

“CALBOC is an all volunteer, non-partisan association of BOC members, current and past, who are interested in helping other BOC members. Our mission is to help other BOC members perform the civic duties they have taken on in the best manner possible.”¹

Best Practices

School Bond Oversight Committee Operation Standards

Some have asserted the bond oversight committees (BOC) are a public relations ploy designed to make bond passage easier, while giving the committees no real power. Others have asserted that districts should enhance the independence of oversight committees and thus the credibility of the committee and the district’s standing in the eyes of the public.

It is the mission of CALBOC to support BOC and districts to gain the trust and confidence of voters in the expenditure of school bond funds. These standards are committed to that purpose.

Most BOC members step into their position without any training. The lack of knowledge makes the work harder than it needs to be and the members less effective as well. The purpose of these Committee Operation Standards is to provide a basis for the BOC to perform a self-assessment of their committee operations and identify training needs. This document could also be used as an outline for developing a training program for committee members.

We believe that these standards will enhance the effectiveness of the oversight that voters rely upon when making decisions at the ballot box on school bond measures.

These standards are divided into three sections:

- 1. Legally Required by Education Code.**
- 2. Best Practices**
- 3. Local District Requirements**

¹ CALBOC is a California Public Benefit Corporation formed on December 5, 2008 by Michael Day and Anton Jungherr. Our website is www.calboc.org.

² San Diego County Taxpayers Association, Oversight Committee Best Practices, April 2007 with some modifications by the CBOC Best Practices • www.CaLBOC.org • rev 9/2009 b

California League of Bond Oversight Committees (CaLBOC)

| Standard | Reference | OK |
|---|------------------|----|
| 1. Legally Required by Education Code (EC) | | |
| 1. Appointment: Governing board shall establish and appoint members to an independent citizens' oversight committee within 60 days of the date that the governing board enters the election results on its minutes | EC Section 15278 | |
| 2. Review Expenditures: The citizens' oversight committee shall actively review and report on the proper expenditure of taxpayers' money for school construction | EC Section 15278 | |
| 3. Advise Public: The citizens' oversight committee shall advise the public as to 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. | EC Section 15278 | |
| 4. Advise Public No School Operating Expenses: The citizens' oversight committee shall 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. | EC Section 15278 | |
| 5. Advise Public Expenditures for Stated Purposes: The citizens' oversight committee shall advise the public as to whether a district is spending the bond monies for the specific school facilities projects to be funded and certify that the district has evaluated safety, class size reduction, and information technology needs in developing that list. | EC Section 15278 | |
| 6. Performance Audit: Receive and review copies of the annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed. | EC Section 15278 | |
| 7. Financial Audit: Receive and review copies of the 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. | EC Section 15278 | |
| 8. Inspect Facilities: Inspecting school facilities and grounds to ensure that bond revenues are expended in compliance with the requirements of the bond measure. | EC Section 15278 | |
| 9. Deferred Maintenance: Receiving and reviewing copies of any deferred maintenance proposals or plans developed by a district including reports on the presence and removal of lead-containing materials. | EC Section 15278 | |
| 10. Professional Fees: Review efforts by the district to maximize bond revenues by mechanisms designed to reduce the costs of professional fees. | EC Section 15278 | |
| 11. Site Preparation: Review efforts by the district to maximize bond revenues by mechanisms designed to reduce the costs of site preparation. | EC Section 15278 | |

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| 12.Joint Use Core Facilities: Review efforts by the district to maximize bond revenues by mechanisms designed to reduce costs by joint use of core facilities. | EC Section 15278 | |
| 13.School Site Design: Review efforts by the district to maximize bond revenues by mechanisms designed to reduce costs by incorporating efficiencies in school site design. | EC Section 15278 | |
| 14.Reusable Facility Plans: Review efforts by the district to maximize bond revenues by mechanisms designed to reduce the costs by the use of cost-effective and efficient reusable facility plans. | EC Section 15278 | |
| 15.Support: The governing board shall, without expending bond funds, provide the citizens’ oversight committee with any necessary technical assistance and shall provide administrative assistance in furtherance of its purpose and sufficient resources to publicize the conclusions of the citizens’ oversight committee. | EC Section 15280 | |
| 16.Open to Public: All 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 (Ralph M. Brown open meeting act). | EC Section 15280 | |
| 17.Regular Reports: The citizens’ oversight committee shall issue regular reports on the results of its activities. | EC Section 15280 | |
| 18.Annual Report: The citizens’ oversight committee shall issue an annual report on the results of its activities. | EC Section 15280 | |
| 19.Website: Minutes of the proceedings of the citizens’ oversight committee and all documents received and reports issued shall be a matter of public record and be made available on an Internet website maintained by the governing board. | EC Section 15280 | |
| 20.Seven Members: The citizens; oversight committee shall consist of at least seven members to serve for a term of two years without compensation and for no more than two terms. | EC Section 15282 | |
| 21.Business Member: One member shall be active in a business organization representing the business community located within the district. | EC Section 15282 | |
| 22.Senior Citizens’ Member: One member shall be active in a senior citizens’ organization. | EC Section 15282 | |
| 23.Taxpayers’ Organization Member: One member shall be active in a bona fide taxpayers’ organization. | EC Section 15282 | |
| 24.Parent of Child Enrolled Member: One member shall be a parent or guardian of a child enrolled in the district. | EC Section 15282 | |
| 25.Parent of Child Enrolled and Parent Teacher Organization Member: One member shall be both a parent or guardian of a child enrolled in the district and active in a parent-teacher organization. | EC Section 15282 | |

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| 26.No Employee Member: No employee or official of the district shall be appointed to the citizens' oversight committee. | EC Section 15282 | |
| 27.No Vendor, Contractor, or Consultant Member: No vendor, contractor, or consultant of the district shall be appointed to the citizens' oversight committee. | EC Section 15282 | |
| 28.No Financial Interest: Committee members shall not be financially interested in any contract made by the district. | EC Section 15282 | |
| 29.No Conflict of Interest: Committee members shall not engage in any employment, activity, or enterprise for compensation, which is in conflict with his or her duties. | EC Section 15282 | |

| Standard | Reference | OK |
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| 2. Best Practices | | |
| Recruitment, Selection and Appointment | | |
| 30.Notice: Inform public of vacancies by all available means for at least 30 days. | SDCTA ² | |
| 31.Announcement: Announcement includes description of the duties and scope of authority. | SDCTA | |
| 32.Criteria: Eligibility requirements and selection criteria shall be available. | SDCTA | |
| 33.Regular Meeting: Appointment shall be made at a regularly scheduled publicity noticed meeting of the district. | SDCTA | |
| 34.Application: Require all applicants to submit a standard oversight committee application form, a resume and a letter of why they want to be a member of the oversight committee. | CALBOC ³ | |
| 35.Expertise: Balance the expertise of committee members: accounting, financial management, auditing, construction, construction management, school administration, experience with the California Division of State Architect and value engineering. | CALBOC | |
| 36.Nomination Document: For the five legally required members obtain nomination documentation from the respective organization. | CALBOC | |
| Orientation | | |
| 38.Prior to Start: Comprehensive orientation prior to a new member beginning work. | SDCTA | |

² San Diego County Taxpayers Association, Oversight Committee Best Practices, April 2007 with some modifications by the author.

³ California League of Bond Oversight Committees, based on the experience of its members.

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| <p>39.Members Handbook: Prepare a Members Handbook and provide this handbook to new members. This handbook should include the following documents: Key Documents: New members receive key documents: relevant district policy & bylaws, <i>Proposition 39 Best Practices Handbook</i>⁴, bond resolutions, project descriptions, budgets and schedules, financial reports, minutes of prior meetings, <i>A User’s Guide to the Ralph M. Brown Act</i> (open meeting act)⁵ and Robert’s Rules of Order⁶ and CALBOC Committee Operation Standards (this document).</p> | CALBOC | |
| <p>40.Tour: Tour all of the facilities in or affected by the bond-funded program.</p> | SDCTA | |
| Access to Information | | |
| <p>41.Data: Timely and easily comprehensive data</p> | SDCTA | |
| <p>42.Dash Board: “Dash board” which summarizes critical metrics in graphic form.</p> | SDCTA | |
| <p>43.Financial Reports: Financial reports display original budget, current budget, approved commitments project to date (across all fiscal years), potential change orders, approved change orders, total change orders, actual expenditures, budget balance, change order %.</p> | SDCTA | |
| <p>44.PERT Chart: Regularly update PERT chart or equal with milestones for each project in the program.</p> | SDCTA | |
| Public Disclosure | | |
| <p>45.Website Access: The committee’s website can be accessed from the home page of the district’s website.</p> | SDCTA | |
| <p>46.Website Updated: The committee’s website is promptly updated with detail information about the progress of each project, ballot measure, resolution, committee’s minutes and materials it has received.</p> | SDCTA | |
| <p>47.Membership: The committee members should be displayed on the website including name, category (business, senior citizen, taxpayer organization, parent or guardian of child enrolled, parent or guardian of child enrolled and Parent Teacher Organization, or at large), date appointed by governing board, date term starts, date term ends, first or second term, contact information and email link.</p> | CALBOC | |
| Meetings | | |
| <p>48.Monthly Meetings: Monthly committee meetings are held.</p> | SDCTA | |
| <p>49.Subcommittees: Create subcommittees for audit, construction progress, annual report, and website.</p> | SDCTA | |
| <p>50.Reports: Subcommittees make regular report and recommendations at the monthly committee meetings.</p> | SDCTA | |

⁴ Published by the California’s Coalition for Adequate School Housing.

⁵ Published by the League of Women Voters, California.

⁶ The four page guide, *Parliamentary Procedure*, published by Quickstudy.com is recommended.

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| Committee Budget | | |
| 51. Budget Request: Prepare and submit annually to the district a request for funding to support the work of the committee. | SDCTA | |
| 52. Fair Review: The governing shall make special efforts to treat such requests in a fair and objective manner. | SDCTA | |
| Financial Audit | | |
| 53. Selection: Committee participates in the process of screening independent auditors for the financial audit of the bond program recognizing that the governing board has the sole authority to make such appointments. | SDCTA | |
| 54. Comments: The committee shall review and comment upon the annual audit report prior to its presentation to the elected board. | SDCTA | |
| 55. Meeting: The independent financial auditors meet with the oversight committee audit subcommittee and/or full committee at a regularly scheduled meeting. | SDCTA | |
| 56. Access to Auditors: The committee shall have unrestricted access to the auditors. | CALBOC | |
| Performance Audit | | |
| 57. Selection: Committee participates in the process of screening independent auditors for the performance audit of the bond program recognizing that the governing board has the sole authority to make such appointments. | SDCTA | |
| 58. Request for Proposal: Committee participate in the preparation of the Request for Proposals including scope of audits. | CALBOC | |
| 59. Audit Scope and Methodology: Prior to the beginning of each audit the auditors shall meet with the committee audit subcommittee and/or full committee to review scope of the audit and projects to be sampled for quality. | CALBOC | |
| 60. Audit Reports Drafts: The committee shall receive copies of all draft audit reports at the same time received by the district. | CALBOC | |
| 61. Correspondence Between District and Auditors: The committee shall receive copies of all correspondence, faxes, emails between the district and auditors as the same time received by the district. | CALBOC | |
| 62. Exit Conference: The committee shall participate in the exit conference with the auditors and the district. | CALBOC | |
| 63. Comments: The committee shall review and comment upon the performance audit report prior to its presentation to the elected board. | SDCTA | |
| 64. Meeting: The independent performance auditors meet with the oversight committee audit subcommittee and/or full committee at a regularly scheduled meeting. | SDCTA | |
| 65. Frequency: The performance audit is performed semiannually. | CALBOC | |

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| 66. Qualifications: Performance audit performed by a qualified independent professional who has demonstrated knowledge in the fields of project management and construction industry best practices. | SDCTA | |
| 67. Access to Auditors: The committee shall have unrestricted access to the auditors. | CALBOC | |
| Access to the Governing Board and Superintendent | | |
| 68. Meetings: The oversight committee shall meet quarterly with the Superintendent of school or designee. | SDCTA | |
| 69. Joint Meetings: The oversight committee shall have semiannual joint meeting with the governing board. | SDCTA | |
| 70. Reports to Governing Board: All recommendations approved by the oversight committee will be presented to the governing board at their next regularly scheduled meeting and shall be included in the board's agenda package. | CALBOC | |
| 71. Governing Board Response: The governing board shall respond to all committee recommendations within sixty days of the presentation to the board. | CALBOC | |
| 72. Oversight Committee Acceptance: The oversight committee will go on record with its acceptance or objection to the governing board action on its recommendations. | CALBOC | |
| Significant Program Changes | | |
| 73. Major Changes: The governing board shall provide the oversight committee with the opportunity to review and comment upon major changes in each bond-funded program, allocation and project prior to final action being taken. A major change is one that affects the smaller of 10% of a specific project budget allocation or \$1 million. | SDCTA | |
| Annual Report | | |
| 74. Preparation: The oversight committee shall be the principal author, with staff assistance as may be requested, of its required annual report to the public. | SDCTA | |
| 75. Assistance: The district shall provide technical, production and distribution support. | SDCTA | |
| 76. Distribution: The report shall appear on the oversight committee's website and be available at main offices of the district. | SDCTA | |
| 77. Deadline: The annual report will be completed and approved by the oversight committee within sixty days after the end of the year (calendar year or school year). | CALBOC | |
| 78. Presentation to Governing Board: The annual report shall be presented to the governing board at a joint meeting of the governing board and the oversight committee. | CALBOC | |

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| Bond Issuance | | |
| 79. Issuance of Bonds: The district shall inform the oversight committee the full details of the selection of bond counsel, underwriters, and the issuance of bonds. | SDCTA | |
| 80. New Bond Series: The oversight committee shall be fully informed before each new series of bonds are issued. | SDCTA | |
| Bylaws | | |
| 81. Adoption: The governing board has adopted bylaws or administrative regulations outlining fundamental aspects of committee operations and activities. | SDCTA | |
| 82. Prior Review: The committee is granted the opportunity of prior review and proposing changes to said bylaws or administrative regulations. | SDCTA | |
| 83. Attendance Rules: The bylaws should specify committee meeting attendance rules. | CALBOC | |
| Joint Use | | |
| 84. Maximum Opportunity: The committee shall assure the district has demonstrated that best efforts have been applied to maximize opportunities for bond-funded projects to be used in conjunction with other local agencies in a manner that benefits the public and reduces costs. | SDCTA | |
| Deferred Maintenance | | |
| 85. Review: Review the status of the district's deferred maintenance program. | SDCTA | |
| 86. No Operating Costs: Confirm that bond funds are not used for maintenance or operating cost of facilities funded by bond revenues. | SDCTA | |
| 87. Maintenance Schedule: Request the staff to prepare and present life cycle maintenance schedules and budgets for each project funded by bond revenues. | SDCTA | |
| Certification of Expenditures | | |
| 88. Compliance: The district shall quarterly present to the oversight committee written certification that all bond revenues currently expended have been in conformity with the bond resolution and applicable statutes. | SDCTA | |
| Prevailing Wage Requirements | | |
| 89. Annual Report: The oversight committee shall request and receive an annual compliance report from the district detailing related compliance issues of importance. | SDCTA | |

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| Committee Support | | |
| 90. Liaison: The Superintendent of Schools shall designate a staff person as the liaison to the committee. | CALBOC | |
| 91. Clerical Support: The Superintendent of Schools shall designate a staff person to provide clerical support to the committee including the electronic recording of meetings, preparation of agendas and minutes, and maintenance of the committee’s website. | CALBOC | |
| Liability | | |
| 92. Hold Harmless Agreement: <i>requested by the oversight committee the governing board could elect to provide hold harmless agreement.</i> | SDCTA | |
| Final Report | | |
| 93. Detailed: Upon completion of the entire bond fund program the oversight committee shall prepare and distribute a complete detailed analysis of all expenditures, noting significant variances from the original stated expenditure plan, why they occurred, and how they were mitigated. | SDCTA | |

| Standard | Reference | OK |
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| 3. Local District Requirements | | |
| This section will be developed by each individual district and will list local requirements in board policy, bylaws, or administrative regulations that are not already covered above in Section 1, Legally Required by Education Code or Section 2, Best Practices. | Local authority | |
| Belmont-Redwood Shores School District | | |
| 1. Cost Saving Techniques: Board shall report to the Committee on any cost saving techniques considered or adopted by the Board. | Section 3.5 (d) Resolution ⁷ | |
| 2. Appointment: Members of the Committee shall be appointed by the Board through the following Process: (a) appropriate local groups will be solicited for applications | Section 5.5 Resolution | |

⁷ Belmont-Redwood Shores School District 2007-08 Resolution # 6, adopted September 6, 2007, establishing a Citizens’ Bond Oversight Committee and approving Bylaws therefor.