

Regulation 7214: General Obligation Bonds

Status: ADOPTED

Original Adopted Date: 07/25/2012 | **Last Revised Date:** 06/02/2014 | **Last Reviewed Date:** 06/02/2014

Election Notice

Whenever the Board of Education 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 election notice and ballot requirements comply with Education Code 15120-15126 and 15272, as applicable.

Citizens' Oversight Committee

If the bond is approved under the 55 percent majority threshold pursuant to Proposition 39 (Article 13A, Section 1(b)(3) and Article 16, Section 18(b) of the California Constitution), 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 shall serve for no more than two 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 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
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
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 cost 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. (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 web site. (Education Code 15280)

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

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 board to enact this policy. Instead, they are provided as additional resources for those interested in the subject matter of the policy.

State References

Description

CA Constitution Article 13A, Section 1	Tax limitation - https://simbli.eboardsolutions.com/SU/1aZpDzUG9Hj5bfDmRG0xaw==
CA Constitution Article 16, Section 18	Debt limit - https://simbli.eboardsolutions.com/SU/chhCpSkYslsh9HvqsG3x2jtRA==
Ed. Code 15100-15254	Bonds for school districts and community college districts - https://simbli.eboardsolutions.com/SU/yfpPdlAVC43sZRslshsplusl9YCw==
Ed. Code 15264-15288	Accountability in local school construction - https://simbli.eboardsolutions.com/SU/FU4Ys70XgiKNInfo4wprd2A==
Ed. Code 17577	Sewers and drains
Ed. Code 47614	Charter school facilities
Ed. Code 7054	Use of district property, campaign purposes
Elec. Code 1090-1099	Prohibitions applicable to specified officers
Elec. Code 1125-1129	Incompatible activities
Elec. Code 15372	Elections official certificate
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 53506-53509.5	General obligation bonds
Elec. Code 53580-53595.5	Bonds
Elec. Code 54952	Definition of legislative body, Brown Act
Gov. Code 8855	California Debt and Investment Advisory Commission

Federal References

17 CFR 240.10b-5	Prohibition against fraud or deceit
17 CFR 240.15c2-12	Municipal securities disclosure

Management Resources References

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	San Lorenzo Valley Community Advocates for Responsible Education v. San Lorenzo Valley Unified School District, (2006) 139 Cal.App.4th 1356
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
CSBA Publication	California's Challenge: Adequately Funding Education in the 21st Century, December 2015
Gov. Finance Officers Association Publication	Debt Management Policy, Best Practice, October 2012
Gov. Finance Officers Association Publication	Investment of Bond Proceeds, Best Practice, September 2014
Gov. Finance Officers Association Publication	Analyzing and Issuing Refunding Bonds, Best Practice, February 2011
Gov. Finance Officers Association Publication	An Elected Official's Guide to Debt Issuance, 2nd Ed., 2016
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, September 2015
Website	Government Finance Officers Association - https://simbli.eboardsolutions.com/SU/jyncslshplusDjlswwrUac1N9ryg==
Website	Municipal Security Rulemaking Board, Electronic Municipal Market Access (EMMA) - https://simbli.eboardsolutions.com/SU/GzZtBAaDBm4fGplusyHlxqfVw==
Website	California Debt and Investment Advisory Commission - https://simbli.eboardsolutions.com/SU/fcZCPxWNlcpluspmohqEYyP0w==
Website	Department of General Services, Office of Public School Construction - https://simbli.eboardsolutions.com/SU/UxUcDGuszWNedr16Dp8wuQ==
Website	California Department of Education - https://simbli.eboardsolutions.com/SU/os2jq5DcA2RawmY2VZ5FZQ==
Website	CSBA - https://simbli.eboardsolutions.com/SU/W3QxkK2FPsDsQBnMIENxGg==

Cross References

0420	School Plans/Site Councils - https://simbli.eboardsolutions.com/SU/8oeqdTslshCiCnHizzaWCQj2g==
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0420 School Plans/Site Councils -
<https://simbli.eboardsolutions.com/SU/RI2hrGFpuW515KBMsQsrBA==>

0440 District Technology Plan -
<https://simbli.eboardsolutions.com/SU/pLslshQgsWAXy3a76JVOz8plus6w==>

0440 District Technology Plan -
<https://simbli.eboardsolutions.com/SU/ABA0IGHslshBLslshB22WuskccXQ==>

0450 Comprehensive Safety Plan -
<https://simbli.eboardsolutions.com/SU/jccgXCfuXp9S5prKRKwWslshg==>

0450 Comprehensive Safety Plan -
<https://simbli.eboardsolutions.com/SU/iZkVPb3U7pFplusNZglg5ulLg==>

1113 District And School Web Sites -
<https://simbli.eboardsolutions.com/SU/wLs4siafnyr7jonfKTCokw==>

1113 District And School Web Sites -
<https://simbli.eboardsolutions.com/SU/cEgnrRnUXkPOjZJ30AKcUw==>

1160 Political Processes -
<https://simbli.eboardsolutions.com/SU/ZudpleCb6O7mGsxKCV4PWg==>

1220 Citizen Advisory Committees -
<https://simbli.eboardsolutions.com/SU/AkkJjd1KaJcClCSFeVMFvmw==>

1220 Citizen Advisory Committees -
<https://simbli.eboardsolutions.com/SU/9EgijwoplusMFsXmdK8Kq7vLrg==>

1230 School-Connected Organizations -
<https://simbli.eboardsolutions.com/SU/OF4jlsishrwD2FNjNBtvWRCJQ==>

1230 School-Connected Organizations -
<https://simbli.eboardsolutions.com/SU/gbu9byq5q7PgvFVFUcrmQQ==>

1330.1 Joint Use Agreements -
<https://simbli.eboardsolutions.com/SU/gRslshWctqluCQaMcvEwWhDuA==>

1340 Access To District Records -
<https://simbli.eboardsolutions.com/SU/SbAUQslshr3iz6tslshaxhcWaA4A==>

1340 Access To District Records -
<https://simbli.eboardsolutions.com/SU/5P4SRzTyMxIn7RepluswqQT1g==>

3460 Financial Reports And Accountability -
<https://simbli.eboardsolutions.com/SU/rnpFaBiPRplusaXqjplus2cOKGw==>

3460 Financial Reports And Accountability -
<https://simbli.eboardsolutions.com/SU/QveYIAncLlqqRL2QHnNy3w==>

3470 Debt Issuance And Management -
<https://simbli.eboardsolutions.com/SU/CAsj9t76lmfPjrgLUNtPGA==>

3580 District Records -
<https://simbli.eboardsolutions.com/SU/ueoqUhHYslshnZVxAXF2IEh7A==>

3580 District Records -
<https://simbli.eboardsolutions.com/SU/Nzg85z5J3os80qxQSyZ67Q==>

6151 Class Size -
<https://simbli.eboardsolutions.com/SU/3DI0URxUY7KQS4GrSFOUcw==>

7110 Facilities Master Plan -
<https://simbli.eboardsolutions.com/SU/iCsG4MCQwkXVci4XhjamOQ==>

7110 Facilities Master Plan -
<https://simbli.eboardsolutions.com/SU/tY6rXQ8JVF8WuoXInmsZBA==>

7210 Facilities Financing -
<https://simbli.eboardsolutions.com/SU/66Z6VOqBJVYcQdYvVLE21w==>

7210 Facilities Financing -
<https://simbli.eboardsolutions.com/SU/ACCyaGZv8qfCBajNBpOaUA==>

7210-E PDF(1)	Facilities Financing - https://simbli.eboardsolutions.com/SU/tw980kALcFgDhoxplusk1Q8hg==
7213	School Facilities Improvement Districts - https://simbli.eboardsolutions.com/SU/xakzup4gfOS8LOs3b3rpxA==
7213	School Facilities Improvement Districts - https://simbli.eboardsolutions.com/SU/S4ZgCgzaSI2lLyySUYkSgw==
9270	Conflict Of Interest - https://simbli.eboardsolutions.com/SU/GyMMTxXlJn4Z7J8Bo4iisg==
9320	Meetings And Notices - https://simbli.eboardsolutions.com/SU/BgSB40F4FocGUd1DWzoXOQ==
9323.2	Actions By The Board - https://simbli.eboardsolutions.com/SU/tPlg5DJUeQdTDcYngOY1BQ==
9323.2-E PDF(1)	Actions By The Board - https://simbli.eboardsolutions.com/SU/wCaNYUrYfIR9pWJ2YT0IMA==
9324	Minutes And Recordings - https://simbli.eboardsolutions.com/SU/68Yt1nuD40Hm0E9VYJEB8g==