GENERAL OBLIGATION BONDS **AR 7214**

Election Notice

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

At least 88 days prior to the date of the election, the Superintendent or designee shall deliver to the officer conducting the election the resolution calling the election, including the date and purpose of the election; the authority for ordering the election and the specification of the election order; the signature of the officer or the clerk of the Board authorized to make such designations; and all other applicable ballot materials. (Education Code 5322)

Ballot Materials

The ballot question to appear on the ballot shall not exceed 75 words and shall appear in the form specified in Elections Code 13119. (Education Code 5322)

The Superintendent or designee shall ensure that the ballot materials comply with applicable laws including a brief statement of the measure setting forth the amount of the bonds to be voted upon, the maximum rate of interest, and the purposes for which the proceeds of the sale of the bonds are to be used. (Education Code 15122)

In addition to the 75 word ballot question, a separate statement shall be included with the sample ballot, which includes the best estimate from official sources of all of the following: (Elections Code 9401)

1. The average annual tax rate that would be required to be levied to fund the bond issue over the entire duration of the bond debt service, based on assessed valuations available at the time of the election or a projection based on experience within the same jurisdiction or other demonstrable factors

   Additionally, the estimate shall identify the final fiscal year in which the

tax is anticipated to be collected.

2. The highest tax rate that would be required to be levied to fund the bond issue, and an estimate of the year in which that rate will apply, based on assessed valuations available at the time of the election or a projection based on experience within the same jurisdiction or other demonstrable factors

3. The total debt service, including the principal and interest, that would be required to be repaid if all the bonds are issued and sold

   The estimate may include information about the assumptions used to determine the estimate.

For bond measures requiring 55 percent majority of the voters, the Superintendent or designee shall ensure that the text of the ballot measure includes a statement that the Board will appoint a citizens' oversight committee and that annual independent audits will be conducted to assure that funds are spent only on school and classroom improvements and for no other purposes. (Education Code 15272)

For bond funded projects that require state matching funds, the Superintendent or designee shall ensure the sample ballot contains a statement advising the voters that the project is subject to the approval of state matching funds and, therefore, passage of the bond measure is not a guarantee that the project will be completed. (Education Code 15122.5)

Arguments in support or in opposition of the bond measure shall be submitted in accordance with Elections Code 9160-9170.

Citizens' Oversight Committee

If a bond is approved pursuant to the 55 percent majority threshold in accordance with Proposition 39 to the California Constitution, Article 13A, Section 1(b)(3) and Article 16, Section 18(b), then 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 district student

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

Members of the citizens' oversight committee shall be subject to the conflict of interest 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)

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 may serve for no more than three consecutive terms of two years each. They shall serve without compensation. (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 California Constitution, Article 13A, Section 1(b)(3), 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 California Constitution, Article 13A, Section 1(b)(3)(A), 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 California Constitution, Article 13A, Section 1(b)(3)(C) and (D)

2. Inspecting school facilities and grounds to ensure that bond revenues are expended in compliance with the requirements of California Constitution, Article 13(A), Section 1(b)(3)

3. Receiving and reviewing copies of any deferred maintenance proposals or plans developed by the district

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

    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

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. Additionally, the district shall provide the citizens' oversight committee with responses to any and all findings, recommendations, and concerns addressed in the annual

independent financial and performance audits within three months of receiving the audits. (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)

The citizens' 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 website. (Education Code 15280)

The citizens' oversight committee may create bylaws for its operations consistent with this regulation, subject to the approval of the Board or Superintendent.

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

By each January 31 following a bond issuance, the district shall submit an annual report to the California Debt Investment and Advisory Commission in accordance with Government Code 8855 and as specified in Board Policy 3470 - Debt Issuance and Management.

Policy Reference Disclaimer:

These references are not intended to be part of the policy itself, nor do they indicate the basis or authority for the Governing Board to enact this policy. Instead, they are provided as additional resources for those interested in the subject matter of the policy.

State	***Description***
CA Constitution Article 13A, Section 1	*Tax limitation*
CA Constitution Article 16, Section 18	*Debt limit*
Ed. Code 15100-15254	*Bonds for school districts and community college districts*
Ed. Code 15264-15288	*Strict Accountability in Local School Construction Bonds Act of 2000*
Ed. Code 17577	*Sewers and drains*
Ed. Code 47614	*Charter school facilities*
Ed. Code 5322	*Resolution calling election*
Ed. Code 7054	*Use of district property; campaign purposes*
Elec. Code 13119	*Forms of Ballots; ballot order*
Elec. Code 15307	*Timeline to count ballots and release ballot count*
Elec. Code 15372	*Elections official certificate*
Elec. Code 15400	*Announcement of election results*
Elec. Code 324	*General election*
Elec. Code 328	*Local election*
Elec. Code 341	*Primary election*
Elec. Code 348	*Regular election*
Elec. Code 356	*Special election*
Elec. Code 357	*Statewide election*
Elec. Code 9160-9170	*Ballot label; support and opposition listings*
Elec. Code 9400-9405	*Bond issues*
Gov. Code 1090-1099	*Prohibitions applicable to specified officers*
Gov. Code 1125-1129	*Incompatible activities*
Gov. Code 53506-53509.5	*General obligation bonds*
Gov. Code 53580-53595.55	*Bonds*
Gov. Code 54952	*Definition of legislative body; Brown Act*
Gov. Code 6500-6539.9	*Joint powers agreements*
Gov. Code 8855	*California Debt and Investment Advisory Commission*
Federal	***Description***
17 CFR 240.10b-5	*Prohibition against fraud or deceit*
17 CFR 240.15c2-12	*Municipal securities disclosure*
Management Resources	***Description***
Attorney General Opinion	*87 Ops.Cal.Atty.Gen. 157 (2004)*
Attorney General Opinion	*88 Ops.Cal.Atty.Gen. 46 (2005)*
Attorney General Opinion	*99 Ops.Cal.Atty.Gen. 18 (2016)*
Court Decision	*Foothill-De Anza Community College Dist. v. Emerich (2007) 158 Cal.App.4th 11*

Court Decision	*Taxpayers for Accountable School Bond Spending v. San Diego Unified School District (2013) 215 Cal.App.4th 1013*
Court Decision	*San Lorenzo Valley Community Advocates for Responsible Education v. San Lorenzo Valley Unified School District (2006) 139 Cal.App.4th 1356*
CSBA Publication	*California's Challenge: Adequately Funding Education in the 21st Century, December 2015*
CSBA Publication	*Legal Guidelines: Use of Public Resources for Ballot Measures and Candidates, Fact Sheet, February 2011*
CSBA Publication	*Bond Sales - Questions and Considerations for Districts, Governance Brief, December 2012*
Debt & Investment Advisory Commission Publication	*California Debt Financing Guide, rev. March 2022*
Gov. Finance Officers Association Publication	*Types of Legal Counsel, Best Practice, September 2018*
Gov. Finance Officers Association Publication	*Selecting and Managing the Method of Sale of Bonds, Best Practice, March 2021*
Gov. Finance Officers Association Publication	*Debt Management Policy, Best Practice, March 2020*
Gov. Finance Officers Association Publication	*Investment and Management of Bond Proceeds, Best Practice, March 2022*
Gov. Finance Officers Association Publication	*Selecting and Managing Municipal Advisors, Best Practice, February 2014*
Gov. Finance Officers Association Publication	*Understanding Your Continuing Disclosure Responsibilities, Best Practice, March 2020*
Gov. Finance Officers Association Publication	*Refunding Municipal Bonds, Best Practice, March 2019*
Gov. Finance Officers Association Publication	*An Elected Official's Guide to Debt Issuance, 3rd Ed., 2008*
Website	*CSBA District and County Office of Education Legal Services*
Website	*Government Finance Officers Association*
Website	*Municipal Security Rulemaking Board, Electronic Municipal Market Access (EMMA)*
Website	*California Debt and Investment Advisory Commission*
Website	*Department of General Services, Office of Public School Construction*
Website	*California Department of Education*
Website	*CSBA*

Cross References

Policy	***Description***
0420	*School Plans/Site Councils*

0420	*School Plans/Site Councils*
0440	*District Technology Plan*
0450	*Comprehensive Safety Plan*
0450	*Comprehensive Safety Plan*
1113	*District And School Websites*
1113	*District And School Websites*
1113-E(1)	*District And School Websites*
1160	*Political Processes*
1220	*Citizen Advisory Committees*
1220	*Citizen Advisory Committees*
1230	*School-Connected Organizations*
1230	*School-Connected Organizations*
1330.1	*Joint Use Agreements*
1340	*Access To District Records*
1340	*Access To District Records*
3460	*Financial Reports And Accountability*
3460	*Financial Reports And Accountability*
3470	*Debt Issuance And Management*
3471	*Parcel Taxes*
3580	*District Records*
3580	*District Records*
6151	*Class Size*
7110	*Facilities Master Plan*
7210	*Facilities Financing*
7213	*School Facilities Improvement Districts*
9270	*Conflict Of Interest*
9270-E(1)	*Conflict Of Interest*
9320	*Meetings And Notices*
9323.2	*Actions By The Board*
9323.2-E(1)	*Actions By The Board*
9324	*Minutes And Recordings*

Regulation **PASADENA UNIFIED SCHOOL DISTRICT**
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