

Best Practices

Citizen Bond Oversight Committee Operation Standards

Background: The purpose of this document is to provide guidance and information for an effective CBOC committee.

These standards are divided into three sections:

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

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 the 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 the 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 the 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 the 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	

Standard	Reference	OK
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	

Standard	Reference	OK
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	

Recommended Standard	Reference	OK
2. Best Practices		
Recruitment, Selection and Appointment		
30.Notice: Inform public of vacancies by all available means for at least 30 days.		
31.Announcement: Announcement includes description of the duties and scope of authority.		
32.Criteria: Eligibility requirements and selection criteria shall be available.		
33.Regular Meeting: Appointment shall be made at a regularly scheduled publicity noticed meeting of the district.		
34.Application: Require all applicants to submit a standard oversight committee application form and a letter of why they want to be a member of the oversight committee.		
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.		
36.Prior to Start: Comprehensive orientation prior to a new member beginning work.		

Standard	Reference	OK
<p>37.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 CBOC best practices standards (this document).</p>		
<p>38.Tour: Tour all of the facilities in or affected by the bond-funded program.</p>	Practice adopted	
<p>Access to Information</p>		
<p>41.Data: Timely and easily comprehensive data</p>		
<p>42.Dash Board: "Dash board" which summarizes critical metrics in graphic form.</p>		
<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>		
<p>44. Project list chart: Regularly update project list chart or equal with milestones for each project in the program.</p>		
<p>Public Disclosure</p>		
<p>45.Website Access: The committee's website can be accessed from the home page of the district's website.</p>		
<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>		
<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 district email link.</p>		
<p>Meetings</p>		
<p>48.Quarterly Meetings: CBOC will conduct at least quarterly meetings.</p>		
<p>49.Subcommittees: Create subcommittees for audit, construction progress, annual report, and website or others as needed.</p>		
<p>50.Reports: Subcommittees make regular report and recommendations at the monthly committee meetings.</p>		

Standard	Reference	OK
Financial Audit		
51.Comments: The committee shall review and comment upon the annual audit report prior to its presentation to the elected board.		
52.Meeting: The independent financial auditors meet with the oversight committee audit subcommittee and/or full committee at a regularly scheduled meeting.		
Performance Audit		
53.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.		
54.Audit Reports Drafts: The committee shall receive copies of all draft audit reports at the same time received by the district.		
55.Comments: The committee shall review and comment upon the performance audit report prior to its presentation to the elected board.		
56.Meeting: The independent performance auditors meet with the oversight committee audit subcommittee and/or full committee at a regularly scheduled meeting.		
57.Frequency District to provide this information.		

Standard	Reference	OK
<p>58.Qualifications: Performance audit performed by a qualified independent professional who has demonstrated knowledge in the fields of project management and construction industry best practices.</p>		
<p>Access to the Governing Board and Superintendent</p>		
<p>59.Meetings: The oversight committee shall meet quarterly with the Superintendent of school or designee.</p>		
<p>60.Joint Meetings: The oversight committee shall have annual joint meeting with the governing board.</p>		
<p>61.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.</p>		
<p>62.Governing Board Response: The governing board shall respond to all committee recommendations within sixty days of the presentation to the board.</p>		
<p>63.Oversight Committee Acceptance: The oversight committee will go on record with its acceptance or objection to the governing board action on its recommendations.</p>		
<p>Significant Program Changes</p>		
<p>64.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.</p>		
<p>Annual Report</p>		
<p>65.Preparation: The oversight committee shall be the principal author, with staff assistance as may be requested, of its required annual report to the public.</p>		
<p>66.Assistance: The district shall provide technical, production and distribution support.</p>		
<p>67.Distribution: The report shall appear on the oversight committee’s website and be available at main offices of the district.</p>		
<p>68.Deadline: The annual report will be completed and approved by the oversight committee within sixty days after the end of the school year.</p>		
<p>69.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.</p>		

Standard	Reference	OK
Bond Issuance		
70.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.		
71.New Bond Series: The oversight committee shall be fully informed before each new series of bonds are issued.		
Bylaws		
72.Adoption: The governing board has adopted bylaws or administrative regulations outlining fundamental aspects of committee operations and activities.		
73.Prior Review: The committee is granted the opportunity of prior review and proposing changes to said bylaws or administrative regulations.		
74.Attendance Rules: The bylaws should specify committee meeting attendance rules.		
Joint Use		
75.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.		
Deferred Maintenance		
76.Review: Review the status of the district’s deferred maintenance program.		
77.No Operating Costs: Confirm that bond funds are not used for maintenance or operating cost of facilities funded by bond revenues.		
78.Maintenance Schedule: Request the staff to prepare and present life cycle maintenance schedules and budgets for each project funded by bond revenues.		
Certification of Expenditures		
79.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.		
Prevailing Wage Requirements		
80.Annual Report: The oversight committee shall request and receive an annual compliance report from the district detailing related compliance issues of importance.		

Standard	Reference	OK
Committee Support		
81.Liaison: The Superintendent of Schools shall designate a staff person as the liaison to the committee.		
82.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.		
Liability		
83.Hold Harmless Agreement: <i>requested by the oversight committee the governing board provide hold harmless agreement.</i>		
Conflict of Interest Statement		
84.Form 700: Each committee member shall complete and submit a Statement of Economic Interests (Form 700) ⁷ upon assuming or leaving office and annually in April.		
Final Report		
85.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.		

Recommended Standards	Reference	OK
3. Local District Requirements		
District may provide other local requirements as recommended standards		
1.Cost Saving Techniques: Board shall report to the Committee on any cost saving techniques considered or adopted by the Board.		
2.Appointment: Members of the Committee shall be appointed by the Board through the following Process: District to detail process		