



SOLANA BEACH

SCHOOL DISTRICT

309 N. Rios Avenue
Solana Beach, CA 92075
(858) 794-7100
www.sbsd.k12.ca.us

Independent Citizens' Oversight Committee (ICOC) Members

Hari Damineni
Laurel Graziano
Lauren Hay
Christos Kominakis
Ashley Peterson
Jerry Suppa
Abha Tirtha

Board of Education

Vicki King, Esq.
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Debra H. Schade, Ph.D
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Gaylin Allbaugh
Clerk
Dana King
Member
Julie Union
Member

Superintendent
Jodee Brentlinger

Measure JJ Independent Citizens' Oversight Committee (ICOC) Meeting

September 14, 2022

Solana Beach School District

Solana Vista Elementary
780 Santa Victoria
Solana Beach, CA 92075

6:00pm

Welcome to the meeting of the Independent Citizens' Oversight Committee (ICOC) of the Solana Beach School District.

Public Inspection of Documents

In compliance with Government Code 54957.5 any agenda-related documents that were unable to be distributed to the ICOC at least 72 hours prior to the meeting are available for inspection at the Solana Beach School District, 309 North Rios Avenue, Solana Beach.

Hearing of the Public

Anyone wishing to address the ICOC are given an opportunity to do so. In the interest of time and order, presentations from the public are limited to 3 minutes per person, per topic. Unless an item has been placed on the agenda, no action may be taken during this meeting. A form will be active at 5:30 p.m. and can be accessed at www.sbsd.k12.ca.us/icoc-comment.

In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The ICOC may (1) acknowledge receipt of the information, (2) refer to staff for further study; or, (3) refer the matter to the next agenda.

**The public's health and well-being are the top priority for the Solana Beach School District ("District") and you are urged to take all appropriate health and safety precautions. To facilitate this process, the meeting of the ICOC will be held via telephonic/video conference.*

Note: The meeting is being held by telephonic/video conference means and will be made accessible to members of the public seeking to attend and to address the ICOC solely through the links provided, except that members of the public seeking to attend and to address the ICOC who require reasonable accommodations to access the meeting, based on disability or other reasons, should contact michaelhodson@sbsd.net or (858) 794-7112 at least twenty-four (24) hours in advance to make arrangements for such reasonable accommodations.

Assistance with Meeting

In compliance with the Americans with Disabilities Act and AB-3035, if you require special assistance to participate in this meeting, please contact the Assistant Superintendent of Business Services at (858) 794-7112 at least 24 hours prior to the start of the meeting to enable the District to make reasonable arrangements.



Independent Citizens' Oversight Committee

Meeting Agenda

September 14, 2022

Solana Beach School District

Solana Vista Elementary

780 Santa Victoria

Solana Beach, CA 92075

6:00pm

In compliance with the Americans with Disabilities Act and AB-3035, if you require special assistance to participate in this meeting, please contact the Assistant Superintendent of Business Services at (858) 794-7112 at least 24 hours prior to the start of the meeting to enable the District to make reasonable arrangements.

The Regularly Scheduled Meeting of the Independent Citizens' Oversight Committee of the Solana Beach School District begins at 6:00 p.m.

- 1. **CALL TO ORDER**
WELCOME
- 2. **PLEDGE OF ALLEGIANCE**
- 3. **ROLL CALL**.....

	_____	Mr. Damini
	_____	Ms. Graziano
	_____	Ms. Hay
	_____	Mr. Kominakis
	_____	Mr. Peterson
	_____	Ms. Suppa
	_____	Ms. Tirtha
- 4. **APPROVAL OF AGENDA** 2-3 Motion/Second
- 5. **APPROVAL OF MINUTES:**
June 29, 2022, Regular Committee Meeting.... 4-5 Motion/Second
- 6. **INTRODUCTIONS:**
 - A. Welcome to new ICOC Member
 - B. Introduction of District Staff

HEARING OF THE PUBLIC

- 7. **HEARING OF THE PUBLIC**
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In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The ICOC may (1) acknowledge receipt of the information, (2) refer to staff for further study; or, (3) refer the matter to the next agenda.

8. INFORMATION/DISCUSSION ITEMS

A. Information on School Bond Transparency in San Diego County	<u>6-14</u>
B. Information on San Diego Taxpayers Association's Best Practices	<u>15-22</u>

9. ANNOUNCEMENTS & REPORTS

A. Member Announcements.....	
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10. ADJOURNMENT OF MEETING

_____ Motion/Second



Independent Citizens' Oversight Committee

Meeting Minutes

June 29, 2022

Solana Beach School District, Telephonic/Video Conference

6:00 p.m.

CALL TO ORDER

The regular meeting of the Solana Beach School District Independent Citizens' Oversight Committee was called to order by Committee President, Laurel Graziano, at 6:00 p.m.

PLEDGE OF ALLEGIANCE

Ms. Graziano led members and guests in the Pledge of Allegiance.

ROLL CALL

Members Present (6)

Mr. Damineni
Mr. Graziano
Ms. Hay
Ms. Kominakis
Ms. Suppa
Mr. Tirtha
(Vacant position)

APPROVAL OF AGENDA

Motion to Approve Agenda

Motion Graziano

Second Suppa

Unanimous (6)

Damineni – Aye; Graziano – Aye; Hay – Aye; Kominakis – Aye; Suppa – Aye; Tirtha – Aye

APPROVAL OF MINUTES

Motion to Approve Minutes

Meeting(s) – January 12, 2022; March 2, 2022; March 16, 2022; and May 25, 2022.

Motion Graziano

Second Hay

Unanimous (6)

Damineni – Aye; Graziano – Aye; Hay – Aye; Kominakis – Aye; Suppa – Aye; Tirtha – Aye

INTRODUCTIONS / WELCOME

Introductions of SBSD staff. Welcome to new ICOC Committee Members Abha Tirtha and Christos Kominakis

HEARING OF THE PUBLIC

There were no public comments regarding open session items.

ACTION ITEMS

8A. Election of ICOC Officers: Laurel Graziano / President; Lauren Hay / Vice President.

Motion Graziano

Second Hay

Unanimous (6)

Damineni – Aye; Graziano – Aye; Hay – Aye; Kominakis – Aye; Suppa – Aye; Tirtha – Aye

8B. Approval of the 2022-23 ICOC Meeting Schedule

Wednesday, September 14, 2022, 6:00 p.m., Solana Vista School
Wednesday, January 11, 2023, 6:00 p.m., Solana Santa Fe School
Wednesday, March 1, 2023, 6:00 p.m., Solana Highlands School
Wednesday, May 10, 2023, 6:00 p.m., District Office

Motion Graziano

Second Hay

Unanimous (6)

*Damineni – Aye; Graziano – Aye; Hay – Aye; Kominakis – Aye; Suppa – Aye;
Tirtha – Aye*

ADJOURNMENT

There being no further business to come before the Committee, there was a motion to adjourn at 6:55 p.m.

Motion Graziano

Second Damineni

Unanimous (6)

*Cameron – Aye; Damineni – Aye; Graziano – Aye; Hay – Aye; Kousser – Aye;
Suppa – Aye*

Submitted by:

Approval:

Committee Action on September 14, 2022

ITEM:

Information on School Bond Transparency in San Diego County

AGENDA ITEM: 8A

- Action
- Consent
- First Reading
- Information
- Presentation
- Public Hearing
- Roll Call Vote Required
- Report

RECOMMENDATION:

For information and discussion only.

DESCRIPTION:

Information on School Bond Transparency in San Diego County.

FISCAL IMPACT:

MOVED BY: _____

SECONDED BY: _____



School Bond Transparency in San Diego County

August 2021

OVERVIEW AND INTENT

Since its establishment in 1945, the San Diego County Taxpayers Association has been a nonpartisan association of individuals, businesses, and organizations who promote effective and efficient government on behalf of all San Diego County taxpayers. One of the ways SDCTA has worked to accomplish this longtime goal has been through conducting research and delivering opinions on issues relevant to taxpayers, including the transparency of public institutions that are funded by taxpayer dollars. Taxpayers should be able to easily determine whether school district officials have carried out their promises to effectively use funds to construct new buildings and upgrade facilities.

Schools should be as transparent as possible with their bond program information and how they are allocating funds, so the purpose of this report is to evaluate whether San Diego schools with active bond programs are meeting the standards of transparency. This report is the most recent update of the San Diego Taxpayers Educational Foundation's (SDTEF) 2007 study, which created SDCTA's "Oversight Committee Best Practices," last amended in May 2019, to appraise the transparency of schools' Independent Citizen Oversight Committees (ICOCs). **It should be noted that the scope of this study evaluates only the transparency and not the quality of bond programs, measuring the public existence of information needed for taxpayers to assess the overall performance of school bond programs.** We do not evaluate the accountability of schools' bond programs, and whether they are honestly listing their spending. We can only evaluate the extent to which they make their bond materials publicly available. The Transparency Report Card does not comment on the quality of material available or ease of access. Our recommendations at the end of this report, however, suggest how to improve these aspects of a district's bond program.

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sdcta.org



In this year's report card, one major change that took place was the involvement of the taxpayer representative from each district's ICOC in the review of transparency. Doing so further empowered our representatives on these ICOCs and created opportunities for candid and civil conversation between our representatives and their respective district staff. By having these specific ICOC members, a group of dedicated individuals who are well-immersed and experienced in the topic of school bond transparency, contribute to the information collection and grading process, the district and our representative had opportunities to synchronize on expectations of transparency.

After reaching out to the taxpayer representative from each district that is being graded, twelve out of twenty nine had been able to assign a grade for their district according to SDCTA's scoring rubric (listed at the end of this document). The list of districts where this took place was: Cajon Valley Union School District, Chula Vista Elementary School District, Del Mar Union School District, Fallbrook Union High School District, Grossmont Union High School District, Grossmont-Cuyamaca Community College District, Lakeside Union School District, MiraCosta Community College District, Oceanside Unified School District, San Diego Community College District, Santee School District, and San Ysidro School District.

The remaining fourteen districts had taxpayer representatives who were either unavailable or unresponsive. For these districts, SDCTA staff had conducted the grading directly: Borrego Springs Unified School District, Cardiff School District, Carlsbad Unified School District, Encinitas Union School District, Escondido Union School District, Mountain Empire Unified School District, Palomar Community College District, Solana Beach School District, San Diego Unified School District, San Dieguito Union High School District, San Marcos Unified School District, Sweetwater Union High School District, Southwestern Community College District, and Vista Unified School District.

Three of the districts had vacancies in their taxpayer representative position, so SDCTA staff directly reviewed these districts: Lemon Grove School District, National School District, and South Bay Union School District

As for the grades, there was a downward trend of scores compared to last year. Of the 29 districts evaluated, the average transparency grade was 76%, although this number has been skewed by the lowest three grades. Even after removing these three, the average for the remaining twenty six is 83%, which is down from 89% in 2020. Like last year, there were no perfect scores since once again none of the districts had performance audits that met the minimum standards for



SDCTA oversight committee best practices. Additionally, only two districts passed a resolution requiring a set of standards for performance audits that would give ICOCs more freedom to contribute and improve the bond program's transparency. None of the districts passed this resolution last year. This report will go into further detail about the requirements for these two items in the Recommendations section.

FINDINGS

[**CLICK HERE TO VIEW COMPLETED SCORECARD**](#)

Each district was graded on a 27 point rubric, which can be found at the end of this report card. There have been no changes to this rubric in the last year. Below are the grades of each district for the 2021 School Bond Transparency Report Card:

- F Borrego Springs Unified School District
- A- Cajon Valley Union School District
- B+ Cardiff School District
- B+ Carlsbad Union School District
- A- Chula Vista Elementary School District
- A- Del Mar Union School District
- D Encinitas Union School District
- F Escondido Union School District
- D+ Fallbrook Union High School District
- A Grossmont Union High School District
- A Grossmont-Cuyamaca Community College District
- A- Lakeside Union School District
- B- Lemon Grove School District
- B+ MiraCosta Community College District
- D National School District
- F Mountain Empire Unified School District
- F Oceanside Unified School District
- B+ Palomar Community College District
- B+ Solana Beach School District
- F South Bay Union School District

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- B+ San Diego Community College District
- B San Dieguito Union High School District
- A- San Diego Unified School District
- B+ San Marcos Unified School District
- B Santee School District
- C Sweetwater Union High School District
- B+ Southwestern Community College District
- A- San Ysidro School District
- D+ Vista Unified School District

In previous years, SDCTA has frequently communicated with school districts about their ICOC websites, pointing out missing information and reminding them to update their pages. This year, upon completion of the grading, SDCTA sent each district a copy of the rubric containing their grade to offer them the opportunity to provide any justification or possible correction to a markdown. Districts were given one week to respond before grades were finalized. The purpose of granting this opportunity was to ensure that the grades SDCTA puts out on this report card are truly accurate to each district's transparency. However, points were not awarded back to changes made by the district only after SDCTA contacted them. Doing so would have gone against the overall spirit of the report card, which is to assess a district's transparency over the course of the year, not just the week before it is released. The SDCTA values day-to-day business practices that reflect an authentic intent to be transparent with the taxpaying public, and so last minute changes by districts did not result in regrading.

RECOMMENDATIONS

Recommendation #1 for School Districts: Review SDCTA Standards on Performance Audits and pass a resolution requiring specific elements of oversight during the performance auditing process.

As was the case in the past four years, all of the districts' performance audits fail to truly evaluate the performance of a school district's facilities bond program. A performance audit's aim should not be to evaluate financial compliance with law. Instead, a



performance audit should aim to increase accountability in the actual construction process.

The two criteria below are ones that were first adopted into the rubric last year and something none of the districts had done. This year, as previously mentioned, none of the districts met (1), and only two districts satisfied (2).

(1) Performance Audits meet SDCTA Standards: Performance audits are in line with SDCTA's [Oversight Committee Best Practices](#) requirements.

The performance audit scope should align with the construction progress to measure the effectiveness of the bond program. In order to assist the oversight committee, SDCTA proposes the scope of work for the Performance Audit must include a review of at least the following:

- Current Bond Program Management Program/Plan
- Construction Project Delivery Methods and Performance Analysis
- Review of Project Budgets and Program Performance and Forecasting
- Evaluation of Overall Transparency of Bond Program

(2) Did the district pass a resolution on Performance Audits? Did the oversight committee pass a resolution requiring the following elements of the Performance and/or the Financial Audit:

- That the District conduct a Performance Audit that considers the appropriate scope and ways to improve Program effectiveness and efficiency;
- That a member of the oversight committee is involved in the auditor selection process and in the development of the audit's scope of work; and
- That the oversight committee review the Performance and Financial Audits before they are presented to the Board

Recommendation #2 for School Districts: Update all information on the oversight committee's website on a regular basis, including posting up-to-date agendas, minutes, financial and performance audits, and annual reports.

Access to up-to-date information remains vital to transparency. Districts should frequently update all website materials to reflect the most accurate information. Audits and financial reports should be available in a more timely fashion, as they should take no longer than a few months to



prepare. Similarly, project status updates should be regularly provided— not just as budget updates, but construction progress with expected timelines for completion. Motivation to keep this information updated should spawn from the desire to keep taxpayers informed rather than just wanting to receive a good grade on the report card.

Recommendation #3 for School Districts: Adjust oversight committees’ websites for easier navigation and useability.

Simply including all of the recommended information such as financial audits and meeting minutes does not guarantee transparency. Instead, an ideal ICOC website would organize these files by type and date in separate links, so that any interested party could easily find the information available. All files are important, but they are often not easy to differentiate between, especially when uploaded with a nondescript file name. Additionally, reducing the amount of clicks it takes to reach any given page or document on the ICOC website is strongly recommended.

RUBRIC/LIST OF CRITERIA

School Bond Transparency Rubric for the 2021 Report Card

On the District’s ICOC Website	
1. Committee Bylaws	A link to the committee bylaws is available on the ICOC website.
2. Member Information	A list of the names of all ICOC members is available on the ICOC website.
3. Meeting Agendas and Minutes	Links to the most up-to-date meeting minutes and agendas are available on the ICOC websites.
4. Additional Meeting Materials	Links to attachments, appendices, presentations, and other additional materials for every ICOC meeting are available on the ICOC website.
5. Annual Reports	A link to the Annual Reports is available on the ICOC website.
6. Performance Audits	A link to separate Performance Audits is available on the ICOC website, or under a separate heading within the Financial Audits.
7. Financial Audits	A link to the Financial Audit is available on the ICOC website.



8. Project List	All projects currently being funded by the bond are listed on the ICOC website.
9. Project Descriptions	A brief written description of each project can be found on the ICOC website.
10. Project Progress	The current status and plan of action for each project can be found on the ICOC website.
11. Bond Background	A brief description of the bond, for what it is intended, when it was passed, and its amount can be found on the ICOC website.
12. Contact Information	The school district phone number and an email address of the ICOC point of contact is listed on the ICOC website.
13. Vacancies listed	Any committee vacancies, expected vacancies, or lack of vacancies are listed on the ICOC website.
14. Number of Vacancies	The number of current ICOC committee vacancies is listed on the ICOC website. While this is not a scored criterion, SDCTA recommends having no vacancies when possible.
15. 2020 Annual Report Available	The 2020 Annual Report is available on the ICOC website.
16. 2020 Audit Available	The 2020 Audit is available on the ICOC website.

On the 2020 Annual Report and/or Audits	
17. Budget Overview	A breakdown of how the budget was allocated for the past year is found in the annual report or audit.
18. Program Status Updates	An explanation of the current status of the bond program is found in the annual report or audit.
19. Detailed Discussion of Projects	A detailed discussion about what was accomplished in the past year and future plans for bond projects are found in the annual report
20. Basic Financial Information	Basic financial information can be found in the audit in accordance with general auditing standards.
21. Expenditures Itemized by Project/Site	All expenditures are itemized by project within the Financial Audit.



22. Prop 39 Required Audit Findings	Audits fulfill the requirements set forth by Proposition 39.
23. Additional Recommendations	There is a separate heading within the Audit called “Additional Recommendations,” or a clear list of recommendations by the Auditor is easily found within the Audit.
24. Detailed ICOC Member Information	Section includes member names and positions, as well as contact information for at least one member.
25. Project Progress Report	The current status of all projects, further work that needs to be completed, and a general timeline for expected completion can be found in the annual report or audit.
26. Audits Performed by Third Party	Audits are performed by an independent auditor in accordance with the law.
27. Performance Audits meet SDCTA Standards	Performance audits are in line with SDCTA’s recommendations found on the Oversight Committee Best Practices document (starts on page 4, text highlighted in yellow).
28. Did the District pass a resolution on Performance Audits?	<p>Did the District pass a resolution requiring the following elements of the Performance and/or the Financial Audit:</p> <p>(A) That the District conduct a Performance Audit that considers the appropriate scope and ways to improve Program effectiveness and efficiency;</p> <p>(B) That a member of the oversight committee is involved in the auditor selection process and in the development of the audit’s scope of work; and</p> <p>(C) That the oversight committee reviews the Performance and Financial Audits before they are presented to the Board?</p>

Final score is out of 27 (#14 is unscored)

ITEM:

Information on San Diego Taxpayers Association's Best Practices

AGENDA ITEM: 8B

- Action
- Consent
- First Reading
- Information
- Presentation
- Public Hearing
- Roll Call Vote Required
- Report

RECOMMENDATION:

For information and discussion only.

DESCRIPTION:

Information on San Diego Taxpayers Association's best practices.

FISCAL IMPACT:

MOVED BY: _____

SECONDED BY: _____



Oversight Committee Best Practices

Approved by the SDCTA Board of Directors on October 21, 2011

Last Amended May 23rd, 2019

The following list of observed best practices reflect the experience of the San Diego County Taxpayers Association's (SDCTA) participation in dozens of oversight committees over the past decades. One of these committees preceded the passage of Proposition 39, which mandates oversight for bond-funded projects in K-12 schools and community colleges. That change led to rapid expansion of oversight and affected similar types of ballot measures such as the four-year extension of the TransNet sales tax, public safety facilities, and hospital projects. From years of observation, extensive research and direct participation in oversight committees in San Diego County, SDCTA has derived a list of practices that enhance the effectiveness of the oversight that voters rely upon when making decisions at the ballot box. SDCTA's best practices hold oversight committees and the agencies that they oversee to a higher standard than those outlined in Prop 39 (Appendix A for language of the legislation).

Notification

Recruitment, selection and appointment

For at least 45 days the district or agency shall inform the public and the entities listed below of vacancies on the oversight committee by all available means in order to recruit qualified, motivated committee members.

- San Diego County Taxpayers Association
- American Institute of Architects
- American Society of Civil Engineers
- Associated Builders and Contractors of San Diego
- Associated General Contractors of San Diego
- Community organizations (e.g. Rotary, Kiwanis, etc.)
- Construction Managers Association of America
- Financial Executives International
- Labor organizations
- Local and community papers
- Local Chambers of Commerce
- Parent teacher organizations

These announcements shall include a description of the oversight committee duties and scope of authority. Eligibility requirements and selection criteria shall be made available. Appointments shall be made at a regularly scheduled publicly noticed meeting of the district or agency.

Membership Composition

A majority of the members of the Committee shall possess expertise in one or more of the following areas:



- Large scale construction operations
- Municipal/public finance matters
- Performance and financial auditing
- Construction related project management
- Real estate acquisition or sales
- Environmental laws or regulations
- Information technology

At least one member of the Committee shall be a representative of SDCTA. SDCTA will identify and nominate a member to fulfill the duties of the member of a bona fide taxpayers association. In the case that a member of SDCTA cannot be identified to serve on the oversight committee, solicitation for such representation shall be opened to the broader community. Committee members shall be appointed by the elected board as part of a regularly scheduled and publicly noticed meeting. The process shall include statement of qualifications to the public as well as the opportunity for public comment on the nominees. It is impermissible for any bond moneys that are the responsibility of the oversight committee to be spent before the formation and first official meeting of the oversight committee; this includes carryover funds from previous bonds. At its first meeting, the committee shall appoint a chairperson and vice-chairperson to serve in the absence of the chairperson.

Terms

The elected board shall determine the term duration and staggering of oversight committee members' terms.

Bylaws

Although not required by law, it is customary practice for governing boards to adopt administrative regulations outlining fundamental aspects of committee operations and activities. While this may take the form of bylaws, it is a best practice for the committee to be granted the opportunity of prior review and the opportunity to propose changes since these bylaws will describe the manner or governing board policy in which the committee carries out its responsibilities. At a minimum, the bylaws should describe the term limits of the oversight committee's members. Bylaws must be adopted before the oversight committee is formed (see Appendix D for an example of bylaws).

Orientation

Before a new oversight committee begins work, a comprehensive orientation is mandatory. It is important that each oversight committee member receive a thorough briefing by the district's staff and oversight committee member(s), including copies of relevant codes, bond resolutions, project descriptions, budgets and schedules, financial reports and minutes of recent meetings. It is strongly recommended that new appointees tour facilities included in or affected by the bond funded program, however, tours at every committee meeting are excessive. Oversight committee members that are new to the committee mid-bond (due to term limits or for other reasons) shall receive the same in-depth, thorough orientation as those who were oriented upon the formation of the committee. Oversight committee members are strongly recommended to attend an orientation to



the process by SDCTA. SDCTA is available to provide an in-person presentation. For Proposition 39 committees, a copy and overview of Proposition 39 shall be provided.

Access to information

Access to critical benchmarking data in a timely and easily comprehensible manner is essential. This frequently takes the form of a so-called "dashboard" which summarizes critical metrics in graphic form. Whenever bond revenues are combined or used in conjunction with other sources of funding, the oversight committee shall be kept informed of the status of all funds. Reports shall summarize the original funds budgeted and allocated, amounts expended and obligated to date and the percent of completion as of the close of the most recent accounting quarter. A regularly updated Program Evaluation Review Technique (PERT) chart or its equivalent with milestones for each project in the program is necessary to allow oversight committee members to track progress. (See Appendix E for an example of a "dashboard" and Appendix F for an example of a PERT chart).

Public Disclosure

Transparency is achieved by promptly displaying detailed information about the progress of each project included in the ballot measure and resolution, as well as the committee's minutes and materials, including subcommittees, it has received on the oversight committee website. Preferred oversight committee website will be located as a subpage of the Board's website. Oversight committee websites shall disclose, at a minimum, the following:

- Minutes of all meetings, including subcommittees, within a reasonable amount of time. Preference is by next regularly scheduled committee meeting
- Materials provided to the Committee at each meeting
- Sufficient notice of the dates and times and agendas of planned meetings of the oversight committee and its subcommittees, when applicable
- List of the committee's members and a main contact information (email and phone)
- List of projects accompanied by measurements of their status in terms of budgets and timelines
- Any alterations to project budgets or timelines with adequate explanations for these changes
- Comparison of current status of projects in terms of budgets and timelines to the original budget and timeline estimates of the project
- Oversight committee website(s) shall be kept current and up-to-date
- Whenever available, the committee shall support open data by publishing on its website the raw (non-summarized) data on spending, progress, timelines, and budgets, in an open or widely supported format such as Excel or .CSV

Meetings

The oversight committee must meet with sufficient frequency to ensure that members remain fully informed about all relevant current conditions. The Committee shall schedule at least quarterly (or more frequently as needed) meetings as either a full body, or in the form of subcommittees that shall then report back to the full Committee at its next regularly scheduled meeting, for the initial two years after passage of the bond measure or until 20 percent of bond projects are completed,



and at least quarterly thereafter. Subcommittees may be formed to monitor specific components of program implementation such as the audit process or construction progress and prepare the annual report to the elected board and public. Both committees and subcommittees shall be subject to the Brown Act. As appropriate, there should be updates provided to the elected board on the oversight committee's activities.

Project Delivery Methods

The District shall present to the Oversight Committee the available project delivery options for the district and which one will be utilized for projects undertaken during the bond program. The District shall outline the reason each particular method will be utilized. The District shall make every effort to present to the Oversight Committee prior to final approval by the Governing Board.

Budget

Pursuant to Education Code section 15280 (See Appendix B for language), "The governing board of the district 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."

Financial Audit

It is desirable for the oversight committee to participate in the process of screening independent auditors of the bond-funded program, recognizing that the governing board has the sole authority to make such appointments. Financial audits should at a minimum comply with Government Auditing Standards and all Proposition 39 requirements.

The oversight committee shall review and comment upon the annual financial report prior to its presentation to the elected board. Independent auditors shall meet annually with the oversight committee audit subcommittee and/or the full committee (prior to presentation to the elected board) at a regularly scheduled meeting. The oversight committee should make recommendations and provide input on the audit.

Performance Audit:

There is no current legal requirement for the Performance Audit to review, analyze and make recommendations on the efficiency and effectiveness of a school bond program. A Performance Audit should include documentation of the positive aspects of management, as well as areas for improvement i.e. it is a process improvement document.

It is in the interest of School Districts to identify how well it is managing the bond funds via an annual performance audit of appropriate scope. The Board and the CBOC should determine the appropriate scope on an annual basis by taking into consideration the stage of the bond program as well as the scope of prior audits conducted. An annual performance audit is also a tool for the bond oversight committee to "review and report on the proper expenditure of taxpayers' money for school construction" (Education Section 15278(b)) as required by law. Input from the CBOC can foster positive relationships between the CBOC and District and help to insure transparency.

The selection of the Performance Auditor should also include participation of one or more members of the CBOC.

Included in the SDCTA Best Practices is the requirement for the District to develop a scope of work for the Performance Audit which considers the input of the CBOC. The CBOC should also review and comment upon the draft Performance Audit prior to its presentation to the Board.

The performance audit scope should align with the construction progress to measure the effectiveness of the bond program. In order to assist the CBOC, SDCTA proposes the scope of work for the Performance Audit must include a review of at least the following:

- Current Bond Program Management Program/Plan
 - Program and Construction Management Structure, including staff and fees
 - Compliance with "Best Practices" for Procurement of Contractors and Professional Services and compliance with public contracting code
 - Master planning procedures and controls
 - Material specification standards
- Construction Project Delivery Methods and Performance Analysis
 - Design and Construction Timelines which include benchmarking to industry standards
 - Change Order Procedures and Results which include benchmarking to industry standards
 - Program/Project reporting including budgets, forecasts, change orders, commitments, expenditures, timeline, cash flow projections, narratives, etc.
- Review of Project Budgets and Program Performance and Forecasting
- Evaluation of Overall Transparency of Bond Program
 - Review performance of CBOC
 - Evaluation of the Public Outreach and Communication Program

SDCTA acknowledges that some of these provisions will not change over time and will consider limited reviews and/or exemptions to these as part of the Annual School Bond Transparency Scorecard requirements for the subsequent year only on a case-by-case basis.

Additionally, a district may implement the following recommended measures:

- Use of Best Practices and Technology Regarding the Planning and Construction of School Facilities
- Payment Procedures and Payment Processing Time
- Compliance with legal requirements for prevailing wage and labor compliance
- Staffing planning procedures and controls
- Warranty compliance procedures and controls
- Value Engineer/Cost Benefit analysis procedures and control

Access to the Governing Board and Chief Administrative Officer

The oversight committee shall periodically meet with the chief administrative officer of the district or agency and at least annually with the governing board. It is recommended that oversight committee members monitor the district's governing board meetings. The oversight committee



shall meet with the governing board prior to the oversight committee's presentation of its performance assessment report. Any matters related to the bond shall go to the oversight committee prior to the elected board.

Significant Program 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 lesser of 10% of a specific project budget allocation or \$1 million or a delay of a major project by 6 months or more.

Any board action that would significantly change the cost or schedule or bidding of bond financed projects should be reviewed by the oversight committee prior to any non-emergency governing board decision. In the event of significant program changes, the committee shall produce a special report in addition to its annual report specifically covering the program changes to scope, budget and timelines. This report shall be readily available to the public and submitted to appropriate media outlets.

Annual Report

The oversight committee shall be the principal author, with staff assistance as may be requested, of its required annual report to the public. The district or agency shall provide technical, production and distribution support. The report shall appear on the oversight committee web site and be available at principal offices of the district or agency. The project priority shall be those specific projects that were approved by the public upon approval of the bond measure. The report shall contain, at a minimum:

- List of all original projects, and their status regarding budget, scope and /or implementation
- Certification of all expenditures
- Any changes, such as specific project cancellations or scope reductions, shall be highlighted and thoroughly explained
- A list of joint-use projects
- Status and scoring of deferred maintenance projects
- Prevailing wage requirements compliance report

See Appendix G for examples of adequate annual reports.

Bond Issuance

The district or agency shall inform the oversight committee concerning the full details of the selection of bond counsel, underwriters, the issuance of bonds, the refinancing of bonds, project list with relevant bond ballot language and bond financing structure. The oversight committee shall be fully informed before each new series of bonds is issued.

Joint Use

The oversight committee shall assure that the agency or 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. Joint-use efforts should be described and scored in the annual report.

Deferred Maintenance

Part of the oversight committee's responsibility is to review the status of the district or agency's deferred maintenance elimination plan and major repair and replacement plan. The District shall submit a governing board approved funding plan to eliminate deferred maintenance using general fund revenues, and if necessary with a limited reliance on bond revenues; and an approved major repair and replacement funding plan to ensure that both new and renovated facilities do not become maintenance deferred once the backlog has been eliminated. Within the submitted plan, the District shall include the deferred maintenance funding, including the amount of state matching funds received, for the previous 10 fiscal years. The District shall also include a current list of those projects and their respective costs within the District's deferred maintenance backlog. Status of deferred maintenance should be described and scored in the annual report.

Certification of Expenditures

The oversight committee must review whether expenses are within the constraints of the bond, and any non-certified expenditures shall be publicly reported. The district or agency shall present to the oversight committee written certification that all bond revenues currently expended have been in conformity with the bond resolution and applicable statutes on an annual basis. Certification of expenditures must be in the annual report.

Prevailing Wage Requirements

Most, if not all, publicly funded projects fall under prevailing wage requirements. The oversight committee shall request and receive an annual compliance report from the agency or district detailing related compliance issues of importance.

Liability

Committee members may be concerned about personal liability arising from serving. While this does not appear to be a problem, if requested, the governing board must provide written hold harmless agreements. This may appear in the oversight committee's bylaws.

Final Report

Upon final 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.

*Please see Appendices A through F for all supporting materials
Please contact SDCTA if complications or concerns arise.*