Response To Grand Jury Report Regarding the Citizens’ Bond Oversight Committee
Solano Community College District

August 5, 2015

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Areas Covered In This Presentation

- What a Citizens’ Bond Oversight Committee is, and does.
- Response to the Civil Grand Jury’s report on this District and its CBOC.
- Response to requests by some members of this CBOC to expand powers beyond what the law provides.
WHAT IS AN OVERSIGHT COMMITTEE?
What Is A CBOC?

- Created by the Education Code:
  - “The purpose of the citizens’ oversight committee shall be to inform the public concerning the expenditure of bond revenues. The citizens’ oversight committee shall actively review and report on the proper expenditure of taxpayers’ money for school construction. The citizens’ oversight committee shall advise the public as to whether a school district or community college district is in compliance with the requirements of [Proposition 39].”
  - Ed. Code 15278(b)
“The citizens’ oversight committee shall convene to provide oversight for, but not be limited to, both of the following:

1. Ensuring that bond revenues are expended only for the purposes described in [Proposition 39].
2. Ensuring that, as prohibited by [Proposition 39], no funds are used for any teacher or administrative salaries or other school operating expenses.”

- Ed. Code 15278(b)(1), (2)
How The CBOC Does Its Job

“`In furtherance of its purpose, the citizens’ oversight committee may engage in any of the following activities:

1. Receiving and reviewing copies of the annual, independent performance audit...
2. Receiving and reviewing copies of the annual, independent financial audit...
3. Inspecting school facilities and grounds to ensure that bond revenues are expended in compliance with [Proposition 39]...
4. Receiving and reviewing copies of any deferred maintenance proposals or plans...
How The CBOC Does Its Job, Ct.

“ (5) Reviewing efforts by the school district or community college district to maximize bond revenues by implementing cost-saving measures, including, but not limited to, all of 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 schoolsite design.
(E) Recommendations regarding the use of cost-effective and efficient reusable facility plans.”

• Ed. Code 15278(c)
From 3/16/2015 CBOC Report:

- “All expenditures have been consistently presented and transparent by District Staff and Consultants.
- When CBOC members have requested information, the District and Consultants have been forthcoming with whatever detail has been requested.
- Funds have been spent only on school facility improvements as authorized by the Act.
- To the best of CBOC knowledge, SCC District has complied with requirements of CA law in accounting for and expending funds.”
What The CBOC Does NOT Do

- All of the above is designed to help the CBOC do its only statutory job: inform the public.
- Nowhere does the law authorize or request the CBOC to have any role in:
  - Advising the District
  - Having input into what the program should or shouldn’t do
  - Making recommendations to the District, or staff, or consultants etc.
Why Not?

- Because the language of the law establishes the CBOC’s mission.

- CBOCs are, by law, set up as representatives of the public as a whole, with members from:
  - one business organization
  - one senior citizens’ organization
  - one taxpayers’ organization
  - one student
  - one foundation or support organization.
    - Ed Code 15282(a)
  - Not based on expertise in construction, or bond finance, or design, or education....
What About “Independence”?  

- CBOCs are established by a code section, and are put in place by the Board:  
  - “the governing board of the school district or community college shall establish and appoint members to an independent citizens’ oversight committee, pursuant to Section 15282...”  
    - Ed Code 15278(a)  
  - “An employee or official of the school district or community college shall not be appointed to the citizens’ oversight committee. A vendor, contractor, or consultant of the school district or community college district shall not be appointed to the citizens’ oversight committee.”  
    - Ed Code 15282(b)
More On Independence

- Like any public body, the CBOC has various limits on its independence:
  - Compliance with the Brown Act (public meeting laws)
  - Exposure to liability for conflicts of interest
    - Ed. Code 15282(b)
  - The Board appoints and can remove members, and adopts and controls CBOC bylaws
    - Ed. Code 15278(a)
  - The composition of the CBOC is largely set by statute
    - Ed. Code 15282(a)
Other Protections
Re: Spending Bond Funds

- Annual professional performance audit
- Annual professional financial audit
- Board oversight
- Board policies
- Legal processes and law enforcement
- Steering committee, user groups etc.
- County Office of Education
- State Chancellor’s Office
- Program/Construction Management
THE CIVIL GRAND JURY REPORT
What Is A Civil Grand Jury?

- First: it is not a criminal grand jury.
- It is a group of ordinary citizens, given the choice of their areas to investigate during their term.
- One civil grand jury concentrated on the District and its bond program; we address the report issued regarding the CBOC.
The Civil Grand Jury Report

▪ The District has responded to the findings and recommendations.

▪ But the report also includes many inaccuracies, such as:
  – “none of [the CBOC members] had ever participated in any form of orientation or training regarding their roles and responsibilities”
    • There were three trainings as of the time of the report, as reflected in the CBOC’s own records

▪ Many editorial comments regarding the repeated theme of “this CBOC’s lack of independence” with no connection to the actual statute that governs the CBOC.
The Report, Ct.

- Makes an incorrect assumption that the CBOC’s role is *advisory*, and asserts that the CBOC:
  - “is simply informed as to what has already happened…. This is hindsight. Neither recommendations nor proposals may be made (or are relevant to) regarding an event that has already taken place.”
    - p. 5 of 8 (emph. in original)
  - “Recommendations nor proposals” – neither relates to the CBOC’s actual mission: to inform the public.
The civil grand jury report is a flawed document, based on an unsupported view of the law that governs CBOCs.

Extending the reach and role of CBOCs would require legislative action, not action by this District.

And the report does not resolve the question of how this CBOC, or any CBOC, could effectively operate in an advisory capacity.
THE CBOC’S REQUESTS
Themes

- Similar defects to civil grand jury report: seeks to convert a duty to report to the public into a mandate to advise the District.
- Proposed CBOC bylaws impose undue hardships, would discourage potential members from joining, and could have the effect of allowing a small group to take over the CBOC:
  - Excessive meetings;
  - Reduced quorum;
  - Reduced majority vote;
  - Appoint and remove the CBOC members.
Issues To Be Addressed

- The CBOC history of use of District resources:
  - More than 1/3 of CBOC meetings to date have had no quorum;
  - Average of 12+ hours of staff and consultant time spent per meeting, whether reached a quorum or not;
  - Note: District support of the CBOC is from general fund, not bond funds.

- If Board were to accept new bylaws, how would the “input” function coordinate with existing committees and planning process?
Proposed Bylaws

- Largely unacceptable rewrite based on an incorrect view of what CBOCs are for.
- Not supported by other district’s bylaws - to the contrary, they mirror the District’s:
  - District appoints/removes CBOC members;
  - Board establishes and amends bylaws;
  - District retains the duty to manage projects and to direct staff.
- The CBOC’s requested changes would require legislation to change the CBOC statute.
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