



**NAPA COUNTY GRAND JURY
2017-2018**

**Final Report
May 29, 2018**

The Measure H Watchdog Isn't Barking

NVUSD and Measure H
May 29, 2018

SUMMARY

In June of 2016, Napa County taxpayers narrowly approved Measure H, a ballot initiative authorizing the Napa Valley Unified School District (NVUSD) to issue \$269 million in school construction bonds. These funds make up just over half of the District's \$505 million Facilities Master Plan, affecting thirty different District school sites. The Master Plan covers much-needed seismic upgrades to existing schools, the construction of three new campuses to replace schools on earthquake faults, and extensive security upgrades to most facilities. The funds also provide for a District-wide technology upgrade and a host of other improvements.

By state law, Measure H provided for an independent Citizens' Oversight Committee (COC), known locally as the Citizens' Bond Oversight Committee (BOC). The duties of the BOC, as outlined by state law and amended by NVUSD Board of Education bylaws, are strictly limited to informing the public, reviewing the District's expenditure of bond funds, and issuing an Annual Report to the Board of Education.

By attending public meetings and interviewing key stakeholders, the 2017-2018 Napa County Grand Jury has learned that severe cost escalation is having a pronounced negative impact on the District's Master Plan. Yet, even with the presence of the BOC, Napa County taxpayers are not being fully informed of the status of the plan and budget overruns. The jury finds this is due to a lack of transparency by the NVUSD and a lack of independent communication from the Bond Oversight Committee to the public.

The public deserves to know what is happening with their tax dollars, given that there is a high likelihood that taxpayers will be asked to approve an additional bond measure in order to fund all the projects in the Facilities Master Plan. The Grand Jury recommends the NVUSD BOE take action to strengthen the independence of the Bond Oversight Committee in order to improve transparency and increase the level of communication to the public about the state of these significant school construction projects.

GLOSSARY

BOC	Citizens' Bond Oversight Committee
BOE	Napa Valley Unified School District Board of Education
Bond	A bond is a financial instrument of debt. General obligation bonds fund projects such as renovations of existing classrooms and facilities, as well as new construction of schools. Approval of a bond measure allows the district to sell bonds for renovation/replacement, additions, and technology upgrades. Bonds are sold over a multiple year period and similar to home loans (30 years); they represent a long-term general obligation (debt).

When voters pass a bond referendum, they agree to property-based taxes to repay the principal and interest on the bond. All property within the district—residential, commercial, agricultural, and industrial—is taxed to meet the loan repayment. When market conditions allow, the district can refinance previously issued bonds to save taxpayers money. California law allows districts to do this in order to achieve debt-service savings, thereby resulting in a reduction of taxes levied on taxpayers in the district. Bond measures also help the district apply and qualify for state matching facilities funding for new construction and modernization.

FMP	Facilities Master Plan (The NVUSD construction plan and budget) adopted in November 2015 by the BOE as a long-range plan through 2025.
Implementation Plan	A new document, created in May 2018, indicating which projects would be executed using Measure H bond funds once cost escalations have been taken into consideration.
Measure H	The \$269 million bond measure passed in Napa County in June 2016
NVUSD	Napa Valley Unified School District

BACKGROUND

The 2017-2018 Napa County Grand Jury received several requests from citizens to investigate various aspects of the NVUSD, specifically dealing with operating budgets. After an initial round of interviews and some background research, the jury decided to focus an investigation on the status and progress of the Measure H bond issuance.

All public school districts in California are entitled to put bond issues on the ballot as local measures. Since 1978, these measures have been difficult to pass because Proposition 13 required a two-thirds supermajority (66.67 percent) of voters for approval. In November 2000, California voters passed Proposition 39 (also known as The School Facilities Local Vote Act of 2000), which initiated a state constitutional amendment (it amended Section 1, Article XIII A, and Section 18 of article XVI). The primary impact of Proposition 39 was to reduce the threshold required to pass local California school district bond issues from a two-thirds (66.67 percent) supermajority vote to a 55 percent supermajority vote.

Proposition 39 also requires school districts that approve Proposition-39 bonds to seat a Citizens' Oversight Committee (COC) to assure the community that bond funds are expended in the fashion outlined in the district's bond resolution. The COC must meet at least once a year and inform the public about the expenditure of bond revenues. The COC shall actively review and report on the proper expenditure of taxpayers' money for school construction. Key excerpts of Education Code Sections 15278, 15280, and 15282 are included in the Appendix section of this report.

In 2016, the Napa Valley Unified School District (NVUSD) placed a \$269 million bond initiative on the June ballot to give voters a chance to approve a funding proposal to provide seismic upgrades, new school construction, and other improvements to the aging District infrastructure. The specific uses and wording listed on the ballot initiative were:

To fix or replace earthquake damage, fire safety, plumbing/mechanical systems with funding that cannot be taken by the State, relocate or repair schools on earthquake faults, update aging electrical, plumbing, outdated heating/ventilation systems, provide flexible classrooms/labs for science and other core academics, update classrooms for vocational/career technology, repair, construct, acquire classrooms, sites, facilities/equipment, shall Napa Valley Unified School District issue \$269,000,000 in bonds, at legal rates, with independent oversight/audits, no money for administrators?¹

The \$269 million bond fund was designed to make up just over half of the budget for the District's \$505 million Facilities Master Plan (FMP). The remaining \$236 million was to come from other revenue sources, including California State reimbursement funds for seismic upgrades, as well as State reimbursements under Proposition 51, a \$9 billion bond issue passed in 2016 for school construction and improvement projects. Additional funding would come from the sale of NVUSD school land and property, along with an anticipated \$40 million from developer fees that were attributed to specific residential projects slated to be built in the County.

The bond measure required a 55percent supermajority vote for approval. The initial ballot count on election night showed the bond measure did not receive 55percent of the vote, and had failed. It was not until absentee ballots were counted three weeks after election day that the initiative had enough votes to pass. The final tally was 55.99percent to 44.01percent. The measure exceeded the 55percent threshold by only 350 votes out of 35,000 cast.

Once passed, Measure H became the fourth school bond added to the property taxes of Napa County residents. Three of those are for the NVUSD (2002, 2006, and 2016) and one is for the Napa Valley College (2002).

On August 4, 2016, the NVUSD Board entered the election results in its official minutes. On October 6, 2016, the Board approved the Bond Measure Oversight Committee (BOC) and the District followed with a posting of the application on its website and advertised in the Napa Valley Register and American Canyon Eagle for community members. The NVUSD BOE formally established the BOC and adopted the NVUSD-Counsel-drafted bylaws on November 17, 2016, as required by Education Code §15278.

The NVUSD took immediate action to identify candidates to serve on the BOC, making sure the candidates fulfilled the specific criteria outlined in the bylaws. The NVUSD identified 11 BOC members in the fall of 2016, and the committee was reduced to ten by the first official meeting on December 7 of that year.

¹ Text of Measure H Bond Initiative, June 2016. Link in Bibliography.

METHODOLOGY

Interviews with four executive and staff members of the NVUSD

Interviews with two members of the Citizens' Bond Oversight Committee

Grand Jury attendance at five BOC meetings in 2017 and 2018

Grand Jury attendance at NVUSD State of the Schools meeting February 2, 2018

Grand Jury attendance at NVUSD BOE meeting May 3, 2018

Review of all online materials, minutes and plans at the NVUSD website

DISCUSSION

The NVUSD Facilities Master Plan

The District created a Facilities Master Plan (FMP) in early 2014, two years prior to the 2016 Bond Initiative. Created in conjunction with an architectural firm that has since gone out of business, it initially totaled more than \$1 billion. After the 2014 Napa earthquake, the District decided to re-work the original budget in order to reduce costs and address immediate seismic needs. The current \$505 million FMP emerged.

The \$505 million budget is divided into four parts, or "tiers," in descending order of priority. The District hoped the bond initiative could cover Tiers 1 and 2, which primarily include seismic upgrades, new school construction, and the technology upgrade. The District has referred to Tier 3 projects as "nice-to-haves." The final category, called "Other" on the FMP, is comprised of projects that will be paid through developer fees and "future funds."

With the passage of Measure H complete, the NVUSD embarked upon a comprehensive construction and remodeling project encompassing every one of the 30 school facilities in the District. Funds were also earmarked to provide a major technology overhaul District-wide, specifically to upgrade the aging phone system and convert it to VOIP (Voice Over Internet Protocol). To date the District has authorized the first two issuances of bonds for \$115 million and \$35 million, for a total of \$150 million. The remaining authorized bonds will be issued at a later date closer to when the funds will be required.

The \$505 million Master Plan the BOC has been monitoring is reflected in a spreadsheet included in the minutes from the BOC meetings. This spreadsheet includes \$211.2 million for Tier 1 projects, \$75.2 million for Tier 2, \$126.6 million for Tier 3, and \$92.0 million for Other.

The New NVUSD Implementation Plan

On May 3, 2018, NVUSD Staff made a presentation to the NVUSD BOE on the District's new Implementation Plan. This plan acknowledges that the FMP is out of date and not reflective of

current costs and reimbursement rates. The 3-phase plan seeks to focus on those projects that can be executed with the currently authorized bond funds. Phase 1 totals \$269 million, and includes major construction and seismic projects at just ten District schools, subtotaling \$214 million. This phase also included \$35 million for a District-wide technology upgrade. The remaining \$20 million covers school safety, health and nutrition, and capital improvement management.

The District believes that the construction projects executed in Phase 1 will generate \$18 million in state reimbursements, so additional seismic and safety projects would be executed under Phase 2 once those monies are received. Phase 3 includes an additional \$49.5 million in seismic construction projects, but is currently unfunded.

District staff has made numerous references to the Implementation Plan as being “a living document” which will be continually revised as necessary. While the original FMP was almost 80 pages long and included school-by-school, tier-by-tier upgrade plans, the Implementation Plan is 4 pages long and does not contain any detail. It is not possible to know which pieces of the original plan are being retained and which have been re-prioritized or cut.

THE BOC’s Role is to Communicate

The BOC has three main duties. As stated in Section 3.1 of the BOC bylaws, “The Committee shall inform the public concerning the District’s expenditure of bond proceeds.” The sole sources of information from the BOC are the meeting minutes (which are prepared by the NVUSD) and recordings of its meetings posted to the NVUSD website. As of this writing, the BOC has been convened for a year and a half and has yet to release any form of communication to the public about the expenditure of bond funds.

The BOC is also required to produce and present an Annual Report to the Board of Education summarizing the committee’s activities for the year and stating whether or not the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution. The District has retained Chavan & Associates, LLP, an independent auditor to perform both performance and financial audits of the Measure H expenditures. The auditor makes annual presentations to the BOC and verifies the accuracy of the District’s processes. The BOC then has the opportunity to question the auditor about any part of his findings. These audits appear intended to form a large part of the BOC’s Annual Report to the BOE. To date the BOC has not issued the required Annual Report, although it is planning to release a report to the BOE on June 21, 2018. While a report will finally be issued, it will only cover the period of July 1, 2016 through June 30, 2017, and will not reflect any activities that have occurred during the past twelve months.

Although the creation of subcommittees for any purpose is prohibited by Section 5.8(c) of the bylaws, the BOC established an Annual Report subcommittee at the December 2017 BOC meeting. This subcommittee worked together to prepare the annual report draft, which was discussed by the entire BOC at the May 2018 meeting.

The committee's third and final specified duty is to review the District's expenditure of bond proceeds. The committee is responsible for ensuring that bond proceeds are expended only for the purposes set forth in Measure H and that no bond proceeds are used for teacher or administrative salaries or other operating expenses.

Section 6.1 of the bylaws requires the BOC to meet at least once per year but not more than quarterly to discharge its duties. Despite this limitation, the BOC met six times in 2017 and is planning six meetings in 2018. Meetings of the BOC take place at District offices with members of the NVUSD in attendance, and the average meeting lasts more than two hours.

Minutes from early BOC meetings, as well as interviews with BOC members, indicate that the BOC received minimal training at the beginning of their term. Organizations including the 21st Century School Fund and the California League of Bond Oversight Committees have produced best practice documents (see Bibliography), which give guidance to Citizens' Oversight Committees. The NVUSD BOC would be well-served to gain access to this information and to receive additional training from these organizations in order to better perform its duties as an independent oversight committee.

The BOC's Responsibilities Are Expressly Limited

The BOC bylaws (see complete text in the Bibliography section of this report) stipulate that the BOC shall have no jurisdiction over any contracts, bids, contractor selection, change orders, expenditures of bond funds, approval of plans or schedules, selection of auditors, and much more. All of those responsibilities are reserved expressly for the BOE or Superintendent.

Section 5.4 of the BOC bylaws specifies that members of the BOC shall be appointed to two (2) year terms and may serve no more than three (3) consecutive terms. This bylaw also mandates that at the committee's first meeting, members will draw lots or otherwise select a minimum of two members to serve for an initial one (1) year term with the remaining members selected for an initial two (2) year term. This process would ensure a BOC with staggered terms and avoid the possibility of a completely new slate of committee members after just two years. Despite this requirement of the bylaws, the District did not follow the proscribed procedure to stagger the committee at the first meeting.

This term issue was finally addressed at the May 2018 BOC meeting, when six members of the current BOC offered to remain for a second term. The District is already working to recruit additional new members for the BOC beginning in the fall of 2018. The BOC and NVUSD staff both expressed hope that the new committee would number at least 12 members.

The Public is Not Being Informed of the Serious Cost Escalations Impacting the Master Plan

At each BOC meeting, District staff reviews recent construction activity at each NVUSD facility. Discussion includes budget updates, new bids awarded, progress updates, and status of state reimbursements, among other items.

The Grand Jury attended BOC meetings in September and December of 2017, as well as January, March, and May of 2018. At each of these meetings, the District provided information to the BOC that indicated that the District was experiencing significant cost escalations on many of the projects. Specific examples include:

- December 2017 – District’s lead architect submitted a letter explaining the cost escalations the District was experiencing (as much as 30percent) were common throughout Northern California due to high levels of construction and a scarcity of construction resources.
 - This information was not included in the original meeting minutes reviewed in January 2018. At the insistence of one BOC member, the District agreed to revise the minutes. The revised minutes, which were approved in March 2018, make but a brief mention of cost escalations without mentioning the 30percent overrun. The architect’s letter has been added as an attachment to these minutes.
- December 2017 -- District reported the initial low bid on a project awarded in spring 2017 was more than three times the \$400,000 District estimate. The District then revised its estimate to \$1.6 million and put the project out for bid again. This time the lowest bid was \$2.2 million, and was awarded. Change orders increased the contract value to \$2.4 million. The project was now *six times* the original estimate of \$400,000.
 - This information is not included in the meeting minutes. In documents distributed to the BOC, the District referred to the project being only 50percent over budget (comparing the low/winning bid of \$2.4 million to the revised estimate of \$1.6 million), ignoring the original FMP estimate of \$400,000. In truth, the project is 500percent over budget.
- January 2018 – District’s detailed performance review of the El Centro/Salvador School Consolidation project indicated \$24.5 million in bids had been awarded to date for parts of the project. Compared to the original FMP budget of \$18.6 million for the entire project, this meant the project would be going at least 33percent over budget. Staff could not explain the cause of the overrun.
 - Although the BOC expressed concern during the meeting about the significant overrun, the minutes from this meeting contained only this recap:

- “Detail review of Measure H project El Centro. Committee was able to ask questions of staff as they pertain to the project, process or financial.”

At the January and March 2018 BOC meetings, when the severity of the cost overruns was discussed, BOC members asked what recourse the District has if the funds run out before all the projects are completed. The District answered that no projects would be cancelled; they would instead be reprioritized or moved to the bottom of the list until new funds could be found or a new bond initiative was passed. On at least two other occasions NVUSD staff has mentioned to the Grand Jury that there is a high probability that the District will need to float another bond initiative with the taxpayers.

Meeting Minutes Do Not Reflect Details of Each Meeting

At the March 2018 BOC meeting, a construction manager from the District announced that the cost of steel would be increasing by 20percent beginning in April due to recently announced tariffs. At a separate point in the meeting, when cost escalations were being discussed, the same construction manager announced that overall construction costs were “increasing by 20percent year-over-year.”

At the May 2018 BOC meeting, a BOC member voiced his displeasure that the minutes from the March meeting did not accurately reflect the content discussed at that meeting. He went on to say that this was a problem with all meeting minutes, not just those from March. His concern was that specific cost information discussed at the meetings was not captured in the minutes, which made it hard for the annual report committee to use the minutes to help shape their report.

This generated a discussion about how the minutes are kept for BOC meetings. The NVUSD staff currently produces both the agenda and the minutes for BOC meetings. By statute, the District is required to provide the BOC with technical and administrative assistance to the committee in furtherance of its purpose (see §15280(a) in the Appendix.) However, this does not require the NVUSD staff to actually prepare the minutes. The BOC could do this if it so desired. Discussion went on to include the fact that the minutes only need, according to Robert’s Rules of Order, to reflect actions taken by the committee and are not intended to be transcripts of the proceedings. The BOC was reminded by NVUSD staff that audio recordings of each meeting are made and posted on the NVUSD website for review by anyone in the community.

In the end, the BOC agreed, in an effort to be more transparent, that the Chairman would ask members at the end of each meeting which specific items of discussion from that meeting should be included in the minutes. However, at the end of this meeting, this was not done.

The Napa County Grand Jury shares the frustrations of some BOC members that important information about cost overruns, in particular, is not being shared with the general public, either in the minutes or anywhere else. However, the jury believes it is the BOC’s express duty and obligation to find ways to communicate this information to the public, whether through meeting minutes, the annual report, an online meeting recap, or any other such communications vehicle they create.

District Not Counting on State Reimbursements

At the January 2018 meeting, the District announced it had applied for reimbursement from the State of California's Proposition 51 Bond Fund for Napa's Stone Bridge and River Schools. At the March meeting, the District announced that the reimbursement funds had been denied. The District announced that it will continue applying for state matching funds, particularly for seismic upgrades, but cautioned that it may take up to five years to receive these funds, if they are even approved.

At the May 2018 BOE Study Session, and again at the May 2018 BOC meeting, District staff discussed the difficulties of being reimbursed by the state. Although the NVUSD has projects that qualify for state funds, the state is currently handling reimbursement requests that date back many years. The District feels that the current governor of California is reluctant to release funds for school reimbursement, even though Proposition 51 passed, making \$9 billion available. At the rate those monies are being doled out it will take many years for NVUSD to see any reimbursements.

In addition to attending the BOC meetings, the Grand Jury also attended the NVUSD's "State of the Schools" breakfast meeting on February 2, 2018 at the Napa Elks Lodge. The jury was interested to hear if the District would address Measure H and provide a construction and/or budget update. Although the District used the occasion to cite a number of positive accomplishments and a number of ongoing challenges, the state of the Measure H project and associated cost escalations were not among them.

FINDINGS

The Napa County Grand Jury finds that:

- F1. The \$505 million Facilities Master Plan and budget, which were created in 2014, are outdated and underfunded, and do not reflect 2018 (or later) construction costs.
- F2. Construction costs for many projects in the NVUSD Facilities Master Plan are running 30-500percent higher than the District originally estimated.
- F3. The District's ability to fund all the projects in the Facilities Master Plan is at further risk because the State of California has not disbursed District-anticipated funds and has not guaranteed it will do so.
- F4. The new \$346 million "Implementation Plan" introduced by NVUSD staff in May 2018, does not clearly identify which items from the original FMP are being reprioritized.

- F5. The Bylaws of the Bond Oversight Committee have not been followed as written with regard to the creation of subcommittees, the creation of staggered terms, and the frequency of meetings.
- F6. Neither the NVUSD nor the citizens' Bond Oversight Committee are fully informing Napa County taxpayers on a timely basis of the status of Measure H bond expenditures or cost escalations.
- F7. By not issuing the required annual report nor communicating with the public in any way during its first 18 months, the Bond Oversight Committee has not lived up to its obligations to the taxpayers of Napa County.
- F8. There is a high likelihood that Napa County taxpayers will be asked to fund yet another bond measure in order to complete the many FMP projects that will not be completed under the Measure H bond issuance.

RECOMMENDATIONS

The Napa County Grand Jury recommends that:

- R1. The Bond Oversight Committee fulfill its duty to inform the public about the expenditure of Measure H bond funds by communicating to the public at least twice annually about Measure H project status and costs.
- R2. The Board of Education strengthen the independence of the Bond Oversight Committee by revising the BOC bylaws no later than August 31, 2018 in order to allow the creation of subcommittees by the BOC, and also to establish a set meeting frequency.
- R3. The NVUSD Staff revise the original \$505 million Facilities Master Plan to reflect which projects will be executed through the new Implementation Plan, and which projects will be deferred until new funds become available. This revised FMP should be posted to the NVUSD website no later than October 31, 2018, and kept current.
- R4. The NVUSD Board of Education provide training to the BOC from organizations such as the 21st Century School Fund or the California League of Bond Oversight Committees so that the BOC has access to best practices for citizen oversight of public school construction programs. This access to training should take place commensurate with the seating of the next committee in the fall of 2018.

REQUEST FOR RESPONSES

Pursuant to Penal Code section 933.05, the Napa County Grand Jury requests responses as follows:

From the following governing bodies:

- NVUSD Board of Education (F1-F6 and F8; R2-R4).

INVITED RESPONSES

Pursuant to Penal Code section 933.05, the Napa County Grand Jury invites responses as follows:

- Measure H Citizens' Bond Oversight Committee (F5, F6, F7, and F8, and R1, R2 and R4.)

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

This report was issued by the 2017-2018 Napa County Grand Jury with the exception of a juror who is a former employee of the NVUSD. This Grand Juror was excluded from all parts of the investigation, including interviews, deliberations, and the writing and approval of this report.

BIBLIOGRAPHY

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[NVUSD Measure H Bond Issue, June 2016](https://ballotpedia.org/Napa_Valley_Unified_School_District,_California,_Bond_Issue,_Measure_H_(June_2016))

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[NVUSD FMP Working Budget Overview](https://drive.google.com/drive/folders/0B7AzHlqfhzwPbjlROWNCcVhHOVk)

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September 2017 BOC Meeting Materials

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December 2017 BOC Meeting Materials

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Napa Valley Register story about State of Schools Breakfast February 2, 2018

http://napavalleyregister.com/news/local/napa-valley-unified-school-district-optimistic-despite-challenges/article_3ee4ee27-b58e-5347-9952-c97750918d06.html

21st Century School Fund publication Citizen Oversight of Public School Construction Programs

<http://www.21csf.org/csf-home/Documents/CitizenOversight.pdf>

California League of Bond Oversight Committees (CalBOC) Best Practices Guide

<http://www.21csf.org/csf-home/Documents/CitizenOversight.pdf>

APPENDIX

Key excerpts of California Education Code Sections 15278, 15280, and 15282 as they relate to a Citizens' Oversight Committee include the following provisions:

§15278. (a) If a bond measure authorized pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution and subdivision (b) of Section 18 of Article XVI of the California Constitution is approved, the governing board of the school district or community college shall establish and appoint members to an independent citizens' oversight committee, pursuant to Section 15282, within 60 days of the date that the governing board enters the election results on its minutes pursuant to Section 15274.

(b) The purpose of the citizens' oversight committee shall be to inform the public concerning the expenditure of bond revenues. The citizens' oversight committee shall actively review and report on the proper expenditure of taxpayers' money for school construction. The citizens' oversight committee shall advise the public as to whether a school district or community college district is in compliance with the requirements of paragraph (3) of subdivision (b) of SDCCD: Proposition 39 Citizens' Bond Oversight Committee Requirements Section 1 of Article XIII A of the California Constitution. The citizens' oversight committee shall convene to provide oversight for, but not be limited to, both of the following:

(1) Ensuring that bond revenues are expended only for the purposes described in paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(2) Ensuring that, as prohibited by subparagraph (A) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution, no funds are used for any teacher or administrative salaries or other school operating expenses.

(c) In furtherance of its purpose, the citizens' oversight committee may engage in any of the following activities:

(1) Receiving and reviewing copies of the annual, independent performance audit required by subparagraph (C) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(2) Receiving and reviewing copies of the annual, independent financial audit required by subparagraph (C) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(3) Inspecting school facilities and grounds to ensure that bond revenues are expended in compliance with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution.

(4) Receiving and reviewing copies of any deferred maintenance proposals or plans developed by a school district or community college district, including any reports required by Section 17584.1.

(5) Reviewing efforts by the school district or community college district to maximize bond revenues by implementing cost-saving measures, including, but not limited to, all of the following:

(A) Mechanisms designed to reduce the costs of professional fees.

(B) Mechanisms designed to reduce the costs of site preparation.

(C) Recommendations regarding the joint use of core facilities.

(D) Mechanisms designed to reduce costs by incorporating efficiencies in school site design.

(E) Recommendations regarding the use of cost-effective and efficient reusable facility plans.

§15280. (a) 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.

(b) 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. The citizens' oversight committee shall issue regular reports on the results of its activities. A report shall be issued at least once a year. 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.

§15282. (a) 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 three consecutive terms. While consisting of a minimum of at least seven members, the citizens' oversight committee shall be comprised, as follows:

(1) One member shall be active in a business organization representing the business community located within the district.

(2) One member shall be active in a senior citizens' organization.

(3) One member shall be active in a bona fide taxpayers' organization.

(4) For a school district, one member shall be the parent or guardian of a child enrolled in the district.

(5) For a school district, one member shall be both a parent or guardian of a child enrolled in the district and active in a parent-teacher organization, such as the Parent Teacher Association or school site council.

(b) No employee or official of the district shall be appointed to the citizens' oversight committee. No vendor, contractor, or consultant of the district shall be appointed to the citizens' oversight committee. Members of the citizens' oversight committee shall, pursuant to Sections 35233 and 72533, abide by the prohibitions contained in Article 4 (commencing with Section 1090) and Article 4.7 (commencing with Section 1125) of Division 4 of Title 1 of the Government Code.