaus
P.O. Box 3488
Modesto, CA 95353

Disclaimer -

Case #26-27GJ is issued by the 2025-2026 Stanislaus County Civil Grand Jury with the following exceptions: Multiple jurors recused due to potential conflict of interest. Recused jurors are always excluded from all phases of the investigation including interviews, deliberations, voting, writing, and approval of this report. To prevent any potential bias in this report, none of the information included in this report was obtained from or investigated by the recused jurors.

Reports issued by the Civil Grand Jury do not identify individuals interviewed.

Penal Code section 929 requires that reports of the Civil Grand Jury do not contain the name of any person or facts leading to the identity of any person who provides information to the Civil Grand Jury.



2025-2026

STANISLAUS COUNTY CIVIL GRAND JURY

Detention Facility Inquiries Statement

Case #: 26-48GJ

Release Date: June 17, 2026



Detention Facility Inquiries Statement

Case Number 26-48GJ

June 17, 2026

Overview

Penal Code section 919(b) obligates the grand jury to “inquire into the condition and management of the public prisons within the county.” In 2022, the California Attorney General issued an opinion (No. 18-103) stating the term “public prisons” includes “local detention facilities,” and that a county or city jail is a typical example of such a local detention facility. The purpose of this document is to provide information about how the 2025-2026 Stanislaus County Civil Grand Jury (the Jury) fulfilled this duty.

While Penal Code section 919(b) requires this inquiry, it does not require the Jury to investigate or to write a report about local detention facilities. In fact, a report cannot be written based solely upon an inquiry. To write a report, a full investigation is required and all the facts in the report must be verified. (Penal Code section 939.9)

Detention Facilities in Stanislaus County

The three local detention facilities in Stanislaus County toured by the Jury included: the Adult Detention Facility, the Juvenile Detention Facility, and the Sheriff’s Office Court Services Division. The Jury fulfilled its duty to inquire into these facilities through a variety of methods.

- The Stanislaus County Sheriff’s Public Safety Center, also known as the Adult Detention Facility, is located at 200 Hackett Road Modesto. On August 11, 2025, Jurors were given an overview and tour of the facility by Sheriff’s Department staff.
- The Stanislaus County Sheriff’s Office Court Services Division is in the old Main Jail located at 805 12th Street in Modesto. On September 10, 2025, Jurors were given an overview and tour of the Stanislaus County Sheriff’s Department Court Services Division.

- The Stanislaus County Probation Department Juvenile Division is located at 2215 Blue Gum Avenue in Modesto, adjacent to the West Campus of Modesto Junior College. On November 22, 2025, Jurors were given an overview and tour of the Juvenile Court, Juvenile Hall, and Juvenile Detention Facility.

Conclusion

The Jury's legal obligation to inquire into the condition and management of local detention facilities in the county was satisfied by touring the mentioned facilities, reviewing state documents, and discussions with staff. The Jury would like to commend the Sheriff's Office, the Probation Department Juvenile Division, and related departments for providing comprehensive support services to individuals under their care.



2025-2026
STANISLAUS COUNTY CIVIL GRAND JURY

Continuity Report:
Summary of Responses to the
2024-2025 Reports

Release Date: June 17, 2026



Summary of Responses to the 2024-2025 Final Reports

The California Civil Grand Jury system is governed by the California Penal Code. With regard to investigations, the Jury is required to develop findings and recommendations, as appropriate. When findings are made, the official or agency directly accountable is asked to respond to the Jury's findings. California Penal Code Section 933 requires that responses be made within a designated timeframe, while Section 933.05 mandates the content and format of responses.

When elected officers or public agencies are required to respond to a final report, they must be made in a timely fashion. Elected county officers or agency heads must respond within 60 days. The governing body of a public agency must respond within 90 days. As used in this section, "agency" includes a department. (CA Penal Code § 933)

When responding to findings, the person or entity must: 1) Agree with the finding, or 2) Disagree wholly or partially and provide an explanation for the dispute. (CA Penal Code § 933.05(a))

When responding to recommendations, the person or entity must indicate: 1) The recommendation has been implemented, with a summary regarding the implemented action, 2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation, 3) The recommendation requires further analysis, with an explanation of the analysis or study, as well as a timeframe that does not exceed six months from the date of publication of the grand jury report, or 4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation. (CA Penal Code § 933.05(b))

First, Do No Harm: Preventing Disaster from Stanislaus 2030's \$5 Million Small Business Loan Program Case Number 25-01GJ

View original report here: [2024-2025 Final Consolidated Report](https://www.stanislaus.courts.ca.gov/divisions/grand-jury/final-reports-2024-2025) or visit
<https://www.stanislaus.courts.ca.gov/divisions/grand-jury/final-reports-2024-2025>

Summary

The Stanislaus 2030 Investment Blueprint offers an appealing vision of a prosperous future for Stanislaus County. However, individual elements invite closer scrutiny for how they will be implemented. One of these elements is the \$5 million small-business loan fund, which as described has an unacceptably high projected 80% loan loss ratio and promises weak lending standards.

Our investigation determined that plans for this loan fund would benefit from more aggressive and comprehensive review and oversight during the planning phase. The Stanislaus County Civil Grand Jury (SCCGJ) therefore recommends greater involvement from local Community Development Financial Institutions, as well as a meaningful update on the entire Stanislaus 2030 initiative.

Agencies Asked to Respond

Stanislaus County Board of Supervisors: R1, R2, R3.

Findings and Recommendations

Finding 1. The Stanislaus 2030 loan program and Blueprint are confusing and misunderstood, even by people who were involved with it.

☐ Agrees with Finding

☒ Disagrees Wholly or Partially

Recommendation 1. The Stanislaus County Board of Supervisors and the Stanislaus 2030 public-private partnership should issue a comprehensive update that distinguishes the various participants, identifies which initiatives are being pursued, and shows progress on those

initiatives. This update need not be as big-budget as the Investment Blueprint. It should be comprehensively discussed with the officials and community leaders who promote Stanislaus 2030 by November 30, 2025.

☒ Implemented ☐ Will Implement ☐ Further Analysis Needed ☐ Will Not Implement

Finding 2. The loan program described in the Investment Blueprint as currently presented represents opportunities for better loan management, as it emphasizes “easy process” to the point of accepting a loan loss ratio that is dramatically higher than expected or historical banking benchmarks.

☐ Agrees with Finding ☒ Disagrees Wholly or Partially

Recommendation 2. This model of high losses for the sake of easy process should be revised in a manner consistent with accepted banking benchmarks typically seen in similar programs by November 30, 2025.

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Finding 3. The SCCGJ has identified Valley First Credit Union, a CDFI whose name is invoked regularly in discussion of the loan fund, as a local lending organization with the necessary expertise and experience to design a responsibly managed community development loan fund.

☒ Agrees with Finding ☐ Disagrees Wholly or Partially

Recommendation 3. Next Street does not appear to be the right entity to advise on running the small business loan fund. Rather the Board of Supervisors and Stan 2030 should spearhead discussions with local lenders about how to design a responsibly managed community development loan fund with a loan loss ratio more in line with the US Small Business Administration by November 30, 2025.

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Conclusion

The 2025-2026 SCCGJ is satisfied the Stanislaus County Board of Supervisors submitted a timely and detailed response as required by California Penal Code §933 and §933.05.

Transportation and Funding for the People: Is the StanCOG Planning Agency Mismanaging Funding and Their Own People? Case Number 25-06C

View original report here: [2024-2025 Final Consolidated Report](https://www.stanislaus.courts.ca.gov/divisions/grand-jury/final-reports-2024-2025) or visit
<https://www.stanislaus.courts.ca.gov/divisions/grand-jury/final-reports-2024-2025>

Summary

In 2024 the Stanislaus County Civil Grand Jury received a complaint concerning the administration of funds at StanCOG. Recent excessive turnover of over 50% has led to late payments made to our local agencies of Measure L funds, as well as late reports to public agencies and being delinquent in completion of its annual single audit. We believe all of the above have major implications and all have merit.

The purpose and duty of a Metropolitan Planning Organization (MPO) like the Stanislaus Council of Governments (StanCOG) is to cooperate with regional cities and the county to pursue funding from the state via Caltrans, federal transportation funding, and grants with the intent to build, improve, and repair our means of transit, including roads, bicycle lanes, trains, buses, and the like.

StanCOG has proven over the years to be an effective MPO in its interactions at the local, state, and federal levels. Where it has shown to be less effective is in the management of the organization. It has policy manuals for its planning and transportation departments and policies for its finance department, but none for the Administrative Services department. Rather the administrative policies are scattered throughout the policies of the aforementioned departments and an Employee Handbook seemingly developed for the benefit of the Executive Director and other senior management.

In 2017, StanCOG amended its Joint Powers Agreement (JPA) to remove all county oversight, which was well before the citizen complaint of 2024 that triggered this investigation. Stanislaus County employees, even at the highest level, must reimburse the county if they

exceed spending limitations, even less than one dollar. This is how closely the county oversees its employees. Conversely, StanCOG has no effective oversight within their organization. This has led to excessive charges made by the Executive Director on the StanCOG credit card for travel, lodging, and meals, all of which are borne by the taxpayers.

Agencies Asked to Respond

StanCOG's Policy Board: All Findings and Recommendations

Findings and Recommendations

Finding 1. StanCOG is not responsive to their obligations with respect to the authority of the Civil Grand Jury and the Policy Board.

☐Agrees with Finding ☒Disagrees Wholly or Partially

Recommendation 1a. StanCOG General Counsel is expected to be familiar with the California Penal Codes illustrating the rights of the Civil Grand Jury and its responsibility as a government watchdog. The Policy Board should require proof that the General Counsel has completed continuing education or other training in civil grand jury rights should be completed no later than December 31, 2025.

☐Implemented ☐Will Implement ☐Further Analysis Needed ☒Will Not Implement

Recommendation 1b. The Policy Board is strongly encouraged to review this report with a critical eye on how both StanCOG upper management and its General Counsel responded to the Civil Grand Jury in both written responses and verbal interviews.

☒Implemented ☐Will Implement ☐Further Analysis Needed ☐Will Not Implement

Finding 2. StanCOG has no significant oversight by its Policy Board.

☐Agrees with Finding ☒Disagrees Wholly or Partially

Recommendation 2a. StanCOG should amend their November 2018 JPA to include the County Auditor-Controller. This should be completed with the anticipated upcoming JPA amendment process, which currently lacks a completion date.

☐Implemented ☐Will Implement ☒Further Analysis Needed ☐Will Not Implement

Recommendation 2b. StanCOG should revise its policy board bylaws to reduce the overall responsibility of oversight from the Chair and distribute it among the other members keeping in mind the responsibilities of all members outside of their StanCOG duties, particularly members of the Stanislaus County Board of Supervisors who carry greater responsibilities. This should be completed by December 31, 2025.

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Recommendation 2c. StanCOG's Policy Board should create a system of monthly, quarterly, and annual reviews of travel expenditures, project funds, accounting, and policies. This should be completed by December 31, 2025.

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Recommendation 2d. Revise the JPA so that all Management and Financial matters are reviewed and approved by the MFC prior to presentation before the Executive Committee and Policy Board in order to provide guidance, insight, and recommendations on the improvements required. This should be completed by December 31, 2025.

☐ Implemented ☐ Will Implement ☒ Further Analysis Needed ☐ Will Not Implement

Finding 3. As used in the Accounting Policy in Section 9, "reasonable" is not a specific enough spending limit to be employed responsibly with respect to travel.

☒ Agrees with Finding ☐ Disagrees Wholly or Partially

Recommendation 3. With advisement from the Management and Finance Committee, the Policy Board should craft a travel policy with specific spending limits for rental cars, hotels, dinners, flights, and other related expenditures. This should be completed by Dec. 31, 2025.

☐ Implemented ☒ Will Implement ☐ Further Analysis Needed ☐ Will Not Implement

Finding 4. StanCOG lacks a Director of Financial Services, and that position is subject to the authority of the Executive Director.

☐ Agrees with Finding ☒ Disagrees Wholly or Partially

Recommendation 4a. StanCOG's Policy Board, not the Executive Director, should take over and expedite the hiring of a Director of Financial Services. This should be completed by October 31, 2025.

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Recommendation 4b. The Executive Director position should be abolished and establish an information officer for jurisdiction and political engagement, and an operations officer to oversee the daily operation of the organization. This should be completed by March 31, 2026.

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Recommendation 4c. The Director of Financial Services should only be answerable to the Policy Board, not the Executive Director. This should be completed by December 31, 2025.

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Recommendation 4d. The operations officer should oversee the Financial Services department and approve all of the expenditures of the newly created information officer position. This should be in addition to the Policy Board's oversight. This should be completed by March 31, 2026.

☒ Implemented ☐ Will Implement ☐ Further Analysis Needed ☐ Will Not Implement

Finding 5. StanCOG's absence of a Director of Financial Services resulted in several members of upper management undertaking that role's responsibilities. The substandard performance of these duties led to delinquent audits with material findings.

☒ Agrees with Finding ☐ Disagrees Wholly or Partially

Recommendation 5a. In the event that the Executive Director position is retained or the position of operations officer is created, these positions and any other leadership roles engaged with the Single Audit should have training in Generally Accepted Accounting Principles. This should be completed by December 31, 2025.

☐ Implemented ☒ Will Implement ☐ Further Analysis Needed ☐ Will Not Implement

Recommendation 5b. The Policy Board should establish a separate audit committee. This should be completed by December 31, 2025.

☐ Implemented ☐ Will Implement ☒ Further Analysis Needed ☐ Will Not Implement

Finding 6. The Employee Handbook as stated is a “working guide for Employees and supervisors.” It is out of compliance with the current practices of StanCOG.

☐ Agrees with Finding ☒ Disagrees Wholly or Partially

Recommendation 6a. The Policy Board should review and compare its StanCOG Policies with Stanislaus County’s HR policies.

☐ Implemented ☒ Will Implement ☐ Further Analysis Needed ☐ Will Not Implement

Recommendation 6b. The Employee Handbook should be consolidated with all applicable policies and procedures, position descriptions, and all other documents into one central manual. This should be completed by December 31, 2025.

☒ Implemented ☐ Will Implement ☐ Further Analysis Needed ☐ Will Not Implement

Recommendation 6c. The Employee Handbook and all applicable policies and procedures, position descriptions, and other documents should be centrally located for any employee to access at any time. A hard copy of the aforementioned documents should be kept in Administrative Services, and digital copies should be available on the V drive. This should be completed by October 31, 2025.

☒ Implemented ☐ Will Implement ☐ Further Analysis Needed ☐ Will Not Implement

Finding 7. The Jury found that the StanCOG Single Audit, dated June 30, 2023, had material weaknesses that caused the report to be issued late.

☒ Agrees with Finding ☐ Disagrees Wholly or Partially

Recommendation 7a. The Executive Director or the newly created position of operations officer should be involved with the audit process from start to finish and should receive training in Generally Accepted Accounting Principles. This should be completed by Dec. 31, 2025.

☐ Implemented ☒ Will Implement ☐ Further Analysis Needed ☐ Will Not Implement

Recommendation 7b. The Policy Board should establish a separate audit committee. This should be completed by December 31, 2025.

☐ Implemented ☐ Will Implement ☒ Further Analysis Needed ☐ Will Not Implement

Finding 8. There are two published Appendix A documents for full-time employee benefits. Appendix A (1/1/25) provided by the director of Administrative Services allows for nine weeks paid vacation at twelve years and Appendix A (11/17/21) provided by the General Counsel allows for only five weeks at twelve years and more.

☒ Agrees with Finding ☐ Disagrees Wholly or Partially

Recommendation 8a. The Policy Board should determine which document they approved and purge the system of the inaccurate document, preferably the Appendix A dated 1/1/25 allowing for nine weeks of vacation. This should be completed by October 31, 2025.

☒ Implemented ☐ Will Implement ☐ Further Analysis Needed ☐ Will Not Implement

Recommendation 8b. The Policy Board should investigate how this unapproved change of Appendix A occurred and shall report the findings in an open session at a Policy Board meeting. This should be completed by December 31, 2025.

☐ Implemented ☒ Will Implement ☐ Further Analysis Needed ☐ Will Not Implement

Finding 9. The Executive Director has used rental cars extensively and excessively rather than her personal vehicle due to vague policies and lack of oversight.

☒ Agrees with Finding ☐ Disagrees Wholly or Partially

Recommendation 9a. StanCOG should contract with the county motor pool to reduce unwarranted rental car expenses. This was proposed to the County CEO, and he said it would be possible. This should be completed by December 31, 2025.

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Recommendation 9b. Subtract the cost of a rental vehicle from the yearly auto allowance of \$4,800 each time a rental is used in lieu of a personal vehicle. This should be completed by October 31, 2025.

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Recommendation 9c. In the event that it is necessary to use a rental vehicle, an authorization from the Policy Board must be issued. This should be completed by October 31, 2025.

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Finding 10. The policy on missing receipts is not being adhered to by the Executive Director due to the lack of appropriate oversight by the Policy Board.

☒ Agrees with Finding ☐ Disagrees Wholly or Partially

Recommendation 10a. The policy on receipts should be followed by all employees including the Executive Director. This should be implemented immediately.

☒ Implemented ☐ Will Implement ☐ Further Analysis Needed ☐ Will Not Implement

Recommendation 10b. All employees, including the Executive Director, should be held accountable by the Policy Board for adherence to the credit card rules as documented in the StanCOG Accounting Policies updated 6/1/21. This should be completed by Dec 31, 2025.

☐ Implemented ☒ Will Implement ☐ Further Analysis Needed ☐ Will Not Implement

Recommendation 10c. The Policy Board should investigate how the Executive Director was able to charge the Executive Director's husband's plane fare (in the amount of \$614.58) to the StanCOG credit card. They should also review the fraud report related to this charge submitted by the Director of Administrative Services to the credit card company. They shall report the findings in an open session at a Policy Board meeting. This should be completed by December 31, 2025.

☒ Implemented ☐ Will Implement ☐ Further Analysis Needed ☐ Will Not Implement

Recommendation 10d. The Policy Board should initiate an investigation of both the unrestrained “Education and Training” expenses and the inordinate and inappropriate use of the StanCOG credit card by the Executive Director and all staff from January 1, 2020 to June 30, 2025. This investigation should be conducted by an outside accounting firm/forensic auditor and should focus on:

- a) credit card reimbursements, especially when receipts were missing or inappropriately itemized
- b) reimbursement requests submitted late, and
- c) unauthorized expenses as per Section 9 of the Accounting Policies.

This investigation should begin no later than December 31, 2025. A report of this investigation should be presented in an open session of the Policy Board by March 31, 2026.

☒ Implemented ☐ Will Implement ☐ Further Analysis Needed ☐ Will Not Implement

Recommendation 10e. The Jury recommends full reimbursement by the Executive Director of ALL missing receipts and unauthorized expenditures. This should be completed by December 31, 2025.

☐ Implemented ☒ Will Implement ☐ Further Analysis Needed ☐ Will Not Implement

Finding 11. The expenditure category “training and education” is too broad.

☒ Agrees with Finding ☐ Disagrees Wholly or Partially

Recommendation 11. StanCOG should amend policies to create additional expense categories that will provide greater transparency for expenditure purposes. This should be completed by December 31, 2025.

☐ Implemented ☒ Will Implement ☐ Further Analysis Needed ☐ Will Not Implement

Conclusion

The 2025-2026 SCCGJ is satisfied the StanCOG Policy Board submitted a timely and detailed response as required by California Penal Code §933 and §933.05.

City of Turlock: Rehab in Housing Department Passes Inspection Case Number 25-08C

View original report here: [2024-2025 Final Consolidated Report](https://www.stanislaus.courts.ca.gov/divisions/grand-jury/final-reports-2024-2025) or visit
<https://www.stanislaus.courts.ca.gov/divisions/grand-jury/final-reports-2024-2025>

Summary

During more than a decade and waning by the end of 2023, the City of Turlock's Housing Department experienced a lack of structure due to excessive employee turnover. While trying to manage one problem, others were developing in different areas, much like a home that needs constant and comprehensive maintenance to function properly.

Because of changing federal regulations and governmental procedures, repairs in the way of updated Policies and Procedures Manuals for multiple HUD agencies took months. Because of employee turnover, the ability to ensure the continuity of service to Turlock's lower-income population was compromised, and for a time, stalled. The City of Turlock contracted with independent consultants to help repair the struggling department.

Despite this troubled period, Turlock's Housing Department has rebuilt, reorganized and strengthened its commitment to serve the community.

Agencies Asked to Respond

Turlock City Council: F1, R1

Findings and Recommendations

Finding 1. The City of Turlock's Housing Department has experienced turmoil in recent years and has been held accountable. New policies and procedures, a decline in job turnover, and attention to detail have helped the department fix problems of the recent past.

☒ Agrees with Finding ☐ Disagrees Wholly or Partially

Recommendation 1. The SCCGJ recommends the Turlock City Council instruct the Housing Department to release the HUD Monitoring Report dated July 31, 2024, to the public on or before November 15, 2025, as a model of transparency between the City of Turlock and the community it serves.

☒ Implemented ☐ Will Implement ☐ Further Analysis Needed ☐ Will Not Implement

Conclusion

The 2025-2026 SCCGJ is satisfied the Turlock City Council submitted a timely and detailed response as required by California Penal Code §933 and §933.05.

Review of the Annual Financial Audit Report for the Fiscal Year Ended June 30, 2023 Case Number 25-15GJ

View original report here: [2024-2025 Final Consolidated Report](https://www.stanislaus.courts.ca.gov/divisions/grand-jury/final-reports-2024-2025) or visit
<https://www.stanislaus.courts.ca.gov/divisions/grand-jury/final-reports-2024-2025>

Summary

The Stanislaus County Office of the Auditor-Controller is now in its third year of struggle with implementation of a new software system. As a result, required financial reporting is delayed. While this reporting is substantially adequate, the external auditor found material weaknesses that could lead to real errors over time.

Agencies Asked to Respond

Stanislaus Board of Supervisors: F1, R1, R2.

Finds and Recommendations

Finding 1. The implementation of a new ERP system has created a persistent problem of delays and material weaknesses in financial reporting.

☐ Agrees with Finding ☒ Disagrees Wholly or Partially

Recommendation 1. The SCCGJ recommends that the County Board of Supervisors instruct the Office of the Auditor-Controller to reorganize the end-of-year accounting processes, as well as provide more training to departments on how to use the ERP accurately, in line with the findings of the external auditor. This process should be completed by October 31, 2025, in time to prepare the reports for the current fiscal year.

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Recommendation 2. The SCCGJ recommends that the County Board of Supervisors direct the Office of the Auditor Controller to complete its ACFR and Single Audit by June 30, 2025.

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Conclusion

The 2025-2026 SCCGJ is satisfied the Stanislaus County Board of Supervisors submitted a timely and detailed response as required by California Penal Code §933 and §933.05.

Oakdale Police Department

Mandated Training Implementation Report

Case Number 25-19GJ

View original report here: [2024-2025 Final Consolidated Report](https://www.stanislaus.courts.ca.gov/divisions/grand-jury/final-reports-2024-2025) or visit
<https://www.stanislaus.courts.ca.gov/divisions/grand-jury/final-reports-2024-2025>

Summary

The 2022-2023 Stanislaus County Civil Grand Jury made findings and recommendations in Case #23-10C related to the ongoing mandated training requirements for law enforcement officers the Oakdale Police Department. Those findings and recommendations included timelines for bringing the department into compliance with statewide standards, including certain tasks being completed by December 31, 2024. Correspondence with Oakdale Police Department leadership, plus specific documents requested and received, were reviewed by members of the Criminal Justice Committee of the 2024-2025 SCCGJ. It has been determined that the Oakdale Police Department has complied with the recommendations made and that its officers are currently in compliance with mandated training requirements. Recommendations are made in order to maintain the improved management and implementation of mandatory training requirements.

Agencies Asked to Respond

City of Oakdale City Council: F1, F2, F3, F4.

Findings and Recommendations

Finding 1. The Oakdale Police Department is found to be in compliance with deadlines recommended in the 2022-2023 SCCGJ Report related to mandatory Peace Officer Training.

☒ Agrees with Finding ☐ Disagrees Wholly or Partially

Finding 2. Oakdale Police Department officers are current in statewide standards for training required by the California State Commission on Peace Officer Standards and Training or have legitimate waivers related to recent dates of hire and training received in the academy within the training cycle.

☒ Agrees with Finding ☐ Disagrees Wholly or Partially

Finding 3. The Oakdale Police Department Training Coordinator is in compliance with recommendations included in the 2022-2023 SCCGJ Report related to attendance at the Training Manager's Workshops in 2023 and 2024.

☒ Agrees with Finding ☐ Disagrees Wholly or Partially

Finding 4. The Oakdale Police Department's Master Training Plan is in order and up to date.

☒ Agrees with Finding ☐ Disagrees Wholly or Partially

Conclusion

The 2025-2026 SCCGJ is satisfied the Oakdale City Council submitted a timely and detailed response as required by California Penal Code §933 and §933.05.

**Computer Assisted Emergency Dispatch
in Stanislaus County:
Fraught with Divisive Controversy
Resulting in Public Safety Vulnerability**
It is not what you want; it is how you go about getting it.
Case Number 25-23GJ

View original report here: [2024-2025 Final Consolidated Report](https://www.stanislaus.courts.ca.gov/divisions/grand-jury/final-reports-2024-2025) or visit
<https://www.stanislaus.courts.ca.gov/divisions/grand-jury/final-reports-2024-2025>

Summary

The years-long contentious conflict concerning the replacement and implementation of an obsolete Computer Assisted Dispatch (CAD) system in Stanislaus County has consumed an inordinate amount of costly staff time and government resources. Factions with strongly held polarized positions have developed with the Sheriff's Office being the outlier among the multiple stakeholders. The ongoing conflict has been centered around the choice of product and provider, implementation details, as well as decision making power and control. The situation has deteriorated to the point of threatened lawsuits involving what are normally aligned, cooperative governmental departments. Due to the ongoing conflicts, decision making related to solutions going forward were postponed and delayed. This resulted in the currently outdated and unsupported system continuing to be utilized pending replacement which has resulted in vulnerabilities within the community related to emergency response. Recent directives issued by County leadership have moved forward the purchase and implementation of an updated CAD system while the Sheriff's Office insists on continuing its pursuit of an alternative dispatch system which combines a records management and jail management plan.

Agencies Asked to Respond

CEDAC of SR911: F1, F2, F3, R1a, R1b, R1c, R1d, R2a, R2b, R3a, R3b.

Stanislaus County Board of Supervisors: F1, F2, F3, F4, R1a, R1b, R1c, R1d, R2a, R2b, R3a, R3b, R4.

Stanislaus County Sheriff's Office: F1, F2, F3, F4, R1a, R1b, R1c, R1d, R2a, R2b, R3a, R3b, R4.

Modesto City Council: F1, F2, F3, F4, R1a, R1b, R1c, R1d, R2a, R2b, R3a, R3b, R4.

Findings and Recommendations

Finding 1. The 1999 SR911 JPA is outdated and lacks adequate content, detail, definitions, and policy necessitating major revisions with input from City of Modesto, Stanislaus County, SR911, plus stakeholders in the law enforcement, fire, and medical first responder community.

CEDAC of SR911

☐Agrees with Finding ☒Disagrees Wholly or Partially

Stanislaus County Board of Supervisors

☐Agrees with Finding ☒Disagrees Wholly or Partially

Stanislaus County Sheriff's Office

☒Agrees with Finding ☐Disagrees Wholly or Partially

Modesto City Council

☐Agrees with Finding ☒Disagrees Wholly or Partially

Recommendation 1a. The SCCGJ recommends that the County Board of Supervisors and Modesto City Council implement the necessary actions to complete the following recommendation: The SR911 CEDAC in a leadership role should assemble a multidisciplinary task force from the City of Modesto, Stanislaus County, and include members of the emergency response community in Stanislaus County to comprehensively update the SR911 JPA. This revision task force should be formed by October 31, 2025, with a target completion date for the JPA revisions of April 30, 2026.

CEDAC of SR911

☐Implemented ☐Will Implement ☐Further Analysis Needed ☒Will Not Implement

Stanislaus County Board of Supervisors

☐Implemented ☐Will Implement ☐Further Analysis Needed ☒Will Not Implement

Stanislaus County Sheriff's Office

☒Implemented ☐Will Implement ☐Further Analysis Needed ☐Will Not Implement

Modesto City Council

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Recommendation 1b. The SCCGJ recommends that the County Board of Supervisors and Modesto City Council implement the necessary actions to complete the following recommendation: The JPA revision task force should make necessary revisions, including but not limited to detailed policy for the role and authority of the SR911 Director by April 30, 2026.

CEDAC of SR911

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Stanislaus County Board of Supervisors

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Stanislaus County Sheriff's Office

☒ Implemented ☐ Will Implement ☐ Further Analysis Needed ☐ Will Not Implement

Modesto City Council

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Recommendation 1c. The SCCGJ recommends that the County Board of Supervisors and Modesto City Council implement the necessary actions to complete the following recommendation: The JPA revision task force, with assistance from the City of Modesto and Stanislaus County legal and purchasing departments, should develop their own comprehensive, detailed RFP process for future use when making major purchases by April 30, 2026.

CEDAC of SR911

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Stanislaus County Board of Supervisors

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Stanislaus County Sheriff's Office

☒ Implemented ☐ Will Implement ☐ Further Analysis Needed ☐ Will Not Implement

Modesto City Council

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Recommendation 1d. The SCCGJ recommends that the County Board of Supervisors, Modesto City Council, and Stanislaus County Sheriff's Office implement the necessary actions to complete the following recommendation: The JPA revision task force and the Sheriff's Office should address and develop written policy concerning the responsibility for maintaining compliance with CLETS regulations including designating responsibility for performing recurring required audits of security of the CLETS information by April 30, 2026.

CEDAC of SR911

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Stanislaus County Board of Supervisors

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Stanislaus County Sheriff's Office

☒ Implemented ☐ Will Implement ☐ Further Analysis Needed ☐ Will Not Implement

Modesto City Council

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Finding 2. The Board of Supervisor's letter to Sheriff Jeff Dirkse dated March 11, 2025, (See Appendix) is a detailed description of the history and chronology of the emergency dispatch issues in Stanislaus County and is highly consistent with the findings of this investigation. The letter reiterates the steps necessary for the consideration of any future proposal for an alternative dispatch system including response time analysis, the inclusion of subject matter experts and stakeholders' input, fiscal analysis, and review by County Counsel and County Purchasing Agent.

CEDAC of SR911

☒ Agrees with Finding ☐ Disagrees Wholly or Partially

Stanislaus County Board of Supervisors

☒ Agrees with Finding ☐ Disagrees Wholly or Partially

Stanislaus County Sheriff's Office

☒ Agrees with Finding ☐ Disagrees Wholly or Partially

Modesto City Council

☒ Agrees with Finding ☐ Disagrees Wholly or Partially

Recommendation 2a. The SCCGJ recommends that the County Board of Supervisors and Stanislaus County Sheriff's Office implement the necessary actions to complete the following recommendation: It is recommended that both the Sheriff's Office and County Officials strictly adhere to the requirements included in the letter of March 11, 2025, going forward in order to prevent any further misunderstandings or miscommunications that have resulted in delays in the past.

CEDAC of SR911

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Stanislaus County Board of Supervisors

☒ Implemented ☐ Will Implement ☐ Further Analysis Needed ☐ Will Not Implement

Stanislaus County Sheriff's Office

☒ Implemented ☐ Will Implement ☐ Further Analysis Needed ☐ Will Not Implement

Modesto City Council

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Recommendation 2b. The SCCGJ recommends that the County Board of Supervisors and Stanislaus County Sheriff's Office implement the necessary actions to complete the following recommendation: It is recommended that the Sheriff's Office adhere to usual and customary practices requested by county officials for providing information in advance of public meetings so that information can be reviewed by officials and the public prior to meetings.

CEDAC of SR911

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Stanislaus County Board of Supervisors

☒ Implemented ☐ Will Implement ☐ Further Analysis Needed ☐ Will Not Implement

Stanislaus County Sheriff's Office

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Modesto City Council

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Finding 3. The Stanislaus County Sheriff's Office is the outlier among all of the other stakeholders in the emergency dispatch controversy. Political tactics, threats of litigation,

personal attacks, refusal to work with key operatives, and the appearance of intimidation by the Sheriff's Office faction in this dispute has damaged both personal and working relationships with interrelated government agencies and personnel.

CEDAC of SR911

☐Agrees with Finding ☒Disagrees Wholly or Partially

Stanislaus County Board of Supervisors

☐Agrees with Finding ☒Disagrees Wholly or Partially

Stanislaus County Sheriff's Office

☐Agrees with Finding ☒Disagrees Wholly or Partially

Modesto City Council

☐Agrees with Finding ☒Disagrees Wholly or Partially

Recommendation 3a. The SCCGJ recommends that the County Board of Supervisors, Modesto City Council, and Stanislaus County Sheriff's Office implement the necessary actions to complete the following recommendation: Stanislaus County, City of Modesto, and the Sheriff's Office officials should utilize independent outside intervention in the form of professional mediators and/or subject matter experts to process interpersonal damages in working relationships of key figures and to provide unbiased information related to product efficacy. The use of outside professional mediators and subject matter experts should commence by October 31, 2025.

CEDAC of SR911

☐Implemented ☐Will Implement ☐Further Analysis Needed ☒Will Not Implement

Stanislaus County Board of Supervisors

☐Implemented ☐Will Implement ☐Further Analysis Needed ☒Will Not Implement

Stanislaus County Sheriff's Office

☐Implemented ☐Will Implement ☐Further Analysis Needed ☒Will Not Implement

Modesto City Council

☐Implemented ☐Will Implement ☐Further Analysis Needed ☒Will Not Implement

Recommendation 3b. The SCCGJ recommends that the County Board of Supervisors, Modesto City Council, and Stanislaus County Sheriff's Office implement the necessary actions

to complete the following recommendation: The Sheriff's Office needs to take a lead role in reconciliation with the other stakeholders and acknowledge that it is only one county department among many with competing interests and must function in a more cooperative, collaborative manner.

CEDAC of SR911

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Stanislaus County Board of Supervisors

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Stanislaus County Sheriff's Office

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Modesto City Council

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Finding 4. Stanislaus County-based oversight of the Sheriff's Office is inadequate given the potential impact its policies and the actions taken could have on the communities it serves. Opportunities exist to improve accountability, transparency, understanding, tolerance, and trust between all parties. The Stanislaus County Board of Supervisors has the option under Government Code §25303.7 to establish a Sheriff's Oversight Board consisting of citizens appointed by the Board of Supervisors and/or an Office of Inspector General to assist in overseeing the Sheriff's Office to enhance the Sheriff's Office accountability and transparency.

CEDAC of SR911

☐ Agrees with Finding ☒ Disagrees Wholly or Partially

Stanislaus County Board of Supervisors

☐ Agrees with Finding ☒ Disagrees Wholly or Partially

Stanislaus County Sheriff's Office

☐ Agrees with Finding ☒ Disagrees Wholly or Partially

Modesto City Council

☐ Agrees with Finding ☒ Disagrees Wholly or Partially

Recommendation 4. The SCCGJ recommends that the County Board of Supervisors implement the necessary actions to complete the following recommendation: The Stanislaus

County Board of Supervisors should initiate action to create a Stanislaus County Sheriff's Oversight Commission and/or an Office of Inspector General pursuant to Government Code §25303.7. This can be accomplished by either an action by the Board of Supervisors or through a vote of county residents. This recommendation should be accomplished by December 31, 2025.

CEDAC of SR911

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Stanislaus County Board of Supervisors

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Stanislaus County Sheriff's Office

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Modesto City Council

☐ Implemented ☐ Will Implement ☐ Further Analysis Needed ☒ Will Not Implement

Conclusion

The 2025-2026 SCCGJ is satisfied the Stanislaus County Board of Supervisors, Stanislaus County Sheriff's Office, and Modesto City Council submitted a timely and detailed response as required by California Penal Code §933 and §933.05. Although the response from CEDAC of SR911 was not received within the timeframe required by California Penal Code §933, CEDAC of SR911 submitted a detailed response in accordance with California Penal Code §933.05.



AUDITOR-CONTROLLER

Mandip Dhillon, CPA
AUDITOR-CONTROLLER

Christopher Barnes, CPA
ASSISTANT AUDITOR-CONTROLLER

July 31, 2026

Honorable Sonny Sandhu, Presiding Judge
Superior Court of California, County of Stanislaus
P.O. Box 3488
Modesto, CA 95353

RECEIVED

AUG 04 2026

BY: _____

SUBJECT: Response to Civil Grand Jury Review of the Annual Financial Audit Report for the Fiscal Year Ended on June 30, 2025 – Case Number 26-15GJ

This letter will serve as the Auditor-Controller's response to the Civil Grand Jury Final Report for the 2025-2026 Fiscal Year.

We have included the Civil Grand Jury finding and commendation followed by our response.

F1. Grand Jury's Finding: Financial controls in the Stanislaus County Auditor-Controller's Office are accurate and effective.

Commendation1: The Stanislaus County Civil Grand Jury commends the Auditor-Controller and his management team for their competent financial management.

Stanislaus County Auditor-Controller Response: The Auditor-Controller's Office agrees with the Civil Grand Jury's finding and appreciates the acknowledgment of its competent financial management. We thank the Civil Grand Jury for its review of the Annual Financial Audit Report for the fiscal year ending June 30, 2025, and for recognizing the accuracy and strength of our financial controls. Stanislaus County remains committed to maintaining strong internal controls, adhering to established accounting standards, and ensuring transparent stewardship of public resources.

Please feel free to contact me if you have any additional questions or require further information.

Respectfully,

Mandip Dhillon, CPA
Auditor-Controller

C: Honorable Buck Condit, Supervisor – District 1
 Honorable Vito Chiesa, Supervisor – District 2
 Honorable Terry Withrow, Supervisor- District 3
 Honorable Mani Grewal, Supervisor- District 4
 Honorable Channce Condit, Supervisor - District 5
 Jody L. Hayes, Chief Executive Officer