
Sequoia Union High School District Citizens' Bond Oversight Committee Roles and Responsibilities Training

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Presented by:

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What is a School District General Obligation Bond?

- A constitutionally authorized borrowing;
- voter approved;
- secured by a pledge of property taxes;
- subject to accountability provisions and constraints on borrowing in Education Code.

Sequoia Union High School District's Recent Bond Measures

- Measure A (June, 2014)
 - \$265,000,000 G.O. Bonds– None remaining
- **Measure W (November, 2022)**
 - **\$591,500,000 G.O. Bonds - \$379,500,000 remaining**
 - **\$80,000,000 issued in March, 2024**
 - **\$132,000,000 issued in November, 2025**

Proposition 39 Bonds

- “Prop 39” amended the State Constitution to allow school district general obligation bonds to be authorized by a 55% vote (lowered from 2/3), but only if, *inter alia*,
 - Bond projects are limited to only the specific projects contained in the bond measure’s “Project List”
- Education Code creates Citizens’ Oversight Committee (COC) to review bond projects and expenditures in accordance with the Project List

Purpose of the COC

- To ***inform the public*** concerning the expenditure of bond revenues.
- ***Actively review and report*** on expenditure of taxpayers' money for school construction.
 - Issue regular reports* - at least once a year
- Advise public re: whether District has met CA Constitutional requirements – which are . . .



CA Constitutional Requirements

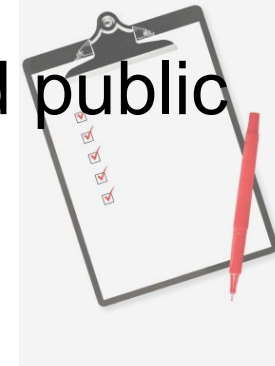
- Ensuring bond revenues are expended only for construction, reconstruction, rehabilitation, or replacement of school facilities. (Article XIII A, Section 1(b)(3) of the California Constitution.)
- Ensuring no funds are used for any teacher and administrative salaries or other school operating expenses. (Article XIII A, Section 1(b)(3)(A) of the California Constitution.)

Annual Report

- the Committee shall prepare and approve by majority vote an annual written report, the findings of which shall be summarized by the Chair of the Committee to the Board in public session, which annual written report shall include the following:
 - (a) A summary of the Committee's proceedings and activities for the preceding year, and
 - (b) A statement indicating whether the District is in compliance with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution.

COC Responsibilities

- Review annual, independent financial and performance audits required by Prop. 39
- Inspect school facilities and grounds to ensure that bond revenues are expended in compliance with the law
- Review deferred maintenance proposals or plans
- Prepare annual and final reports to the Board and public



COC Responsibilities (continued)

- Review District efforts to maximize bond revenues through implementation of cost-saving measures:
 - Professional fees
 - Site preparation
 - Joint use of facilities
 - School site design efficiencies
 - Reusable facility plans



Powers Reserved for the Board

- Appoint COC and establish guidelines
- Approve project list
- Ensure expenditures are for listed projects
- Provide technical and administrative assistance to the COC
- Contract for work
- Participate in the bond sale or issuance of the bonds
- Make project-related decisions
- Establish facility or bond advisory committees

Powers of the Board (continued)

- Powers not granted to the COC:
 - Determining how bond funds may be spent
 - Acting in advisory capacity to the District Board regarding project timing, terms or priorities

Citizens' Oversight Committee (Ed. Code Sections 15278-82)

- Minimum 7 Members, WITH ONE EACH:
 - Active member of Senior Citizen Org.
 - Taxpayer Association Representative
 - Local Business Representative
 - PTA Member
 - Parent of Student
- Member terms must be a minimum of 2 years
- COC members may only serve a maximum of three consecutive terms

Membership Conflicts of Interest

- COC may not include as Members:
 - Employees/Officials of the District
 - Vendors of the District
 - Contractors/Consultants of the District

- Members' immediate family should also be independent

Technical Assistance to COC

- District's Board to provide technical and administrative assistance to COC, such as:
 - Website information posting.
 - Brown Act agendas and minutes.
 - Financial and progress reports.
 - Submit independent financial and performance audits at same time as to District, no later than March 31st.
 - Respond to findings, recommendations and concerns addressed in audits within 3 months.

Information Needs of the CBOC

- Bond project list
- Bond program financial statements
- Reports on current projects
- Annual financial audit of bond funds
- Annual performance audit of bond projects
- Opportunity to visit project sites
- Information regarding District cost containment measures

Permissible Uses of Bond Proceeds

- Construction, reconstruction, rehabilitation or replacement of school facilities
- Furniture and equipment (for school facilities)
- Acquisition or lease of real property

Note: All projects must be within scope of project list adopted by Board as part of the measure

Permissible Uses of Bond Proceeds

- Despite prohibition on use for school operating expenses, bond funds may pay District employee salaries to the extent employees are engaged in construction-related services for bond-funded projects
 - Overseeing construction progress
 - Accounting that facilitates timely completion of the construction project
 - Costs incidental, but directly related, to bond-funded projects

Permissible Uses of Bond Proceeds

- Other permissible expenditures:
 - Construction labor and materials costs;
 - Professional fees (e.g. architects, construction managers, attorneys) and
 - Other costs directly connected to real property acquisition and improvement (e.g. environmental review, relocation costs, temporary moves)

The Brown Act

Government Code Section 54950 et seq.

Aka: The Sunshine Law
or
The Open Meetings Law

**REQUIRES THE PEOPLES'
BUSINESS TO BE CONDUCTED
IN THE OPEN**

Brown Act

- CBOC meetings/members are subject to the Brown Act
- Intent of the Brown Act
 - To keep the public informed of the actions, debates and views of “legislative bodies”
 - To provide the procedural framework for legislative bodies to meet, debate, act and listen collectively to their constituents



Agenda Requirements



Information on Agenda / Posting

- Items to be discussed at meeting
- Opportunity for public comment
- Agenda must be physically posted in public and placed on District website
- Location of the meeting so members of the public can attend
- Information regarding how to request a disability-related modification or accommodation in order to participate in the public meeting

Non-Agenda Items

- No action or discussion shall be undertaken by CBOC on any item not appearing on the posted agenda
- Without taking action, CBOC members or District staff members may briefly respond to statements made or questions posed by the public about items not appearing on the agenda
- May ask a question for clarification
- May make a brief announcement, or brief report on own activities

What is a “Meeting”?

- A “meeting” is:
 - Any congregation of a majority of members of a legislative body at the same time and place, including teleconference locations, to **hear, discuss, or deliberate** upon any item within the subject matter jurisdiction of the legislative body.
 - There need not be action taken or planned, for a “meeting” to occur (Gov. Code, § 54952.2)



Serial Meetings

- A majority of the members of a board or committee shall not, outside a noticed meeting, **use a series of communications** of any kind, directly or through intermediaries, to discuss, deliberate, or take action on any item of business that is within the board's jurisdiction
- This includes communications through:
 - Telephone, electronic mail, internet, social media
 - Communication through an intermediary



Communication Recommendations

- Minimize any communication with CBOC members outside a noticed meeting via any means
 - Emails received on CBOC business should not be shared or discussed with the group – no use of “Reply All”
 - If using social media, only elicit information or share information with the public but do not use as a discussion forum involving other CBOC members

Questions?





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Thank you!



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