

Date of Hearing: June 21, 2017

ASSEMBLY COMMITTEE ON EDUCATION

Patrick O'Donnell, Chair

SB 341 (Wilk) – As Amended March 23, 2017

SENATE VOTE: 37-0

SUBJECT: School bonds: citizens' oversight committee: member terms

SUMMARY: Extends the term of members on a school district's citizens' oversight committee (COC) from a maximum of three consecutive two-year terms (six years) to six consecutive two-year terms (12 years). Specifies that the COC shall be comprised of a minimum of seven members, rather than a minimum of "at least" seven members.

EXISTING LAW:

- 1) Authorizes, under Section 1 of Article XIII A of the California Constitution, school districts, community college districts, or county offices of education (COEs) to pass a General Obligation (GO) bond by 55% vote, provided that the local initiative includes specified accountability measures (Proposition 39 - 2000).
- 2) Requires the governing board of a school district or community college district to establish and appoint members to an independent COC within 60 days of the date that the governing board enters the election results on its minutes. (Education Code (EC) Section 15278(a))
- 3) Specifies that the purpose of the COC shall be to inform the public concerning the expenditure of bond revenues, including advising the public as to whether a school district or community college district is in compliance with the authorized uses of bond funds pursuant to Proposition 39. (EC Section 15278(b))
- 4) Requires the COC to consist of at least seven members who shall serve for a minimum term of two years without compensation and for no more than three consecutive terms. While consisting of a minimum of at least seven members, the COC shall be comprised as follows:
 - a) One member shall be active in a business organization representing the business community located within the school district or community college district.
 - b) One member shall be active in a senior citizens' organization.
 - c) One member shall be active in a bona fide taxpayers' organization.
 - d) For a school district, one member shall be the parent or guardian of a child enrolled in the school district. For a community college district, one member shall be a student who is both currently enrolled in the community college district and active in a community college group, such as student government. The community college student member may, at the discretion of the governing board of the community college district, serve up to six months after his or her graduation.
 - e) For a school district, one member shall be both a parent or guardian of a child enrolled in the school district and active in a parent-teacher organization, such as the Parent Teacher Association or schoolsite council. For a community college district, one member shall be active in the support and organization of a community college or the community colleges

of the district, such as a member of an advisory council or foundation. (EC Section 15282)

- 5) Specifies that an employee or official of the school district or community college district, a vendor, contractor, or consultant shall not be appointed to the COC. (EC Section 15282)

FISCAL EFFECT: None. This bill is keyed non-fiscal by the Legislative Counsel.

COMMENTS: *Proposition 39.* In 2000, voters passed Proposition 39, a Constitutional Amendment which, among others, gave school and community college districts the opportunity to seek approval of a local school facilities GO bond based on 55% vote rather than 2/3 vote, provided that the local bond initiative meets specified accountability measures, including identifying the projects to be funded by the bond measure and conducting annual independent financial and performance audits. AB 1908 (Lempert), Chapter 44, Statutes of 2000, a companion bill to Proposition 39, requires each district, within 60 days of the passage of a local bond with 55% vote to appoint a COC to monitor and review expenditures to ensure compliance with Proposition 39 requirements, and to keep the public informed about bond expenditures. The oversight committee must be comprised of a minimum of seven members. For school districts, the COC must include representatives of the business community, a bona fide taxpayers' organization, and a senior citizens' organization; a parent of a student attending the school district; and a parent active in a school's parent-teacher organization. AB 1908 specified that members of the COC be appointed for one two-year term and no more than two consecutive two-year terms (total of four years).

Under existing law, the State Board of Education (SBE) is authorized to waive certain sections of the EC or any regulations adopted by the SBE (EC 33050). Between 2006 and January 2017, SBE had granted 29 requests from school districts to waive the term limit to allow existing members to serve an additional term. The predominant reasons for the requests stem from districts' inability to find qualified individuals interested in serving on the committees and the desire for continuity.

AB 1199 (Brownley), Chapter 73, Statutes of 2012, extended the term of COC members from two consecutive two-year terms to three consecutive two-year terms. The author stated that the bill would alleviate the need for districts to pursue waivers to reappoint existing members to an additional term and reduce the workload at the SBE to process and approve the waivers.

This bill extends the term of the appointments from three consecutive two-year terms to six consecutive two-year terms to enable oversight committee members to serve 12 years instead of six. School districts are not required to appoint members for six terms, but will have authority to do so at their discretion without seeking a SBE waiver. Of the 29 waivers granted by the SBE, six were granted after the enactment of AB 1199.

The author states, "Current law (AB 1199, 2012) Education Code section 15282 allows for bond oversight committee members to serve three two year terms, or a maximum of six years. First, BOC [bond oversight committee] members can be difficult to find, as few people may match the criteria listed in the Education Code. Secondly, if the more experienced members leave after the current maximum of six years, it leads to a loss of expertise within the committee as a whole. And finally it allows members to see more of the process of a bond form beginning to end."

Related legislation. AB 1253 (Cooley), held in the Assembly Appropriations Committee suspense file, requires rather than authorizes, the COC to conduct specified duties, and authorizes a COE to conduct specified investigations.

Prior related legislation. SB 581 (Wyland), Chapter 91, Statutes of 2013, requires the governing board of a district to provide the COC a response to any and all findings, recommendations and concerns raised in the Proposition 39 of 2000 annual, independent financial and performance audits of local education bond funds within three months of receiving the audits. Requires the final financial and performance audits to be submitted to the COC at the same time they are submitted to school or community college districts.

AB 1199 (Brownley), Chapter 73, Statutes of 2012, extends the term of local COC members from two consecutive two-year terms to three consecutive two-year terms.

SB 423 (Wyland), Chapter 237, Statutes of 2011, requires the financial and performance audits to be submitted to the COC by March 31 of each year.

REGISTERED SUPPORT / OPPOSITION:

Support

California League of Bond Oversight Committees (co-sponsor)
Howard Jarvis Taxpayers Association (co-sponsor)

Opposition

None received

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