

**San Juan Unified Annual Report**  
**Presented to the SJUSD Board June 27, 2023**

**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 normally consists of at least seven members including: PTA, parent, senior, business, taxpayer representatives and community members at-large. It is intended to inform the public regarding the expenditures 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 2022-2023 fiscal year, with most time being spent on the 2022 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: John Barrett Middle School, Starr King K-8 TK/Kinder Classroom, Casa Robles High School Tennis Courts, and Mira Loma High School Tennis Courts and Hardscape. Construction continues with Earl Le Gette Elementary School, Arcade Middle School New Campus, and Katherine Johnson Middle School New Campus. The Bond Oversight Committee had the opportunity to visit John Barrett Middle School, Casa Robles High School Student Union, and Del Campo High School Science/CTE this year.

**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- to 30-year period.

## **BOC Meetings:**

The Citizen's Bond Oversight Committee has met three times in the last year: on September 20, 2022, March 16, 2023, and May 18, 2023. Beyond routine construction updates, the most substantial agenda item discussed at these three meetings was the annual release of the financial and performance audits covering the 2021-2022 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.