
INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS - ROLES AND RESPONSIBILITIES

NOVEMBER 29, 2023



INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS - ROLES AND RESPONSIBILITIES

■ **General Obligation Bonds**

- GO Bond are taxpayer–supported debt for a school or community college district.
- Generally, the interest on bonds is exempt from both federal and State income taxes for investors.
- Districts are limited in the amount of bonds they may issue at one time:
 - Voter-approved Bond Authorization
 - “Bonding Capacity” based total assessed valuation (2.5% of taxable property within the District)
 - Tax Rate Limit

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■ **Procedural Steps for the District**

- Call the Bond Election – it must be consolidated with another election, such as a primary or board election
- Prepare a Ballot Measure – dollar amount authorized, general purposes
- Prepare a Project List
- County Registrar of Voters prints the Ballot Pamphlet (Bond Measure, Project List, Tax Rate Statement)
- Voters Approve the Bond Measure/Project List
- District Appoints a **Citizens' Bond Oversight Committee and Establishes Bylaws**
- Issues the first series of general obligation bonds under the election
- Begins to Construct/Furnish/Equip Projects, as determine by the Board of Trustees

INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE

BYLAWS - ROLES AND RESPONSIBILITIES

■ **Proposition 39**

- On November 7, 2000, State voters approved an amendment (commonly known as “Proposition 39”) to the State Constitution.
- Proposition 39 allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections.
- Expanded the purpose for which bond proceeds can be spent to include the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing, and equipping of school facilities.

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- **Proposition 39 Also Enhanced Fiscal Accountability Regarding the Expenditure of Bonds Proceeds By:**
 - Requiring that the local bond measure presented to the voters include a specific list of school projects to be funded (the “Bond Project List”).
 - Prohibiting the use of bond proceeds for teacher and administrative salaries and other school operating expenses.
 - Requiring the governing board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure.
 - Requiring the District establish and appoint members to an Independent Citizens' Bond Oversight Committee for the purpose of actively reviewing and reporting on the proper expenditure of taxpayers' money for school construction.

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■ **Proposition 39**

- The District Called its Bond Elections under Prop 39, which:
 - Permits approval with 55% or more of the vote (vs. 2/3 vote)
 - Requires a Project List, and
 - Requires establishment of a **Citizens' Bond Oversight Committee**

■ **Measure C and M and E General Obligation Bond Authorizations**

- Proposition 39 – Strict Accountability in Local School Construction Bonds Act of 2000
- General Obligation Bond Elections Conducted Under Proposition 39
- Each Measure Was Successfully Passed by the Voters with Over 55%
- Measure C November 6, 2001 \$ 80 M
- Measure M November 7, 2006 \$160 M
- Measure E June 7, 2016 \$230 M

INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS - ROLES AND RESPONSIBILITIES

- **Why is There a Citizens' Oversight Committee?**
 - Prop 39 Established Requirement for Oversight Committee
 - Review Bond Expenditures and Annual Audits Associated with General Obligation Bonds
 - Receive Information and Ask Questions of Staff relating to Bond Expenditures
 - Provide an Annual Report of the Bond Activities to the District Board of Trustees
 - Provide Input to Report to the Community
 - Authority to Approve Reserved for Chancellor and Board of Trustees
 - Contracts
 - Change Orders
 - Bond Sales

INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS - ROLES AND RESPONSIBILITIES

- **Why is There a Citizens' Oversight Committee?**
 - Prop 39 Established the Requirement for an Oversight Committee to Satisfy Accountability Requirements:
 - To Review Bond Expenditures and Annual Audits
 - To Receive Information and Ask Questions of Staff
 - To Tour Facilities Funded by Bonds
 - To Provide an Annual Report to the Board of Trustees on Activity
 - To Provide Input to a Report to the Community

INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS - ROLES AND RESPONSIBILITIES

■ **Membership**

- The Committee Shall Consist of a Minimum of Seven (7) Members Appointed by the Board of Trustees
 - 1 Student Enrolled in College of the Canyons and active in a Community College Support Group
 - 1 Member Active in a Business Organization Representing the Local Business Community
 - 1 Member Active in a Senior Citizens' Organization
 - 1 Member Active in a Bona-fide Taxpayers Association
 - 1 Member Active in a Support Organization of the College (COC Foundation)
 - 2 Members of the Community At-Large

INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS - ROLES AND RESPONSIBILITIES

■ **Inform the Public**

- Inform the Public Regarding the District's Expenditure of Bond Proceeds
 - The Chair Acts on Behalf of the Committee and Only Releases Information That Reflects the Majority View of the Committee
 - The Chair Communicates Officially with the Board of Trustees and/or the Public

■ **Review Expenditures**

- The Committee Reviews Expenditure Reports Produced by the District to Ensure That:
 - Bond Proceeds Were Expended Only for the Purposes Set Forth in Measure M and Measure E for Projects Authorized by the Ballot Language;
 - Bond Proceeds Were Not Used for Administrative or Teacher Salaries; and,
 - Bond Proceeds Comply with the Attorney General Opinion 04-1110, Issued November 9, 2004
 - “But for” Measure M or E, the service or expenditure would not occur.

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- **Authorized Activities – Other Committee Duties**
 - Receive and Review Annual Financial and Performance Audits for General Obligations Bonds No Later Than 3/31
 - Receive and Review District Responses to Any Audit Findings
 - Review Bond Expenditures
 - Review Copies of Scheduled Maintenance Plan
 - Tour Facilities For Which Bond Funds Have Been Expended
 - Review Cost-Saving Measures by District to Maximize Bond Proceeds: State Match Funding, etc.
- **Annual Reports**
 - The Committee Shall Present to the Board of Trustees in Public Session an Annual Report That Includes:
 - A Statement That the District is in Compliance with Bond Expenditure Requirements
 - A Summary of the Committee's Proceedings and Activities for the Preceding Year

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■ **Term**

- Commencing the Date of Appointment by the Board of Trustees:
 - Per Bylaws, Each Term is 3 Years
 - No Member May Serve More Than (3) Three Consecutive Terms
 - Staggered Terms Prevents Entire Committee From Terming Out at the Same Time and Retains Expertise and Knowledge
 - Members Whose Terms Have Expired May Continue to Serve on the Committee Until a Successor Has Been Appointed
 - Members Who Have a Break in Service May Be Reappointed at a Later Date.

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■ **District Support**

- The District Shall Provide the Committee with the Necessary Technical and Administrative Assistance
 - Schedule Regular Committee Meetings At Least Once a Year With An Annual Organizational Meeting In November
 - Post Public Notice of Meetings in Compliance with Brown Act
 - Provide a Meeting Room and Any Necessary Audio/Visual
 - Prepare Copies of Meeting Materials, Including Agenda and Minutes
 - Retain Records and Provide Public Access
 - Establish and Maintain District Website
 - Monitor and Update Content Based on Feedback From Committee

INDEPENDENT CITIZENS' BOND OVERSIGHT COMMITTEE BYLAWS - ROLES AND RESPONSIBILITIES

■ **Duties of the Board**

- The Following Responsibilities are Assigned to the Board:
 - Approval of Contracts
 - Approval of Change Orders
 - Approve Expenditures of Bond Funds

■ **Duties of the Chancellor**

- The Following Responsibilities are Assigned to the Chancellor and District Staff:
 - Handling of Legal Matters
 - Approval of Project Plans and Schedules
 - Approval of All Deferred Maintenance Plans
 - Approval of the Sale of Bonds

HOW DOES STATE MATCH WORK?

- Statewide Capital Project Bonds Made State Match Commitments Possible
 - Proposition 47 and 55
- College Submits FPP (Final Project Proposal) To State for Approval
- State Grades Each College Using a Point System
- Four Categories, 50 Points Each – For A Total of 200 Points – Are Based on the Following Criteria:
 - Enrollment Growth
 - Capacity/Load Ratio
 - Assignable Square Footage Change
 - Matching District Funds