

Burbank USD

Board Policy

General Obligation Bonds

BP 7214

Facilities

The Board of Education desires to provide adequate facilities in order to enhance student learning to help the district achieve its vision for educating students. The Board also recognizes its responsibility to ensure that the district's facilities needs are met in the most cost-effective manner possible. When the Board determines that it is in the best interest of district students, it may order an election on the question of whether bonds shall be issued for school facilities.

(cf. 1160 - Political Processes)

(cf. 7110 - Facilities Master Plan)

(cf. 7210 - Facilities Financing)

The Board shall determine the appropriate amount of the bond in accordance with law.

Bonds Requiring 55 Percent Approval by Local Voters

The Board may decide to pursue the authorization and issuance of bonds by approval of 55 percent majority of the voters pursuant to Article 13A, Section 1(b)(3) and Article 16, Section 18(b) of the California Constitution. If two-thirds of the Board agree to such an election, the Board shall vote to adopt a resolution to incur bonded indebtedness if approved by a 55 percent majority of the voters. (Education Code 15266)

The bond election may only be ordered at a primary or general election, a statewide special election, or a regularly scheduled local election at which all of the electors of the school district are entitled to vote. (Education Code 15266)

Bonded indebtedness incurred by the district shall be used only for the following purposes: (California Constitution Article 13A, Section 1(b)(3) and 1(b)(3)(A))

1. The construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities
2. The acquisition or lease of real property for school facilities

The proposition approved by the voters shall include the following accountability requirements: (California Constitution Article 13A, Section 1(b)(3))

1. A requirement that proceeds from the sale of the bonds be used only for the purposes specified in items #1-2 above, and not for any other purposes including teacher and

administrative salaries and other school operating expenses

2. A list of specific school facility projects to be funded and certification that the Board has evaluated safety, class size reduction, and information technology needs in developing that list

(cf. 0440 - District Technology Plan)

(cf. 0450 - Comprehensive Safety Plan)

(cf. 6151 - Class Size)

3. A requirement that the Board conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed

4. A requirement that the Board conduct an 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

If a district general obligation bond requiring a 55 percent majority is approved by the voters, the Board shall appoint an independent citizens' advisory oversight committee. This committee shall be appointed within 60 days of the date that the Board enters the election results in its minutes pursuant to Education Code 15274. (Education Code 15278)

(cf. 1220 - Citizen Advisory Committees)

(cf. 9324 - Minutes and Recordings)

The Superintendent or designee shall ensure that the annual, independent performance and financial audits conducted pursuant to items #3 and #4 above are issued in accordance with the U.S. Comptroller General's Government Auditing Standards. He/she shall submit the audits to the citizens' oversight committee by March 31 of each year. (Education Code 15286)

Bonds Requiring 66.67 Percent Approval by Local Voters

Bonds shall be sold to raise money for any of the following purposes: (Education Code 15100)

1. Purchasing school lots

2. Building or purchasing school buildings

3. Making alterations or additions to school building(s) other than as may be necessary for current maintenance, operation, or repairs

4. Repairing, restoring, or rebuilding any school building damaged, injured, or destroyed by fire or other public calamity

5. Supplying school buildings and grounds with furniture, equipment, or necessary apparatus of a permanent nature

6. Permanently improving school grounds
7. Refunding any outstanding valid indebtedness of the district, evidenced by bonds or state school building aid loans
8. Carrying out sewer or drain projects or purposes authorized in Education Code 17577
9. Purchasing school buses with a useful life of at least 20 years
10. Demolishing or razing any school building with the intent to replace it with another school building, whether in the same location or in any other location

Except for refunding any outstanding indebtedness, any of the purposes listed above may be united and voted upon as a single proposition by order of the Board and entered into the minutes. (Education Code 15100)

The Board may appoint a citizens' oversight committee to review and report to the Board and the public as to whether the expenditure of bond revenues complies with the intended purposes of the bond.

Certificate of Results

If the certificate of election results received by the Board shows that the appropriate majority of the voters are in favor of issuing the bonds, the Board shall record that fact in its minutes. The Board shall then certify to the county board of supervisors all proceedings it had in connection with the election results. (Education Code 15124, 15274)

Resolution Regarding Sale of Bonds

Following passage of the bond measure by the appropriate majority of voters, the Board shall pass a resolution to issue the sale of bonds. The resolution shall prescribe the total amount of bonds to be sold and may also prescribe the maximum acceptable interest rate, not to exceed eight percent, and the time(s) when the whole or any part of the principal of the bonds shall be payable, which shall not be more than 25 years from the date of the bonds. (Education Code 15140)

Prior to the sale of bonds, the Board shall adopt, as an agenda item at a public meeting, another resolution, which includes all of the following items: (Education Code 15146)

1. Express approval of the method of sale
2. Statement of the reasons for the method of sale selected
3. Disclosure of the identity of the bond counsel, and the identities of the bond underwriter and the financial adviser if either or both are utilized for the sale, unless these individuals have not been selected at the time the resolution is adopted, in which case the Board shall disclose

their identities at the public meeting occurring after they have been selected

4. Estimates of the costs associated with the bond issuance

After the sale, the Board shall be presented with the actual cost information and shall disclose that information at the Board's next scheduled meeting. The Board shall ensure that an itemized summary of the costs of the bond sale and all necessary information and reports regarding the sale are submitted to the California Debt and Investment Advisory Commission. (Education Code 15146)

Legal Reference:

EDUCATION CODE

7054 Use of district property, campaign purposes

15100-15254 Bonds for school districts and community college districts

15264-15288 Strict Accountability in Local School Construction Bonds Act of 2000

17577 Sewers and drains

17584.1 Deferred maintenance, reports

47614 Charter school facilities

ELECTIONS CODE

324 General election

328 Local election

341 Primary election

348 Regular election

356 Special election

357 Statewide election

1302 School district election

15372 Elections official certificate

GOVERNMENT CODE

1090-1099 Prohibitions applicable to specified officers

1125-1129 Incompatible activities

8855 California Debt and Investment Advisory Commission

53506-53509.5 General obligation bonds

53580-53595.5 Bonds

54952 Definition of legislative body, Brown Act

CALIFORNIA CONSTITUTION

Article 13A, Section 1 Tax limitation

Article 16, Section 18 Debt limit

COURT DECISIONS

San Lorenzo Valley Community Advocates for Responsible Education v. San Lorenzo Valley Unified School District (2006) 139 Cal.App.4th 1356

ATTORNEY GENERAL OPINIONS

88 Ops.Cal.Atty.Gen. 46 (2005)

87 Ops.Cal.Atty.Gen. 157 (2004)

Management Resources:

CSBA PUBLICATIONS

Bond Sales - Questions and Considerations for Districts, Governance Brief, December 2012

Legal Guidelines: Use of Public Resources for Ballot Measures and Candidates, Fact Sheet, February 2011

WEB SITES

CSBA: <http://www.csba.org>

California Debt and Investment Advisory Commission: <http://www.treasurer.ca.gov/cdiac>

California Department of Education: <http://www.cde.ca.gov>

California Office of Public School Construction: <http://www.opsc.dgs.ca.gov>

Policy BURBANK UNIFIED SCHOOL DISTRICT

adopted: April 25, 2013 Burbank, California

Burbank USD

Administrative Regulation

General Obligation Bonds

AR 7214
Facilities

Cautionary Notice: AB 97 (Ch. 47, Statutes of 2013) repealed Education Code 42605, which provided temporary flexibility for specified "Tier 3" categorical programs, and instead redirects the funding for those categorical programs into the Local Control Funding Formula (LCFF) (Education Code 42238.01-42251). The supplemental and concentration grant portions of the LCFF may be used for any schoolwide or districtwide educational purpose in accordance with state regulations to be adopted by January 31, 2014, with a goal of increasing or improving services for English learners, foster youth, and students eligible for free and reduced-price meals. Certain requirements related to Tier 3 categorical program(s) in the following policy or regulation are no longer applicable.

Election Notice

Whenever the Board of Education orders an election on the question of whether general obligation bonds shall be issued for school facilities, the Superintendent or designee shall ensure that election notice and ballot requirements comply with Education Code 15120-15126 and 15272, as applicable.

Citizens' Oversight Committee

In the event that a bond is approved under the 55 percent majority threshold pursuant to Article 13A, Section 1(b)(3) and Article 16, Section 18(b) of the California Constitution, the district's citizens' oversight committee shall consist of at least seven members including, but not limited to: (Education Code 15282)

1. One member active in a business organization representing the business community located within the district
2. One member active in a senior citizens organization
3. One member active in a bona fide taxpayers' organization
4. One member who is a parent/guardian of a child enrolled in the district
5. One member who is a parent/guardian of a district student and is active in a parent-teacher organization, such as the Parent Teacher Association or school site council

(cf. 0420 - School Plans/Site Councils)

(cf. 1220 - Citizen Advisory Committees)
(cf. 1230 - School-Connected Organizations)

Members of the citizens' oversight committee shall be subject to prohibitions regarding incompatibility of office pursuant to Government Code 1125-1129 and financial interest in contracts pursuant to Government Code 1090-1099. (Education Code 15282)

(cf. 9270 - Conflict of Interest)

No employee, Board member, vendor, contractor, or consultant of the district shall be appointed to the citizens' oversight committee. (Education Code 15282)

Members of the citizens' oversight committee shall serve for a term of two years without compensation and for no more than three consecutive terms. (Education Code 15282)

The purpose of the citizens' oversight committee shall be to inform the public concerning the expenditure of bond revenues. The committee shall actively review and report on the proper expenditure of taxpayers' money for school construction and shall convene to provide oversight for, but not limited to, the following: (Education Code 15278)

1. Ensuring that bond revenues are expended only for the purposes described in Article 13A, Section 1(b)(3) of the California Constitution including the 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
2. Ensuring that, as prohibited by Article 13A, Section 1(b)(3)(A) of the California Constitution, no funds are used for any teacher and administrative salaries or other school operating expenses

In furtherance of its purpose, the committee may engage in any of the following activities: (Education Code 15278)

1. Receiving and reviewing copies of the annual, independent performance and financial audits required by Article 13A, Section 1(b)(3)(C) and (D) of the California Constitution

(cf. 3460 - Financial Reports and Accountability)

2. Inspecting school facilities and grounds to ensure that bond revenues are expended in compliance with the requirements of Article 13(A), Section 1(b)(3) of the California Constitution
3. Receiving and reviewing copies of any deferred maintenance proposals or plans developed by the district, including any reports required by Education Code 17584.1
4. Reviewing efforts by the district to maximize bond revenues by implementing cost-saving measures including, but not limited to, 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
(cf. 1330.1 - Joint Use Agreements)
- 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
(cf. 7110 - Facilities Master Plan)

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 the committee's purpose and sufficient resources to publicize the committee's conclusions.
(Education Code 15280)

All citizens' oversight committee proceedings shall be open to the public and noticed in the same manner as proceedings of the Board. Committee meetings shall be subject to the provisions of the Ralph M. Brown Act. (Education Code 15280; Government Code 54952)

(cf. 9320 - Meetings and Notices)

The oversight committee shall issue regular reports, at least once a year, on the results of its activities. Minutes of the proceedings and all documents received and reports issued shall be a matter of public record and shall be made available on the district's web site. (Education Code 15280)

(cf. 1340 - Access to District Records)

Reports

Within 30 days after the end of each fiscal year, the district shall submit to the County Superintendent of Schools a report concerning any bond election(s) containing the following information: (Education Code 15111)

1. The total amount of the bond issue, bonded indebtedness, or other indebtedness involved
2. The percentage of registered electors who voted at the election
3. The results of the election, with the percentage of votes cast for and against the proposition

Regulation BURBANK UNIFIED SCHOOL DISTRICT
approved: April 25, 2013 Burbank, California