

CITIZENS' BOND OVERSIGHT COMMITTEE 2013 ANNUAL REPORT

West Contra Costa Unified School District
[HTTP://WCCUSD-BOND-OVERSIGHT.COM/](http://wccusd-bond-oversight.com/)



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What is the Citizens' Bond Oversight Committee?

The West Contra Costa Unified School District Citizens' Bond Oversight Committee (CBOC) is an independent body of dedicated volunteers who make every effort to fully understand where the taxpayers' dollars are being spent, and to ensure that the District's facilities expenditures are consistent with the bond measures approved by voters.

We are responsible for reviewing and reporting on the expenditures of school bonds issued under Measures M (\$150 million, approved in 2000), Measure D (\$300m, 2002), Measure J (\$400m, 2005), Measure D (\$380m, 2010), and Measure E (\$360m, 2012).

The CBOC meets monthly to review bond expenditures, project progress, and the results of independent financial and performance audits.

Who Serves on the CBOC?

There are 19 designated positions including the following 5 representatives that are required by State law:

- Business organization
- Senior Citizen organization
- Taxpayers' Organization
- Parent or Guardian
- Parent/Guardian & PTA

In addition, the CBOC has five members designated by each of the cities in the District; two members designated by the County Supervisors; one member designated by each of the five School Board members; and there are members representing

The CBOC maintains a website and issues this Annual Report to keep the tax payers informed.

The CBOC encourages you to visit our website:

www.wccusd-bond-oversight.com

On it you can review current CBOC activities and public information, including agendas, meeting minutes, presentation documents, and links to project information.

Visitors are always welcome to attend our monthly CBOC meetings.

There are currently 19 designated CBOC membership positions and there are often vacancies, so if you are interested in serving on the CBOC please attend a meeting and learn more about the opportunities.

Trade Unions, and Public Employees Union Local One.

In 2012-2013 the following people served on the CBOC:

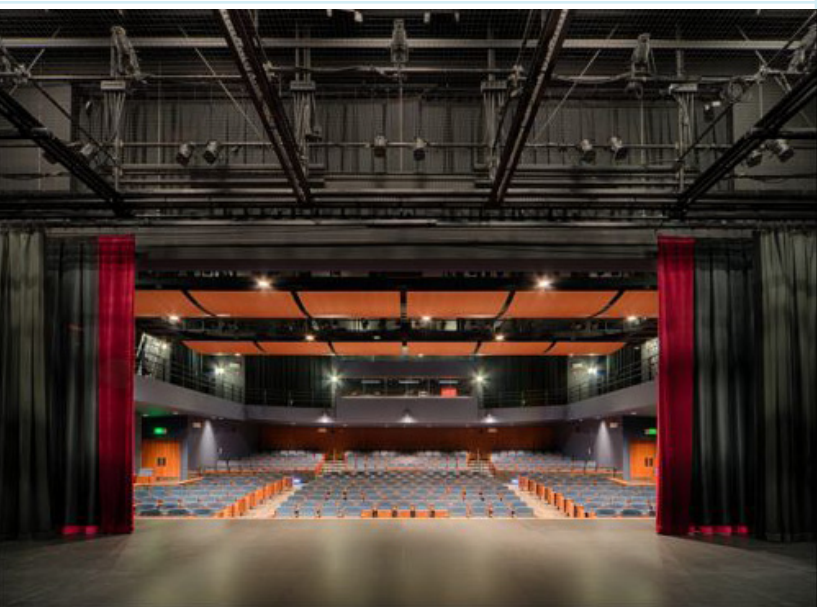
Julio Arroyo, Tim Banuelos, Gerard Boulanger, Charles Cowens, Wayne Ellis, Brant Fetter, Joe Fisher, Jason Gallia, Paul Gilbert-Snyder, Thomasina Horsley, Kris Hunt, Ken Jett, Eduardo Martinez, Norma Martinez-Rubin, Paul Morris, Charleen Raines, Ivette Ricco, Kristin Rosekrans, Robert Studdiford, Tom Waller, Tim Warner, and Orlandus Waters.



What is Being Rebuilt?

The WCCUSD bond program's primary purpose is to rebuild aging schools. As of the end of 2012-2013, more than half of elementary, middle, and high schools have been rebuilt or extensively modernized. Some schools, whose primary construction is complete, have smaller projects to complete, such as sports complexes, or that update school facilities to more current standards.

In addition, some bond funds have been used to upgrade and expand computer technology in schools, including networking and wi-fi, as well as security cameras and equipment.



Construction on De Anza High School's main buildings—including its new theater—concluded in 2013.

CBOC Statement of Compliance

This Annual Report 2013 is submitted to the Board of Trustees by the Citizens' Bond Oversight Committee, Measure M, D, J, D-2010, and E in accordance with Education Code section 15278 (b).

The CBOC advises that, to the best of its knowledge based on available information provided by the District, the West Contra Costa Unified School District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution, and California Education Code Section 15278-15282.

Waivers of Statutory Bonding Capacity Limits

State law limits the amount of bonds that a school district can sell to 2.5% of the assessed property value within its district, unless a waiver of the debt-limit is applied for and granted. This limit can dramatically affect a school bond program. For example, declines in property values in 2009 prevented the WCCUSD from selling Measure J bonds approved by voters in 2005.

In the fall of 2012, the WCCUSD applied to the State Board of Education for a waiver of the 2.5% limit allowing the sale of Measure E bonds up to 5% of assessed property values for 12 years, and also removed the restriction on selling controversial capital appreciation bonds (CABs). The CBOC supported the District's application for these waivers, concluding they would make the most efficient use of taxpayers' dollars and continue the voter-approved bond program in an efficient manner.

CABs are a hot-button issue. Some school districts' poor use of these bonds—which can result in much higher costs for tax payers—has led to state legislation intended to control their use. The WCCUSD has issued a few CABs, but in very limited cases.

The CBOC has supported the use of CABs in previous years, and will continue to carefully monitor the issuance of these bonds in our district.

Availability of Bond Program Audits

Annually, the District, by law, completes an annual performance audit and yearly financial audit of its bond program.

Performance Audit of 2013, completed by Total School Solutions, is available at:

<http://wccusd-bond-oversight.com/AuditsPerformance.htm>

Financial Audit, of 2013, completed by Perry-Smith is online at

<http://wccusd-bond-oversight.com/AuditsFinancial.htm>

The CBOC received these audits from the District. Audits did not reveal any fiscal or functional malfeasance. District and CBOC have narrowed the 2014 audit finalist to Total School Solutions, most recent auditor, and Vavrinek, Trine, Day and Company. A recommendation, after staff and committee interviews, will be forwarded to the School Board for final selection.



WCCUSD's Bond Program at a Glance

	Voter Approvals			Bonds Issued		Tax rate per \$100,000 of assessed value*	
	Amount	% Yes Vote	% Vote Needed	Amount Issued	Amount Remaining	2012/13	2013/14
1998 Measure E	\$40 million	75.7%	66.6%	\$40 million	\$0	\$8.70	\$10.20
2000 Measure M	\$150 million	77.5%	66.6%	\$150 million	\$0	\$55.60	\$55.60
2002 Measure D	\$300 million	71.8%	55%	\$300 million	\$0	\$60.00	\$60.00
2005 Measure J	\$400 million	56.9%	55%	\$322.4 million	\$77.6 million**	\$60.00	\$60.00
2010 Measure D	\$380 million	62.6%	55%	\$140 million	\$240 million	\$31.40	\$48.00
2012 Measure E	\$360 million	64.4%	55%	\$85 million	\$275 million	na	\$48.00
Total	\$1,630 million***			\$1,037.4 million	\$592.6 million**	\$215.70	\$281.80

* Approximate. Actual rates vary by year based on bond schedules for the specific bond issuances.

** Measure J is subject to the statutory 2.5% bonding capacity limit. Thus, these funds won't become available till approximately 2021 when assessed property values are projected to have risen. Bond limits are determined by measure. A 3.5% waiver for Measure J expired in May 2014. Measures D (2010) and E (2012) both have bond-limit waivers of 5% that won't expire till December 2021 and December 2025, respectively.

*** As of Dec. 2013, the WCCUSD had received \$202.9 million in additional funds from state and federal programs, not requiring repayment, bringing the total funding available for construction to just under \$1,833 million.

Where Is the Money Being Spent?

The District tracks its projects by associated bond measure, however, many projects are funded by a combination of two or more bond measures plus state and local funding.*

Modernize and Reconstruct 18 Elementary Schools (Measure M)

TOTAL BUDGET = \$330 M
TOTAL SPENT = \$327.3 M

Non-bond Revenue:** \$76.2 M
Other bond funds*:** \$106.9 M

Expenditures

- Bayview - \$15.9 M
- Downer - \$31.3 M
- Ellerhorst - \$10.9 M
- Harding - \$16.2 M
- Kensington - \$18.1 M
- Lincoln - \$15.8 M
- Lupine Hills - \$13.8 M
- Madera - \$11.0 M
- Mira Vista - \$13.3 M
- Montalvin - \$10.9 M
- Murphy - \$13.4 M
- Peres - \$17.7 M
- Riverside - \$12.6 M
- Sheldon - \$12.8 M
- Stewart - \$10.9 M
- Tara Hills - \$11.8 M
- Verde - \$13.8 M
- Washington - \$14.3 M

\$62.6 million in additional projects (including community kitchens, fields, technology, furniture & equipment) & bond program expenses.

Middle & High Schools Reconstruction (Measure D)

TOTAL BUDGET = \$365 M
TOTAL SPENT = \$308.7 M

Non-bond Revenue: \$51.6 M
Other bond funds: \$71.7 M

Expenditures

- El Cerrito High - \$124.3 M
- Helms Middle - \$77.5 M
- Korematsu Middle⁵ - \$25.5 M
- Pinole Middle - \$50.4 M
- Richmond High - \$0.7 M

\$30.3 million in additional projects (including technology, fields, furniture & equipment) and bond program expenses.

Elementary & High School Reconstruction (Measure J)

TOTAL BUDGET = \$340 M
TOTAL SPENT = \$301.5 M

Non-bond Revenue: \$54.5 M
Other bond funds: \$14.3 M

Expenditures

- Dover Elementary - \$31.6 M
- Ford Elementary - \$29.3 M
- King Elementary - \$24.0 M

- Nystrom Elementary - \$15.9 M
- Ohlone Elementary - \$21.7 M
- De Anza High - \$108.9 M
- Gompers High/LPS - \$2.5 M
- Kennedy High - \$13.6 M
- Richmond High - \$12.0 M

\$42 million in additional projects (including technology, furniture & equipment), charter schools, and bond program expenses.

Major Renovation and New School Construction (Measure D-2010)

TOTAL BUDGET = \$651 M
TOTAL SPENT = \$86.8 M

Non-bond Revenue: \$20.5 M
Other bond funds: \$19.3 M

Expenditures

- Coronado Elementary - \$9.0 M
- Fairmont Elementary - \$2.2 M
- Highland Elementary - \$0.9 M
- Peres Elementary - \$2.5 M
- Stege Elementary - \$1.0 M
- Valley View Elementary - \$2.8 M
- Wilson Elementary - \$2.0 M
- Gompers High/LPS - \$32.5 M
- Pinole Valley High - \$10.0 M
- Hercules High - \$0.3 M
- Kennedy High - \$0.3 M
- El Cerrito High - \$0.4 M
- Richmond High - \$0.2 M

\$22.6 million in additional projects (including technology, furniture & equipment), charter schools, and bond program expenses.

Major Renovation and New School Construction (Measure E-2012)

TOTAL BUDGET = \$27.5 M
TOTAL SPENT = \$5.8 M
(schools in planning stages)

Other bond funds: \$2.5 M

Expenditures

- Cameron Elementary - \$6 K
- Lake Elementary - \$27 K
- Mira Vista Elementary
- Olinda Elementary
- Riverside Elementary - \$151 K
- Shannon Elementary

\$5.7 million in additional projects, charter schools, technology, and bond program expenses. Meas. E includes \$20 million for tech projects throughout the school district.

* Amounts are through Dec. 31, 2013. Numbers have been rounded and may not total precisely. See the CBOC web site for a report containing budgets and costs for each project.

** Non-bond revenue is money from state grants and other sources.

*** Funds from later bond measures.

⁵ Formerly Portola Middle School.