

# **MODESTO CITY SCHOOLS**

## **Administrative Regulation**

**AR 1225**

### **COMMUNITY RELATIONS**

#### **CITIZENS' BOND OVERSIGHT COMMITTEES**

Proposition 39 was approved by California voters in the November 7, 2000, general election and provides that the governing board of a school district may pursue the authorization and issuance of general obligation bonds by 55 percent vote of the electorate. As a result of the passage of Proposition 39, language was added to the Education Code requiring school districts passing a bond designated as a Proposition 39 bond to establish a citizens' oversight committee ("Committee") to actively review and report to the public on uses of bond proceeds to ensure that they are spent only on permissible purposes. In order to comply with these requirements, the District's Board of Education may establish a consolidated Committee to oversee the expenditure of bond funds from Measures D and E, of the Modesto City Elementary School District, approved at the November 6, 2018 election, and for Measure L of the Modesto High School District, approved at the November 8, 2022 election. The term "District" shall mean both school districts, jointly; provided, however, that the Committee shall prepare separate annual reports for the Elementary District measures and the High School District measure. At such time that proceeds are fully spent for any measure, the Committee shall continue providing oversight for other measures.

##### **A. Committee's Purpose**

The purpose of the Committee is to inform the public concerning the expenditure and uses of bond revenues. The Committee's legal charge is to actively review and report on the expenditure of taxpayer's money for school construction. The Committee shall convene to provide oversight of the following:

1. That bond revenues from Proposition 39 bonds adopted by a 55 percent vote of the electorate are expended only for the purpose described in Article 13A, section 1, subdivision (b)(3) of the California Constitution including the 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

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2. That, for Proposition 39 bonds adopted by a 55 percent vote of the electorate, as prohibited by Article 13A, section 1, subdivision (b)(3)(A) of the California Constitution, no funds are used for any teacher and administrative salaries or other school operating expenses normally paid from the general fund; although salaries for personnel assigned to the bond program are allowable as described in applicable case law.

**B. Committee's Duties**

The Committee may engage in the following activities in furtherance of its purpose:

1. Receiving and reviewing copies of the annual performance audits required by Article 13A, section 1, subdivision (b)(3)(C) of the California Constitution.
2. Receiving and reviewing the annual financial audits required by Article 13A, section 1, subdivision (b)(3)(C) of the California Constitution.
3. Inspecting school facilities and grounds to ensure that bond revenues are expended in compliance with the requirements of Article 13A, section 1, subdivision (b)(3) of the California Constitution.
4. Receiving and reviewing copies of any deferred maintenance proposals or plans developed by the District, including any reports required by Education Code section 17584.1.
5. Reviewing efforts by the District to maximize bond revenues by implementing cost-saving measures including, but not limited, to the following:
  - a. mechanisms designed to reduce the costs of professional fees;
  - b. mechanisms designed to reduce the cost of site preparation;

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- c. recommendations regarding the joint use of core facilities;
- d. mechanisms designed to reduce costs by incorporating efficiencies in school site design; and
- e. recommendations regarding the use of cost-effective and efficient reusable facility plans.

#### **C. Committee Operations**

The Committee's legal charge is to review bond expenditures and to inform the public about the uses of bond proceeds. The Committee's purpose is an audit function rather than an advisory function. The Committee shall not have the authority to:

1. Participate in the bond sale and issuance process or make decisions concerning the timing, terms or structure of a bond issuance, except that the Committee may review the District's bond issuance documents upon the conclusion of a bond sale if desired.
2. Determine how bond funds shall be spent.
3. Select contractors or consultants for bond projects or participate in the negotiation or bid process for such contractors and consultants.
4. Enter or inspect a job site or construction project without prior permission of the District Superintendent or designee. Frequency and timing of all such visits are within the sole discretion of the Superintendent or designee. Visits to job sites require that the Committee member(s) be accompanied by a representative of the District and require that all safety measures in effect at the job site be followed.
5. Contact District contractors or consultants, including without limitation, accountants, auditors, architects, financial advisors and legal counsel, without the prior permission of the District Superintendent or designee.

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6. Require the District to prepare reports or conduct audits more frequently than those required by law.

The Committee shall meet in accordance with a regular schedule, the dates of which shall be determined by the Committee and posted on its webpage on the District's website. In its first year, the Committee shall meet no more than quarterly; thereafter, the Committee shall meet at least twice per year. Committee officers shall be available to attend Board meetings when performance and financial audits are presented.

The Committee's meetings are subject to the Ralph M. Brown Act, Government Code section 54950 et seq. Meetings shall be open to the public and noticed in the same manner as proceedings of the Board. A meeting may be convened, and action may be taken only if a quorum of seated members is present. A quorum is established the number of seated members present and voting is a majority of seated members. "Seated members" means the number of members currently serving on the Committee and does not include seats that are vacant. The Chair shall call the roll of the Committee members at the beginning of each meeting.

The Committee shall annually select a Chair and a Vice-Chair and other officers as it determines, each for a one (1)-year term that may be renewed as determined by the Committee. District staff shall keep minutes of each Committee meeting. The minutes shall be distributed to each Committee member, and the Board, if requested, at the earliest reasonable date prior to the next subsequent meeting. Minutes of Committee proceedings and all documents received, and reports issued shall be a matter of public record. The Committee shall submit all documents and minutes to the District's webmaster for publication on the Committee webpage of the District's internet website.

The Committee shall prepare regular reports on its activities. A report shall be issued at least once each year summarizing its review of the District's bond program expenditures for the past year. Upon completion of all bond projects for a bond measure for which the Committee is responsible, the Committee shall prepare a final written report summarizing its activities and conclusions.

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The Board shall, without expending bond funds:

1. Provide the Committee with any necessary technical assistance;
2. Provide administrative assistance in furtherance of the Committee's purpose; and
3. Provide the Committee with sufficient resources to publicize the Committee's conclusions.

Technical and administrative assistance provided by the District shall include, at a minimum, assistance in the preparation and noticing of meeting agendas; preparation of meeting minutes for committee approval; and preparation of reasonable reports and data related to projects and measure expenditures as needed by the committee to prepare its annual report. The committee shall not meet without District staff in attendance. The Superintendent or ~~his/her~~ designee shall act as staff to the Committee and attend Committee meetings. Members of the Board may attend as necessary or desirable. The District may appoint District staff and consultants to serve as a resource to the Committee as needed to assist the Committee in carrying out its duties.

By Committee vote at any of its regular meetings, the Committee may form subcommittees for specific tasks. The Committee shall elect a chair of each subcommittee and provide written assignment goals for each subcommittee. Subcommittees may be subject to the Ralph M. Brown Act, pursuant to Government Code section 54952, subdivision (b).

#### **D. Committee Selection and Composition**

The Committee shall be comprised of individuals who either live or work within the boundaries of the school districts. The Superintendent or designee shall solicit applications for membership on the Committee and shall conduct interviews of interested and qualified citizens and make recommendations to the Board for appointments. The Board shall have the authority at its sole discretion to select and appoint the Committee, including the filling of vacancies that may occur during a member's term. While the Committee must consist of at least seven (7) members, the Board shall increase the size of the Committee if needed to ensure that the Committee meets the mandatory member categories for both districts, and as

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preferred to expand public participation. Persons who do not fall within one of the categories mandated by code shall be considered representatives of the community at-large.

As required by law, Committee membership shall include the following categories:

1. One (1) member shall be active in a business organization representing the business community located within the school district;
2. One (1) member shall be active in a senior citizens' organization;
3. One (1) member shall be active in a bona fide taxpayers' organization;
4. One (1) member shall be the parent or guardian of at least one child currently enrolled in a school of the District; and
5. One (1) member shall be both a parent or guardian of at least one child currently enrolled in a school of the District and be an active member in a District parent-teacher organization, such as the PTA or school site council.

No employee or official of the District shall be appointed to the Committee. Additionally, no vendor, contractor, or consultant of the District shall be appointed to the Committee. Members of the Committee shall, pursuant to Education Code section 35233 and 72533, abide by the prohibitions contained in Article 4 (commencing with Section 1090) and Article 4.7 (commencing with Section 1125) of Division 4 of Title 1 of the Government Code.

Committee members may serve up to three consecutive two-year terms on the Committee. Members who wish to be appointed for a second or third two-year term shall reapply to the Board for consideration. Committee members shall receive no remuneration for their participation on the Committee. A committee member who no longer serves as a representative of the designated group they were appointed to represent (e.g., ceases to be active within a taxpayers' organization, or ceases to have a child enrolled in the District) shall be allowed to complete their term. However, that committee member shall not be entitled to serve a subsequent term as a representative of the designated group.

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#### **E. Replacing a Committee Member**

Members should attend regularly scheduled meetings. Members are expected to share responsibilities for carrying out the work of the Committee and abide by Board policies and administrative regulations. The Committee will advise a Committee member in writing that he/she is in violation of Committee participation requirements if the Committee member fails to attend two consecutive regularly scheduled meetings without acceptable reason announced in advance. A new Committee member will be named by the Board if one or more of the following events occurs:

1. The Committee member submits a written resignation; or
2. The Committee member misses two (2) consecutive Committee meetings without acceptable reason announced in advance.

An individual who replaces such a member shall serve until the completion of the original member's term. Thereafter, the member must apply for an additional term if she/he wishes to remain on the Committee. A member who is replaced may appeal to the Board for the Board to reappoint that person to the Committee.

As soon as possible after being notified of a Committee vacancy, the Board will appoint a new member to complete the term of the vacancy following the process used to select the original Committee members.

Committee members shall be subject to prohibitions regarding incompatibility of office pursuant to Government Code sections 1125-1129 and financial interest in contracts pursuant to Government Code sections 1090-1099.

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**Adopted:** June 20, 2019

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