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To: President Frank Tarantino
Board Member Nick Segura
Board Member Kevin J. Pike
Board Member Paula Hall
Board Member Arturo Solis

Dear President Tarantino:

Greetings. Thank you for the opportunity to submit the monthly Bond Oversight Chair Report. Since the last Board meeting, there have been the following developments in chronological order:

1. San Diego County Taxpayers Association Releases Transparency Scorecard.

Subsequent to our last Citizens Bond Oversight Committee (CBOC) meeting in February, the San Diego County Taxpayers Association (SDCTA) released their second School Bond Transparency Report. This report documents the web site availability and content of readily available information provided by a District for a School Bond Program (e.g. Bond member names, program status reports, backup information on agenda material and whether a District has an expanded Performance Audit).

The Report states:

"This year only San Diego Unified School District (SDUSD) and Sweetwater Union High School District (SUHSD) and Sweetwater Union High School District (SUHSD) earned perfect marks on the Transparency Scorecard, with all other districts having at least one missing section."

This score does not happen by accident. A diligent CBOC who is active in the process and a staff who updates and provides information on the web site resulted in this score. The primary reason why this District got this accolade is that we have an expanded performance audit. Of the 21 School Districts with Bond Programs, only three have expanded Performance Audits such as ours.

To the credit of this CBOC, we have been a strong advocate for such an expanded performance audit. The District should be commended for funding the expanded audit and for seeking the CBOC's input on Project Scope, Request for Proposals preparation and evaluation of responses.

2. Overall Bond Transparency is qualified. The SDCTA Report is not the “Final Word” on the Transparency of a Bond Program. The Reports states: “The Transparency Scorecard only makes note of the existence of the criteria examined and does not comment on the quality of the material available or the ease of access”. In some ways the Scorecard is really the minimum criteria that every District should meet to have an effective bond oversight program.

While we did score high, our Committee consistently has had concerns with transparency of information provided to the CBOC (e.g. the tardiness of the IRS Audit on the Bond Program last year), we must make strong note that transparency has improved. A key process improvement was release of the Agenda Items to our Committee in advance of the Board meeting.

3. California League of Bond Oversight Committees (Calboc) Meetings held last month. The Chair attended two days of Calboc meetings in Sacramento February 20 and 21. This included a Saturday presentation of methods to reduce school construction costs. There was considerable discussion about the content and organization for our Annual Meeting on May 19, 2015 in Sacramento.

In addition, our Operational Guidelines were reviewed and it was agreed that myself and another member would work to finalize these documents before our Annual Meeting. More details on the Annual Conference will be provided in the April Chair Report. There is possibility the Governor will be the keynote Speaker.

4. A Bond Oversight Meeting was held on March 11, 2015 at Granger Junior High School. Highlights of the meeting are as follows:

- **Site Tour.** There was a half hour site tour. Most of our CBOC meetings are now held at specific school sites. Having meetings at District schools is very positive. Granger High has had minimal Proposition O improvements other than the addition of a Health Clinic. The Long Range Master Plan rated the overall condition around the median compared to other District Schools. The Facility Condition Assessment had failing grades regarding Educational Suitability for Performing Arts and the Cafeteria. The school was visibly clean and well kept.
- **Public Testimony.** Trustee Arturo Solis and Vice Mayor Jerry Cano attended the meeting. We heard from a Family of students who attended Granger Junior High. They were not fluent in English and CBOC member Edgar Guerrero stepped in as an impromptu translator for the family. There was mention of the need for bilingual services at our CBOC meetings.

The family had concerns about finding information on school matters and the need for improved facilities in the areas of art and the performing arts center. Another member of the public talked about the need for a full accounting of expenditures by school. Our Committee emphasized the importance of airing concerns to the Principal as the conduit to District operations and administration.

- **Audit Concerns.** A subcommittee of our CBOC met and had concerns that the CBOC had not been contacted but the audit was well underway. The Committee shared out Subcommittee’s concerns. We recommended that the Auditor contact our Audit Subcommittee (Butler, Marinovich, McKearney) within seven days (March 18, 2015)

and requested the Draft Audit be provided to the CBOC. Education Code Section 15286 states the following with respect to the timing of the Performance Audit:

“Consistent with the provisions contained in subparagraphs (C) and (D) of paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution, the required annual, independent financial and performance audits for the preceding fiscal year shall be submitted to the citizens’ oversight committee established pursuant to Section 15278 at the same time they are submitted to the school district or community college district, no later than March 31 of each year. These audits shall be conducted in accordance with the Government Auditing Standards issued by the Comptroller General of the United States for financial and performance audits.”

Our Committee is pleased with the response from the Auditor and District staff to our request for contact. I received an email the next day requesting a meeting from the Auditor. The Audit Subcommittee had a long conference call with the Auditor on March 16 and all other CBOC members were individually contacted. As of the writing of this Chair Report, the CBOC has not received a copy of the Draft Audit.

- Future Presentation on IT Infrastructure. At the request of the Chair and discussed with Tom Calhoun, we talked about a presentation on the specifics of the IT Infrastructure project (e.g. cabling and server requirements, access points). David Damico was at the meeting and heard our general areas of interest. There will be a presentation at our next CBOC meeting.
- Scheduling of Future CBOC meetings. As the Board now meets the end of the month, we decided to move our meetings from the second to third Wednesday of the month. Moving the meetings will allow us to have the material to comment on pending Board items. Thus our next meeting will now be held on April 22, 2015 at Hilltop Middle School.
- Long Range Master Plan. As outlined in the last Chair Report, staff is continuing to move ahead expeditiously with the anticipated approval of the master plan in the near future. There was mention of a possible new bond issue this year in the neighborhood of \$200-250 million depending on how much Assessed Value increases this Fiscal Year. The bond issue could be this Calendar Year.

Tom Calhoun indicated that all Site Councils had been contacted regarding the Master Plan. The on line Survey continued though this month. Staff is fine tuning the physical condition assessment and identifying buildings that may not be repaired unless in the case of health/safety etc. issues, because they will be torn down in the short term.

Several considerations raised by staff were policy issues related to the priority setting process for future expenditures (deep dive select need Schools versus a more evenly distributed spending priorities, whether the Bond Anticipation Notes-\$37.5 million for National City Middle School and Montgomery High should be paid for of out the next bond issue). Staff said the Board Facilities Subcommittee would be presented initial concepts for master plan implementation.

There was a discussion about the need for a robust Public Communication of the Master Plan process and how project priorities are being developed so that the Community is involved in a meaningful way. This Communication Process must be coordinated amongst the various Departments/Schools in a consistent manner. Several Committee members emphasized the importance for the Principals to "get the word out" to Parents.

- Need for Historical Data of Expenditures by School. Based upon the discussion at this meeting and what we have been hearing over the past few meetings, there is a critical need to have a simplified accounting of expenditures by School for both Propositions BB and O. The public needs to have two questions answered: 1) how much money has been spent at my school and for what projects 2) how old is my school. In the opinion of the Chair this information must be presented with the Facility Condition Assessment Information, which is part of the Long Range Facility Master Plan. There will be a CBPC agenda item to discuss this issue on April 22, 2015.

5. There are two CBOC members recommended for approval on your Agenda. The CBOC has two vacant positions (Community Member at Large, Senior Representative) for our nine-person panel. Interviews were held on March 24, 2015 consisting of the following interview panel:

- Bill Carpenter, Director of Maintenance and Operations, San Diego County Office of Education
- Robert Carriedo, CBOC Member
- Miriam Duggan, Coordinator of Attendance and Student Welfare, Sweetwater Union High School District
- Steve Lizarraga, Director of Student Support Services, Sweetwater Union High School District
- Thomas Winters, Principal, Sweetwater Union High School District

The CBOC has been happy with the process used by Human Resources (HR) which is as follows: 1) Advertisement and notice is given of open positions to a variety of venues (e.g. letters to Site Councils) 2) HR screens applicants for minimum qualifications (e.g. a parent with a student) 3) Interviews are conducted with a panel of CBOC members, District staff, and other non-District staff (e.g. employee of another School District). 4) This Evaluation Committee recommends persons for selection to the Superintendent.

Two members for selection are found on Agenda Item . ***These individuals are: Daniel Gutowski, Community Member at Large and Rafael Munoz, Senior Representative. A training/briefing of the new members will occur prior to the April 22 CBOC meeting.***

If you have any questions please feel free to contact me or ask questions at the Board meeting.

Sincerely,



Nick Marinovich, Chair
Sweetwater Citizen's Bond Oversight Committee