

Cambrian School District

Measure R Citizens' Oversight Committee



Presented by Matt Kolker
January 14, 2021

Agenda

- ◆ District's Historical Citizens' Bond Oversight Approach
- ◆ Measure R
- ◆ Review of the *Strict Accountability in Local School Construction Bonds Act of 2000*
- ◆ For Reference



District Experience with Oversight

CAMBRIAN SCHOOL DISTRICT
MEASURE I BOND CONSTRUCTION PROGRAM
CITIZENS' OVERSIGHT COMMITTEE FINAL ANNUAL REPORT

October 27, 2020

Final Report to the Cambrian School District Board of Trustees

As required by the statutes and bylaws of the Measure I Bond Election, the Citizens' Oversight Committee is pleased to provide our final annual report to the Board of Trustees of the Cambrian School District. Members of the committee are Ed Chirco, Chris Whitaker, Katia McClain, Michelle Lister, Liz Warren, and Jeff Lowery.

On 10/27/2020, the committee met to review the final Measure I expenditure reports and prepare this final annual report to the school board. Penny Timboe and Omid Azizi reported that between 2013 and 2020, \$40,863,432.77 was spent on the Measure I projects and that the Measure I program is now complete. Penny indicated that since the last COC meeting on 12/17/2018, the remaining Measure I funds were fully exhausted as of October 27, 2020. Penny confirmed that of the \$40.9M spent, \$38,890,000 was Measure I bond funds, and that the balance of \$1.973 Million was made up of \$332,744 in bond fund interest and \$1,640,688 in State Prop 39 energy funds and local funding.

Penny and Omid presented photos of the completed Bagby Multi-Use Building and the Sartorette Library Project. The committee then reviewed the Measure I program financial reports for the period of 12/17/2018 to 10/27/2020 which indicated that \$1,669,356.85 was spent on Measure I projects during this time frame. Omid indicated that \$1,439,726.25 was spent completing the Bagby Multi-Use Building Project, and \$133,889.45 was spent on the Sartorette Library Project, using the last of Measure I funds.

The committee then reviewed the fiscal year 2018 independent financial and performance audits for Measure I prepared by Vavrinek, Trine, Day & Co, and the fiscal year 2019 independent financial and performance audits prepared by EideBailly. Both sets of audits confirmed no discrepancies in the expenditure of the remaining Measure I funds. Finally, the committee discussed preparation of the final annual report to the school board.

Based on our review and observations, the Citizens' Oversight Committee finds that the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution and that the Measure I bond funds were used for the purposes specified in the ballot language.

The Measure I Citizens' Oversight Committee is very proud of the Measure I improvements made to our schools and we commend the District on their performance on the projects and the fiscal stewardship of the Measure I bond funds.

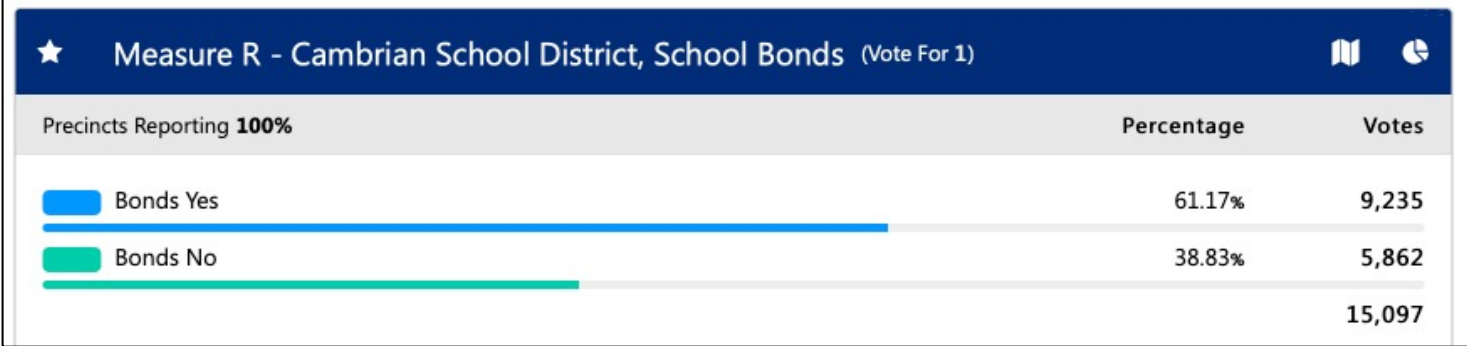
Respectfully submitted,



Liz Warren,
Measure I Citizens Oversight Committee Vice-Chairperson

- ◆ Measure I Citizens' Oversight Committee met regularly over the past 6 years
- ◆ All Measure I proceeds expended
- ◆ Final meeting was on October 27, 2020

Moving Forward with Measure R



**CAMBRIAN SCHOOL DISTRICT
DISTRITO ESCOLAR DE CAMBRIAN**

R To repair/upgrade aging classrooms, science labs, school facilities, and instructional technology to support student achievement in math, science, engineering, technology, and arts, repair deteriorating roofs, plumbing, electrical, remove asbestos/lead pipes where needed, and upgrade classrooms/computers to keep pace with technology, shall the Cambrian School District measure authorizing \$88,000,000 in bonds at legal rates be adopted, levying 3 cents/\$100 assessed value (\$5,080,000 annually) while bonds are outstanding, with citizen oversight/all money staying local?

Para reparar/mejorar las aulas deterioradas, los laboratorios de ciencias, las instalaciones escolares y la tecnología educativa para apoyar los logros de los estudiantes en matemáticas, ciencia, ingeniería, tecnología y arte, reparar techos deteriorados, sistemas de plomería y eléctricos, quitar cañerías de asbesto/plomo donde sea necesario, y mejorar aulas/computadoras para estar al día con la tecnología, ¿se debería adoptar la medida del Distrito Escolar de Cambrian que autoriza \$88,000,000 en bonos a tasas legales, lo que permite recaudar 3 centavos por cada \$100 de valor catastral (\$5,080,000 por año) mientras los bonos estén pendientes de pago, con supervisión ciudadana/conservando todo el dinero a nivel local?

BONDS—YES / BONOS—SÍ

BONDS—NO / BONOS—NO

Extra Oversight and Citizen Participation

**CAMBRIAN SCHOOL DISTRICT
DISTRITO ESCOLAR DE CAMBRIAN**

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BONDS—YES/BONOS—SÍ

BONDS—NO/BONOS—NO

"Strict Accountability . . .

- ◆ *...in Local School Construction Bonds Act of 2000"*
- ◆ Today's Law
 - ▶ Five methods of accountability
 - Citizens' Oversight Committee
 - Performance Auditing
 - Financial Auditing
 - Court Restraint and Prevention of Any Expenditure of Funds
 - Law Enforcement Pursuit in the Event of Allegation or Misuse of Bond Funds



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Statutory Member Criteria

- ◆ At least 7 members, 5 of whom meet specified criteria
 - ▶ One member who is active in a business organization representing district's business community
 - ▶ One member who is active in a senior citizens' organization
 - ▶ One member who is active in a bona fide taxpayers' organization
 - ▶ One member who is a parent/guardian of child enrolled in district
 - ▶ One member who is both a parent/guardian of child enrolled in district and active in a parent-teacher organization or school site council



✓ *Education Code 15282(a)*

✓ *Note: these are diversity categories, not representatives*

Citizens' Oversight Committee Purpose

- ◆ “The purpose of the citizens' oversight committee shall be to inform the public concerning the expenditure of bond revenues. The citizens' oversight committee shall actively review and report on the proper expenditure of taxpayers' money for school construction.”

✓ *Education Code 15278 (b)*



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Financial and Performance Audits


- ◆ “(C) A requirement that the school district board, community college board, or county office of education conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed.
- ◆ (D) A requirement that the school district board, community college board, or county office of education conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended for the school facilities projects.”
- ✓ *Article XIII A [Tax Limitation] Section 1 of the California Constitution*
- ◆ “The governing board of the district shall provide the citizens’ oversight committee with responses to any and all findings, recommendations, and concerns addressed in the annual, independent financial and performance audits required by subparagraphs (C) and (D) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution within three months of receiving the audits.”
- ✓ *Education Code 15280 (a)(2)*

...by March 31

- ◆ “Consistent with the provisions contained in subparagraphs (C) and (D) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution, the required annual, independent financial and performance audits for the preceding fiscal year shall be submitted to the citizens’ oversight committee established pursuant to Section 15278 at the same time they are submitted to the school district or community college district, no later than March 31 of each year. These audits shall be conducted in accordance with the Government Auditing Standards issued by the Comptroller General of the United States for financial and performance audits.”

✓ *Education Code 15286*

Mission: Review

- ◆ What to review?
 - ▶ Bond expenditures
 - ▶ Performance audit
 - ▶ Financial audit
 - ◆ What to compare against?
 - ▶ Ballot question
 - ▶ Bond project list
- 
- ◆ Tips for reviewing:
 - ▶ What does each document tell you?
 - ▶ How are the documents prepared?
 - ▶ Audits are annual and to be provided by March 31 following the Fiscal Year
 - ▶ Responses to audit findings must be provided within 3 months



Mission: Report

- ◆ What to report?
 - ▶ Conclusions based on review of:
 - Bond expenditures
 - Performance audit
 - Financial audit
 - ▶ Advise public on compliance with proper expenditures
- ◆ Tips for reporting:
 - ▶ Report to the community annually
 - ▶ Post on the Citizens' Oversight Committee's web page:
 - Meeting agendas
 - Meeting minutes
 - Documents received
 - Annual report



- ✓ *Education Code 15280(b): All citizens' oversight committee proceedings shall be open to the public and notice to the public shall be provided in the same manner as the proceedings of the governing board of the district.*

Foundational Documents

- ◆ With a bond measure, foundational documents include:
- ◆ District-created documents:
 - ▶ Resolution Ordering the Election for Measure includes:
 - Ballot Question
 - Full Text Ballot Proposition (also includes Project List)
 - Tax Rate Statement
- ◆ Governing Law
 - ▶ California Constitution Article XIII A, Section 1 (b) (3)
 - ▶ Strict Accountability in Local School Construction Bonds Act of 2000
 - Includes requirements for Citizens' Oversight Committee

An Organized Web Page . . .

- ◆ Informs the public
 - ▶ Can provide foundational documents online
 - ▶ Meeting materials
 - Meeting agendas
 - Meeting minutes
 - Information to be reviewed by the Committee
 - Committee-created documents
 - Annual Work Plan
 - Annual Report
- ◆ Is easy for District staff to maintain
- ◆ And allows Committee members to operate with their personal computing devices, rather than paper, if they like
 - ▶ Paperless Committee!

COC Should Improve Outcomes

- ◆ Process should be oriented to meeting the letter of the law and be meaningful in terms of better results by some measure
- ◆ Process should be documented and periodically reconsidered
- ◆ Process should be developed by the Citizens' Oversight Committee and District staff, together
 - ▶ This will help to avoid technical violations of archaic rules

- ✓ *Oversight should be made feasible and produce an improved outcome:*
 - *Efficient citizen oversight for routine decisions*
 - *Community support for difficult decisions*
 - *Positive relationships and community cohesiveness*

Final Thoughts for Tonight?

◆ Thank you!



For Reference

- ◆ Proper Expenditures
- ◆ Detailed List of Additional Potential Oversight Committee Activities

Proper Expenditures

- ◆ “Proper expenditure” means that expenditures . . .
 - ▶ are for construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities
 - and conform to list of the specific school facilities projects to be funded
 - ▶ do not include any teacher or administrative salaries or other school operating expenses
- ✓ *California Constitution Article XIII A, Section 1 (b) (3) and Education Code 15278 (b)*
 - *Note: 1978’s Proposition 13 became Article XIII A of the California Constitution*
- ✓ *Resolution Ordering the Election for Measure which includes:*
 - *Ballot Question*
 - *Full Text Ballot Proposition (also includes Project List)*

Detailed List of Potential Activities

◆ Education Code 15278(c):

(c) In furtherance of its purpose, the citizens' oversight committee may engage in any of the following activities:

(1) Receiving and reviewing copies of the annual, independent performance audit required by subparagraph (C) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(2) Receiving and reviewing copies of the annual, independent financial audit required by subparagraph (C) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(3) Inspecting school facilities and grounds to ensure that bond revenues are expended in compliance with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(4) Receiving and reviewing copies of any deferred maintenance proposals or plans developed by a school district or community college district, including any reports required by Section 17584.1.

(5) Reviewing efforts by the school district or community college district to maximize bond revenues by implementing cost-saving measures, including, but not limited to, all of the following:

(A) Mechanisms designed to reduce the costs of professional fees.

(B) Mechanisms designed to reduce the costs of site preparation.

(C) Recommendations regarding the joint use of core facilities.

(D) Mechanisms designed to reduce costs by incorporating efficiencies in schoolsite design.

(E) Recommendations regarding the use of cost-effective and efficient reusable facility plans.

(Added by Stats. 2000, Ch. 44, Sec. 3. Effective January 1, 2001.)