

**San Juan Unified Annual Report**  
**Presented to the SJUSD Board, June 22<sup>nd</sup>, 2021**

**Introduction:**

In accordance with Education Code Section 15278(b), the San Juan Unified School District's Citizen's Bond Oversight Committee (BOC) provides oversight to the District regarding the appropriate and legal use of Proposition 39 bond dollars. The BOC consists of nine members including PTA, senior, business, and taxpayer representatives. It is intended to inform the public regarding the expenditure of Measure J, Measure N and Measure P bonds. Based on when they were approved these three bonds represent over a billion dollars of bond principal that District taxpayers will be paying off for decades. It is crucial that BOC Members be diligent in providing oversight. The committee meets roughly quarterly to review projects and costs, and annually to review independent financial and performance audits of these bond dollars. This annual review will cover roughly the 2020-2021 fiscal year, with most time being spent on the 2020 summer construction season and review of the BOC meetings held during the last year.

**Summer Construction Season:**

The major facility projects completed for this school year include: Del Paso Manner Elementary new campus, Winterstein and Little John site modification projects, Cottage Elementary new classroom wing, Deterding Elementary new portable classrooms, and wrapping up Del Campo CTE and Casa Roble Student Union buildings. In the past, the Bond Oversight Committee had the opportunity to visit sites during or after construction including Bella Vista, Del Campo, and Dyer Kelly. These site visits are important, and the BOC hopes they continue once the state re-opens.

**Bond Financing:**

The District has continued to employ a modified hybrid pay-as-you go process to fund many of its school projects. This has allowed the District to save over \$150 million on interest costs. By limiting bond sales and repaying debt quickly after a year or two, the interest rates are at least 50 percent less than if the bonds were sold and paid off over a typical 25–30-year period.

## **BOC Meetings:**

The Citizens Oversight Committee has met twice in the last year, on June 2<sup>nd</sup>, 2020 and March 10<sup>th</sup>, 2021. Beyond routine construction updates, the most substantial agenda item discussed at these two meetings was the annual release of the financial and performance audits covering the 2019-2020 fiscal year.

## **Performance & Financial Audits:**

Gilbert CPAs conducted the performance audit review and found the district in compliance regarding the spending of bond dollars under Measures J, N, and P. The internal controls of the district are sound and total expenditures match audited financial statements. The bond funds were spent appropriately on construction and modernization of school buildings and not on staff salaries and administrative costs unrelated to the bond itself. The financial audit, also done by Gilbert CPAs, showed no irregularities.

During its 60-year history, San Juan Unified has only placed four facility bonds before voters. The District prioritizes campus modernization based on age of buildings and student enrollment figures using its Facility Master Plan.

## **Conclusion:**

There are various ways to analyze the effectiveness of state and local bonds, but three criteria stand out:

1. The projects funded by the bond need to last the length of it, so students continue to benefit while parents pay off the interest.
2. The projects funded should benefit the majority of students at the school.
3. Finally, the projects funded should be prioritized based on age and the amount of District General Fund routine maintenance done on each campus.

San Juan Unified fully meets these criteria and continues to modernize efficiently.