

Bond Oversight Committee 2024

1. What was the Origin of Citizen’s Bond Oversight?

- a. Proposition 39, officially titled the “Smaller Classes, Safer Schools and Financial Accountability Act,” was approved by California voters in November 2000. It was difficult for most tax increase measures to receive the required two-thirds approval needed to issue general obligation bonds for school construction.
- b. The effect of the proposition was to reduce the voter approval rate required for school districts to issue general obligation bonds from 66 2/3% to 55%. Proposition 39 limits the use of bond proceeds to school facilities projects listed or described in the language of the ballot measure approved by the voters.
- c. Because of the lower voter approval requirement, Education Code Sections 15264-15282 contains provisions ensuring public oversight and accountability concerning the expenditure of facilities bond revenues. The district board is required to appoint a citizens’ oversight committee within 60 days the school Governing Board records the results of the election in its minutes. (Education Code Section 15278 (a).)

2. What is the legislative intent of School Bond Oversight?

- a. The legislation that implemented Proposition 39 (Education Code Section 15264) had the following legislative intent (emphasis added):
 - i. Vigorous efforts are undertaken to ensure that the expenditure of bond measures, including those authorized pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution, are in strict conformity with the law
 - ii. Taxpayers directly participate in the oversight of bond revenues
 - iii. The members of the oversight committees promptly alert the public to any waste or improper expenditure of school construction bond money
 - iv. Unauthorized expenditures of school bond revenues are vigorously investigated, and the courts are to act swiftly to restrain any improper expenditures
- b. Bond oversight is supposed to be an active probing process.

3. What is the purpose of a Bond Oversight Committee?

- a. The purpose of this committee is to inform the public concerning the expenditure of bond revenues. To fulfill this responsibility, the oversight committee is expressly required “to actively review and report on the proper expenditure of taxpayers’ money for school construction” and to “verify that the funds are being spent only for authorized purposes.” The oversight committee must promptly alert the public to any waste or improper expenditure of bond revenue. (Education Code Section 15278 b)

4. What are the major Constitutional Requirements of a Bond Oversight Committee?

- a. Determine whether a district is spending the bond monies 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.
- b. Advise the public as to whether a district is spending the bond monies for the purposes specified above and not for any other purpose, including teacher and administrator salaries and other school operating expenses
- c. Determine whether a district is spending the bond monies for the specific school facilities projects listed in the bond measure information given to the public prior to the vote.
- d. Receive and review copies of an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed.
- e. Receive and review copies of an annual, independent financial audit of the proceeds from the sale of the bonds until all those proceeds have been expended for the school facilities projects (listed in the bond measure)
- f. In short, the Education Code requires the CBOC to review and report out to public whether the projects identified to be funded by the bond money is being spent as promised and efficiently and not for efforts which were not approved by the voters or for operating expenses.

5. What are the major rules and requirements for a Bond Oversight Committee?

- a. Prepare and publish an Annual Report
- b. Hold meetings at least once a year.
- c. While the open meeting requirement does not explicitly reference the Ralph M. Brown (Open Meeting) Act, most school districts and CBOCs have interpreted the need to establish that CBOC public meetings should be noticed and held by Brown Act provisions.
- d. Consist of a minimum of seven members with five requirements as follows:
 - i. One member active in a business organization representing the business community located within the district.
 - ii. One member active in a senior citizens' organization.
 - iii. One member active in a bona fide taxpayer's organization.
 - iv. One member who is the parent or guardian of a child enrolled in the district: and
(For Community College: student currently enrolled and active in a community college group.)
 - v. One member who is both a parent or guardian of a child enrolled in the district and active in a parent-teacher organization.

(For Community College: member active in the support and organization of a community college or community colleges of the district.)

- vi. The remaining two members are “at large” community positions.
- e. Receive and review Annual Performance and Financial Audits.
- f. Provide an Annual Compliance Opinion.

6. What does a Citizen’s Bond Oversight Committee do?

- a. The committee is the eyes and ears of the community to hold the school district accountable for the spending of bond funds authorized by the voters. It is an independent committee that sets its own agenda within the rules and regulations provided in its by-laws.
- b. It reviews reports and information provided by the district. For the committee to be most effective, it must ask questions and receive complete and transparent responses from the school district. The committee reports to the public its findings including both positive observations about the efficiency and effectiveness of the district as well as areas for improvement.

Source: <https://www.bondoversight.org/california-bond-oversight-committee-faq/>