

TC (3) Work Step

Review and assess the adequacy of internal controls in place to ensure that bond program expenditures are incurred in compliance with voter approved bond measure language and whether schools identified for construction or modernization were actually constructed or modernized. Note those schools that were included in bond language, but never started. Perform a test of these internal controls to determine overall effectiveness.

Results of Testing**Compliance with Voter Approved Bond Measure Language:**

For TC (3), VLS verified the adequacy of internal controls in place to ensure that bond program expenditures are incurred in compliance with voter approved measure language. Refer to section TC (2) for TC2-2 recommendation related to inclusion of language referring to the Board approved Long-Range Facilities master Plan into future bond measure(s).

California Constitution, Article XIII A, Section 1(b)(3)(C) requires the District to conduct annual, independent performance and financial audits until all of the bond proceeds are exhausted.¹³ The purpose of the performance and financial audits is to ensure that the funds have been expended only on the projects specified in the ballot measure language. For the period under review (fiscal years 2008/09 through 2014/15) the District has conducted these annual, independent audits. Based on a review of the audit reports, there were no findings related to the appropriateness of the expenditures incurred.¹⁴

Analysis of School Sites Identified In Bond Measures:

The table included below identifies the bond measures passed by the District.

Table 2: Bond Measures Passed by District

No.	Bond Series	Approval Date	Approved Principal Amount
1	Measure E (1998)	6/2/1998	\$ 40,000,000
2	Measure M (2000)	11/7/2000	150,000,000
3	Measure D (2002)	3/5/2002	300,000,000
4	Measure J (2005)	11/8/2005	400,000,000
5	Measure D (2010)	6/8/2010	380,000,000
6	Measure E (2012)	11/6/2012	360,000,000
Total			<u>\$ 1,630,000,000</u>

¹³ For bonds issued under California Proposition 39 passed by voters on 11/7/2000.

¹⁴ Appropriate expenditures for a bond program are those incurred in accordance with the voter approved ballot language.

Measure E passed by voters in 1998 does not fall under the requirements of California Proposition 39; therefore, it is excluded from this analysis. However, it is included in the table above to fully account for the District’s bond program as it has often been referred to as a \$1.6 billion program.

VLS obtained and reviewed the bond measure language for bonds issued by the District under California Proposition 39 (numbers 2 through 6 in Table 2). Only two bond measures had language included in the ballot measure that identified school sites where work would be performed with the proceeds of the bond measure (numbers 3 and 4 in Table 2). The remaining ballot measures included language that was broad and identified types of projects rather than specific school sites; therefore, these bond measures were excluded from this analysis.

For the two bond measures that listed specific school sites, VLS identified the schools listed and reviewed the general ledger for the Bond Fund to assess whether these sites had work performed based on expenditures recorded to these sites.¹⁵ The general ledger information reviewed was for the period from 7/1/2000 through 2/29/2016. The expenditures recorded to the school sites were allocated to categories such as new school, modernization, technology, furniture and equipment, network and technology, and other projects. For purposes of analyzing the expenditures, VLS categorized them into three main groups: new school, modernization, or other. The other category includes everything that is not new school or modernization. Based on the total dollar amount in each group for each site, the information known about the status of each school site, and the information contained in the Long-Range Facilities Master Plan, VLS determined the threshold of work performed at each site. See the sections below for additional details on the analysis performed.

2002 Measure D:

The language in this bond measure included three sections. Only Section II and Section III identified school sites.

- a. Section II was titled “Elementary School Projects” and stated, “Complete any remaining Measure M projects, as specified in the ‘West Contra Costa Unified School District Request for Qualifications (RFQ) B-0101 Master Architect/Engineer/Bond Program Management Team for \$150 Million Measure M General Obligation School Facilities Bond Program’ dated January 4, 2001, on file with the District...This scope would include projects specified in the ‘Long Range Master Plan dated October 2, 2000.’”¹⁶

¹⁵ VLS relied solely on the descriptions and sites listed in the general ledger when performing this analysis. VLS did not request or review supporting documentation related to the expenditures used for this analysis.

¹⁶ The Long Range Master Plan dated 10/2/2000, stated that all District schools, with the exception of Chavez Elementary School and Hannah Ranch Elementary School, were in disrepair and in need of

This section also identified specific projects to be completed at Harbour Way Community Day Academy.¹⁷ This site appears to have had some work completed as there were expenditures recorded to the site in the District’s Bond Fund ledger.¹⁸ VLS did not analyze the actual expenditures incurred to determine whether all the projects listed in the bond measure language were completed.

- b. Section III was titled “Secondary School Projects” and listed specific projects to be completed at the school sites shown in Table 3. The table lists the school sites and the main project type listed in the bond language (column titled “Project Type Listed in Bond Language”).¹⁹ The column titled “Project Type Performed” lists the type of work that appears to have taken place at the school site listed.

The types of projects listed in this bond measure for these sites were, for the most part, labeled as Improvement/Rehabilitation and/or Construction/Renovation. However, it appears that six sites had a new school built, while the rest of the sites received either significant improvements or other work.²⁰ The classifications used by VLS have been simplified and are based on the total dollar amount expended and the classification of the expenditures listed in the general ledger. The purpose of this analysis is to identify

modernization. The various options presented involved the modernization or replacement for all of the schools, except Chavez and Hannah Ranch, for under \$500 million. The document did not provide a specific timeline of when the modernization/replacement projects would be completed.

¹⁷ The projects listed included: add water supply to portable classrooms, demolish and replace two portable classrooms, install one additional portable classroom, add play structures/playgrounds, and install or replace whiteboards, tackboards and counters.

¹⁸ The general ledger shows that expenditures totaling \$121,944 were recorded to this location.

¹⁹ For simplicity, only the main project type shown in the bond language is listed in the table. Each school site listed several project types (Major Building Systems, Improvements/Rehabilitation, etc.) and then identified specific projects to be completed under each project type. For example, one of the project types for Adams Middle School was “Improvements/Rehabilitation.” Within that category, the projects to be completed included: replace carpet, improve/replace floors, improve and paint stairwells and handrails, improve and paint interior walls, improve/replace ceilings, and demolish and replace one portable classroom. VLS included the project type that would provide a general sense of the scope of the work to be completed at each site.

²⁰ Pinole Valley High School is in the beginning stages of construction for a new school. The other sites identified as “New School” have expenditures in excess of \$55 million, and a significant portion of the expenditures recorded in the general ledger were classified as “New School.” The two sites classified as “Improvement” had total expenditures between \$20 million and \$34 million, of which a significant portion was classified to “Modernization” in the general ledger. The sites classified as “Other” had total expenditures of less than \$7.5 million that were listed in the general ledger as technology, furniture and equipment, network and technology, deferred capital projects, and additional projects, among others; these sites had little or no expenditures allocated to “New School” or “Modernization.”

whether schools listed in the bond measure language had work performed with the proceeds received from the bonds.²¹

Table 3: 2002 Measure D, Section III, Project List

Ref. No.	School Site	Project Type Listed in Bond Language	Project Type Performed
1	Pinole Valley High School and Sigma High School	Improvement/Rehabilitation; Construction/Renovation	New School (In Progress)
2	Helms Middle School	Improvement/Rehabilitation	New School
3	Pinole Middle School	Improvement/Rehabilitation	New School
4	Portola Middle School	Improvement/Rehabilitation	New School
5	El Cerrito High School	Improvement/Rehabilitation; Construction/Renovation	New School
6	De Anza High School and Delta High School	Improvement/Rehabilitation; Construction/Renovation	New School
7	Kennedy High School and Kappa High School	Improvement/Rehabilitation; Construction/Renovation	Improvement
8	Richmond High School and Omega High School	Improvement/Rehabilitation	Improvement
9	Adams Middle School	Improvement/Rehabilitation	Other
10	Juan Crespi Junior High School	Improvement/Rehabilitation	Other
11	Hercules Middle/High School	Improvement/Rehabilitation	Other
12	Richmond Middle School	Improvement/Rehabilitation	Other
13	Gompers High School	Improvement/Rehabilitation; Construction/Renovation	Other
14	North Campus High School and Transition Learning Center	Improvement/Rehabilitation; Construction/Renovation	Other
15	Vista Alternative High School	Construction/Renovation	Other
16	Middle College High School	Furnishing/Equipping	Other

Of the sites listed in this bond measure, Juan Crespi Junior High School and Hercules Middle/High School (numbers 10 and 11 in Table 3) are listed in the Long-Range Facilities Master Plan approved by the Board on 6/25/2016 as “Critical Needs” sites that will be addressed with the existing bonds (2010 Measure D and 2012 Measure E Bonds) and will be in need of future bond measures in order to replace or partially modify (see Figure 1).

2005 Measure J:

The 2005 Measure J bond language listed in some detail the projects that were to be completed and it included two sections. Section I broadly discussed the types of projects to be completed at all school sites for security and health/safety improvements, major facilities improvements, special education facilities, property, and site work. Section II stated that any remaining Measure M or Measure D projects would be completed. Section II also included a listing of

²¹ The analysis includes all bond proceeds spent and not just the proceeds from the specific measure in which the project was listed.

school sites and identified the scope noted as either “Reconstruction/New Construction” or Reconstruction.”²²

Table 4 lists the school sites and the project types listed in the bond language (column titled “Project Type Listed in Bond Language”).²³ The column titled “Project Type Performed” lists the type of work that appears to have taken place at the site listed.

The types of projects listed in this bond measure were labeled as Reconstruction or Reconstruction/New Construction. It appears that eight sites had a new school built (or are in the process of having a new school built), while the remaining sites received either significant improvements or other work.²⁴ The classifications used by VLS have been simplified and are based on the total dollar amount expended and the classification of the expenditures listed in the general ledger. The purpose of this analysis is to identify whether schools listed in the bond measure language had work performed with the proceeds received from the bonds.²⁵

Table 4: 2005 Measure J, Section II, Project List

Ref. No.	School Site	Project Type Listed in Bond Language	Project Type Performed
1	De Anza High School	Reconstruction/New Construction	New School ²⁶
2	Coronado Elementary School	Reconstruction	New School
3	Nystrom Elementary School	Reconstruction	New School
4	Pinole Valley High School	Reconstruction/New Construction	New School - In progress ²⁶

²² The bond measure language stated that the reconstruction program would be completed “as funds allow” and included: health and life safety improvements, technology improvements, systems upgrades, and instructional technology improvements. Additionally, “the reconstruction program includes the replacement of portable classrooms with permanent structures, the improvement or replacement of floors, walls, insulation, windows, roofs, ceilings, lighting, playgrounds, landscaping, and parking, as required or appropriate to meet programmatic requirements and depending on the availability of funding.”

²³ This is the scope specifically listed in the bond language.

²⁴ Pinole Valley High School is in the beginning stages of construction for a new school. The other sites identified as “New School” have expenditures in excess of \$25 million, and a significant portion of the expenditures recorded in the general ledger were classified as “New School.” The two sites classified as “Improvement” had total expenditures between \$20 million and \$35 million, of which a significant portion was classified to “Modernization” in the general ledger. The sites classified as “Other” had total expenditures of less than \$8.5 million that were listed in the general ledger as expenditures for technology, furniture and equipment, network and technology, deferred capital projects, and additional projects, among others; these sites had little or no expenditures allocated to “New School” or “Modernization.”

²⁵ The analysis includes all bond proceeds spent and not just the proceeds from the specific measure in which the project was listed.

²⁶ This school site was also listed in the 2002 Measure D bond language.

Ref. No.	School Site	Project Type Listed in Bond Language	Project Type Performed
5	Ohlone Elementary School	Reconstruction/New Construction	New School ²⁷
6	Dover Elementary School	Reconstruction	New School
7	Ford Elementary School	Reconstruction	New School
8	King Elementary School	Reconstruction	New School
9	Kennedy High School	Reconstruction/New Construction	Improvement ²⁶
10	Richmond High School	Reconstruction	Improvement ²⁶
11	Valley View Elementary School	Reconstruction	Other
12	Wilson Elementary School	Reconstruction	Other
13	Castro Elementary School	Reconstruction	Other
14	Fairmont Elementary School	Reconstruction	Other
15	Grant Elementary School	Reconstruction	Other
16	Highland Elementary School	Reconstruction	Other
17	Lake Elementary School	Reconstruction	Other

Of the sites listed in this bond measure, seven of the sites (numbers 9 through 11 and 13 through 16) are listed in the Long-Range Facilities Master Plan approved by the Board on 6/25/16 as “Critical Needs” sites that will be addressed with the existing bonds (2010 Measure D and 2012 Measure E Bonds) and will be in need of future bond measures in order to replace or partially modify (see Figure 1). Two of the schools (Wilson Elementary School and Lake Elementary School) are listed as “RS Replacement.”²⁸

Figure 1 included below is the “Costs Option 1” presented in the Implementation Plan for the Facilities Master Plan, which identifies the school sites and scope of work using existing bond funds and potential future funding. The Implementation Plan was approved by the Board at the time the Facilities Master Plan was approved on 6/15/16.

²⁷ Although expenditures associated with Ohlone Elementary School were recorded as new school construction, it is included in the Facilities Master Plan as a “Critical Needs” project because the school was only partially built. At the end of the building project the old school had not been demolished. The critical needs listed in the Facilities Master Plan will include the demolition of the old school buildings and a reconfiguration of the older parking lot into a dedicated drop-off and pick up area as well as some additional parking spaces. Ohlone Elementary School is also listed in the Long-Term Plan of the Facilities Master Plan as a new classroom building, modernization, and addition to the existing multi-purpose room, which were not addressed as part of the prior replacement of the new school.

²⁸ The “RS” of “RS Replacement,” as listed in the Long-Range Facilities Master Plan, stands for Revised Standards, which indicates school replacement with revised standards. These were schools that had existing standards for construction that were revised as part of the Facilities Master Plan assessment.

Figure 1: Excerpt from Long-Range Facilities Master Plan Approved by the Board

Existing Bond			Future Funding		
School	Project Type	R.O.M. Cost (In Millions)	School	Project Type	R.O.M. Cost (In Millions)
Ed Specs & School Size		0.2	Alvarado Adult School	Critical Needs	4.2
Including All Sites In Master Plan		TBD	Serra Adult School	Critical Needs	3.4
Harmon Knolls Soils Testing		0.1	Stege ES	RS Replacement	86.4
Valley View ES	Critical Needs	1.0	Highland ES	RS Replacement	121.9
Crespi MS	Critical Needs	3.1	Valley View ES	RS Replacement	108.5
Riverside ES	Critical Needs	6.9	Grant ES	Mod/Partial Replacement	46.6
Richmond HS	Critical Needs	15.1	Richmond HS	Mod/Partial Replacement	119.2
Kennedy HS	Critical Needs	11.1	Shannon ES	Mod/Partial Replacement	28.1
Highland ES	Critical Needs	0.8	Olinda ES	RS Replacement	89.6
Grant ES	Critical Needs	0.9	Fairmont ES	RS Replacement	102.4
Olinda ES	Critical Needs	1.0	Crespi MS	Mod/Partial Replacement	65.5
Chavez ES	Critical Needs	0.6	Collins ES	Mod/Partial Replacement	37.2
Ohlone ES	Critical Needs	0.8	Kennedy HS	Mod/Partial Replacement	110.4
Harmon Knolls	Critical Needs	0.2	Riverside ES	Mod/Partial Replacement	58.1
Fairmont ES	Critical Needs	3.3	Chavez ES	Mod/Partial Replacement	24.6
Stege ES	Critical Needs	3.2	Hercules MS	Mod/Partial Replacement	7.2
Cameron School	Critical Needs	1.3	Hercules HS	Mod/Partial Replacement	15.9
Hercules MS	Critical Needs	7.5	Ohlone ES	Mod/Partial Replacement	10.2
Hercules HS	Critical Needs	7.2	Cameron School	Mod/Partial Replacement	37.4
Collins ES	Critical Needs	3.5	Alvarado Adult	Mod/Partial Replacement	25.7
Shannon ES	Critical Needs	7.1	Serra Adult	Mod/Partial Replacement	17.4
Wilson ES	RS Replacement	40.3			
Lake ES	RS Replacement	66.1			
Sub Total		181.3	Sub Total		1,119.9
			Grand Total		1,301.2



West Contra Costa Unified School District
Long-Range Facilities Master Plan

9

New Score

Medium

Recommendation

See TC (2) Section for recommendations related to the Facilities Master Plan and future bond measures. No additional recommendations are made as part of this workstep.

Response by District

No District response as there were no recommendations made for TC (3).

VLS's Assessment of Response by District

No assessment by VLS of response by District as there were no recommendations made for TC (3).