



CALIFORNIA ASSOCIATION OF

BOND OVERSIGHT COMMITTEES

November 28, 2022

# Best Practices Exposure Draft

California Association of Bond Oversight Committees is preparing a series of "Best Practice" standards to guide School Proposition 39 Citizens' Bond Oversight Committees (CBOC).

These standards can guide CBOC members in providing effective independent oversight of the expenditures of billions of dollars of Proposition 39 school bond funds.

Each "Best Practice" will go through a vigorous and comprehensive review process by various stakeholders prior to final publication including:

- CBOC members.
- School district officials.
- County office of education officials
- State officials
- Related associations
- Taxpayers' associations

The comment period for the attached Best Practice Bylaws will end on Tuesday, December 20, 2022.

Please click below to submit your comments. A response will be provided for each comment submitted.

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## About California Association of Bond Oversight Committees (CABOC)

CABOC was founded in 2019 as a Nonprofit California Public Benefits Corporation. CABOC is exempt from Federal income tax under Internal Revenue Code Section 501(c)(3).

"The California Association of Bond Oversight Committees is dedicated to the proposition that taxpayers deserve information on proper school bond expenditures through facilitation of independent citizens' bond oversight committees in accordance with the passage of Proposition

39 (School Facilities. 55% Local Vote. Bonds, Taxes. Accountability Requirements.) Our mission is to develop and deliver support for thorough oversight through training, newsletters, conferences and workshops; and to represent our collective interests at the statewide level to benefit all Californians."

CABOC is the only statewide nonprofit organization providing training and support for CBOCs.

## **CABOC Bylaws Best Practice**

### **BYLAWS XXXXXX DISTRICT MEASURE XX CITIZENS' BOND OVERSIGHT COMMITTEE**

#### **INTRODUCTION**

CABOC recommends that all Citizens' Bond Oversight Committees adopt bylaws, but they are not required to do so. A Proposition 39 independent school Citizens' Bond Oversight Committee (CBOC) has the sole authority to approve its bylaws.

What is the purpose of the bylaws?

Bylaws set forth the rules for the internal operation of the organization.

What are bylaws meant for?

Bylaws are rules established by a CBOC to regulate itself and how it does its internal business, as allowed by California Education Code Section 15278 (a) and the construction bond ballot measure(s) approved by the voters.

#### **What are the bylaws for a CBOC?**

Bylaws are secondary principles that govern the internal affairs of a CBOC. Bylaws essentially expand the Education Code Section 15278 (a) and the construction bond ballot measures approved by the voters. They describe the procedures and steps the CBOC will follow to conduct business effectively, efficiently, and adequately.

What should be included in the bylaws?

Bylaws generally define things such as:

1. The organization's official name
2. The organization's purpose
3. The organization's legal address and contact information
4. Officers' duties, responsibilities, how officers are selected, and terms of service
5. Meeting schedules and how CBOC members, the public, and other parties at interest shall be notified (for CBOCs, following the same process as meetings of the governing board of the entity it oversees, which means the California "Brown Act," also known as the "Open Meetings Act")
6. How meetings should be conducted (including compliance with the Brown Act/ California Open Meetings Act)
7. Meetings schedule and process for special meetings
8. Process to establish, distribute, and publicize meeting agendas

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### **Why do CBOCs have bylaws?**

CBOCs have bylaws because they want to maintain consistency in the running of the committee and for CBOC actions to comply with the applicable legal requirements. They use bylaws to communicate committee rules to avoid internal disputes and conflicts. CBOCs also use bylaws to educate incoming members, and officers refer to bylaws so meetings and elections of the CBOC run smoothly.

There are many issues and topics that may arise at meetings that bylaws cannot anticipate. Most organizations include in their bylaws a statement that meetings will be conducted by the most recently adopted version of Robert's Rules of Order for all matters not explicitly addressed in its bylaws.

### **Who should approve the CBOC bylaws?**

Like almost all organizations, a Proposition 39 independent school Citizens' Bond Oversight Committee (CBOC) has the sole authority to prepare, approve, and modify its bylaws.

There are currently many CBOCs that, rather than developing and approving their bylaws, have had bylaws imposed on them by the district governing board. Because, by statute, CBOCs must be independent of the district they oversee to perform their duties, only the CBOC can prepare, approve, and modify its own internal operating rules, its bylaws.

Of course, matters relating to how the CBOC works with the district board and staff, such as CBOC access to construction sites, data, reports, personnel, and meetings with the governing board; district financial support of the CBOC, and district support for the CBOC web site and reports to the public, need to be negotiated between the CBOC and the district.

There are several documents on the CABOC website ([bondoversight.org](http://bondoversight.org)) Resources tab on this matter, including the *Bylaws of the Citizens' Bond Oversight Committee* and *CBOC Memorandum of Understanding (MOU) and Bylaws*.

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### **1. Purpose of Bylaws**

The (full name of CBOC) (the "Committee") hereby adopts these Bylaws to articulate the role, duties, and purpose of the Committee, its place in the organization of the district, its relationship with the district, and the need for the district to provide the Committee with the resources, support, and cooperation required to accomplish its mission.

### **2. Mission and Purpose**

2.1. The vision of the Committee is to ensure that the district builds, modernizes, and maintains schools that promote the full development of the student; are educationally and environmentally sound; provide for the safety and protection of students, district faculty and staff, neighbors, and visitors; and reflect the wise and efficient use of limited land and public resources.

2.2 California Education Code §15278(b) states, "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 complies with the requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution."

California Constitution, Article XXX A, Section 1. (b)(3), defines the allowed uses of "Proposition 13" school construction bond funds as "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,"

### **3. Membership**

3.1. The Committee's membership shall be determined by the district consistent with Education Code §15282(a).

3.2. Members are expected to attend all meetings. If a member without a good reason acceptable to the Committee fails to attend either (a) two or more consecutive meetings or (b) three or more meetings in a year, then the Committee shall define the member as inactive and inform the Board of its action. The Committee Chair may also request the member to resign.

3.3 A CBOC Nomination Committee of four members will be established to include two Board members chosen by the Board and two CBOC members selected by the

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CBOC. This Committee will review applications and interview applicants at a Brown Act noticed public meeting and make a recommendation to the Board for CBOC appointments by the Board.

### **4. Committee Governance**

4.1. The Committee shall meet monthly or as the Committee shall deem necessary to conduct its business. All Committee proceedings shall be open to the public except as required to consider legally privileged matters consistent with State law. Notice to the public shall be provided in the same manner as the proceedings of the Board, California Open Meeting Act (known as the Brown Act).

4.2 Robert's Rules of Order's latest version shall govern the parliamentary procedures, including removing Committee Officers.

4.3 The Committee shall post the date and time of future meetings on its website at least six months in advance.

4.4 The draft minutes of a meeting shall be posted and distributed to each CBOC member within two weeks.

4.5 District governing board members, staff, and external advisors attending CBOC meetings shall be identified by nameplate or name tags.

### **5. Committee Reports**

5.1 The Committee shall issue regular reports on the results of its activities. Minutes of the Committee's proceedings and all documents received and reports issued shall be a matter of public record and available at Committee meetings. Such minutes, papers, and reports shall be posted on the Committee's website and provided and maintained by the district.

5.2 The Committee shall periodically examine the CBOC's website to ensure current and up-to-date.

5.3 The CBOC website shall have a fillable membership application.

5.4 No later than 60 days after the Committee submits a recommendation to the governing board, the governing board shall comment on the recommendation to the Committee in writing.

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### **6. Commitment to the Committee**

Effective oversight by the Committee is not only required by law but is essential to the district's ability to accomplish its schools' construction, repair, and modernization. It is necessary to cooperate with the district to provide access to information and sufficient logistical support so that the Committee can effectively perform its oversight function.

### **7. Access to Information**

7.1 The district must provide the Committee with the necessary information to engage in effective oversight. Timely receipt and complete data are essential for the Committee to perform its duties.

7.2 All expenditures by the district of funds obtained through local bond proceeds authorized shall be subject to the review and oversight of the Committee, which shall review and report on all bond fund expenditures considering whether the expenses were consistent with the purposes for which the bonds were authorized. The Committee is responsible for informing the public concerning the use of bond proceeds following the provisions of Education Code §15278.

7.3 The Committee shall review annual, independent performance and financial audits of the bond fund expenditures and report to the public at least once each year on which bond funds are being spent regarding the use of the funds. Furthermore, per Education Code §15280(a)(2), the Board shall provide the Committee with responses to all findings, recommendations, and concerns addressed in the audits within three months of receiving the audits.

7.4 The annual performance audit shall meet the requirements of the *California Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, Appendix A* and *Government Auditing Standards* Section 1.22a, program effectiveness, and results from audit objectives.

7.5 The Committee shall participate in the auditor selection process.

7.6 The Committee shall have an entrance and exit conference with each auditor.

7.7 The district shall simultaneously provide the Committee with draft and final copies of audits as they are delivered to the district.

7.8 The Committee shall participate in annual auditor performance reviews.

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### **8. Logistical Support from the District**

8.1 The District shall provide the Committee with technical and administrative assistance and financial resources to further its mission and purpose. Financial support will not come from bond funds except to the extent permitted by law.

8.2 The District shall provide independent legal counsel, responsible only to the Committee, to advise the Committee on relevant legal issues. The district will pay for such legal counsel, but all legal privilege and client loyalty shall be accorded solely to the Committee. The Committee shall select its independent legal counsel working according to applicable State statutory and regulatory provisions and district procurement rules and procedures.

8.3 Committee meetings shall be recorded with translators available at the meetings as needed.

### **9. Officers**

9.1 The officers shall be a chair, vice-chair, and secretary. The Committee shall elect officers at its initial meeting and its regular meeting before the expiration of terms. Officer terms are one year or until their successors are elected. The term of office shall begin at the beginning of the regular meeting after the election.

9.2 Duties of chair: preside at meetings, establish and appoint a chair of standing or ad hoc subcommittees subject to the ratification of the Committee, and appoint individuals who are not members as advisors to the subcommittee subject to the ratification of the Committee.

9.3 Duties of vice-chair: preside at meetings in the absence of the chair, other duties as assigned.

9.4 Duties of Secretary: maintain a roster of members, keep an up-to-date meeting attendance record, review draft minutes prepared by the district, and circulate to the members for approval.

9.5 The chair, vice-chair, and secretary shall determine the agenda for each meeting, considering requests from members. Two Committee members can place an action item on the next meeting agenda.

**APPROVED AND DULY ADOPTED on (date)**

Chair

Secretary