

AMENDED IN SENATE MARCH 26, 2012

SENATE BILL

No. 1204

Introduced by Senator Wyland

February 22, 2012

An act to amend ~~Sections 15278 and~~ *Section* 15286 of the Education Code, relating to school facilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 1204, as amended, Wyland. School facilities: local bond measures: citizens' oversight committee: performance and financial audits.

(1) The California Constitution limits the maximum amount of any ad valorem tax on real property to 1% of the full cash value of the property. The California Constitution states that the 1% limitation for ad valorem taxes does not apply to ad valorem taxes or special assessments to pay the interest and redemption charges on bonded indebtedness incurred by a school district, community college district, or county office of education for the construction, reconstruction, rehabilitation, or replacement of school facilities approved by 55% of the voters if the proposition includes specified accountability requirements. The accountability requirements include a requirement that the governing board of either the school district or community college district establish and appoint a citizens' oversight committee and conduct annual, independent performance and financial audits. Existing law requires the audits for each preceding fiscal year to be submitted by March 31 of each year to the citizens' oversight committee for its review.

This bill would require ~~the citizens' oversight committee to select the auditor or auditing firm that will perform the audits. The bill would require the school district or community college district to also submit~~

the performance and financial audits to the Controller and county superintendent of schools. The bill would require the Controller to post the audits on the Controller’s Internet Web site. The bill would require the county superintendent of schools to include a review of the audits when reviewing other audits submitted by school districts under his or her jurisdiction, thereby imposing a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 15278 of the Education Code is amended~~
2 ~~to read:~~
3 ~~15278. (a) If a bond measure authorized pursuant to paragraph~~
4 ~~(3) of subdivision (b) of Section 1 of Article XIII A of the~~
5 ~~California Constitution and subdivision (b) of Section 18 of Article~~
6 ~~XVI of the California Constitution is approved, the governing~~
7 ~~board of the school district or community college shall establish~~
8 ~~and appoint members to an independent citizens’ oversight~~
9 ~~committee, pursuant to Section 15282, within 60 days of the date~~
10 ~~that the governing board enters the election results on its minutes~~
11 ~~pursuant to Section 15274.~~
12 ~~(b) The purpose of the citizens’ oversight committee shall be~~
13 ~~to inform the public concerning the expenditure of bond revenues.~~
14 ~~The citizens’ oversight committee shall actively review and report~~
15 ~~on the proper expenditure of taxpayers’ money for school~~
16 ~~construction. The citizens’ oversight committee shall advise the~~
17 ~~public as to whether a school district or community college district~~
18 ~~is in compliance with the requirements of paragraph (3) of~~
19 ~~subdivision (b) of Section 1 of Article XIII A of the California~~
20 ~~Constitution. The citizens’ oversight committee shall convene to~~
21 ~~provide oversight for, but not be limited to, both of the following:~~

1 ~~(1) Ensuring that bond revenues are expended only for the~~
2 ~~purposes described in paragraph (3) of subdivision (b) of Section~~
3 ~~1 of Article XIII A of the California Constitution.~~

4 ~~(2) Ensuring that, as prohibited by subparagraph (A) of~~
5 ~~paragraph (3) of subdivision (b) of Section 1 of Article XIII A of~~
6 ~~the California Constitution, no funds are used for any teacher or~~
7 ~~administrative salaries or other school operating expenses.~~

8 ~~(e) The citizens' oversight committee shall select the auditor or~~
9 ~~auditing firm that will perform the financial and performance audits~~
10 ~~required by subparagraphs (C) and (D) of paragraph (3) of~~
11 ~~subdivision (b) of Section 1 of Article XIII A of the California~~
12 ~~Constitution.~~

13 ~~(d) In furtherance of its purpose, the citizens' oversight~~
14 ~~committee may engage in any of the following activities:~~

15 ~~(1) Receiving and reviewing copies of the annual, independent~~
16 ~~performance audit required by subparagraph (C) of paragraph (3)~~
17 ~~of subdivision (b) of Section 1 of Article XIII A of the California~~
18 ~~Constitution.~~

19 ~~(2) Receiving and reviewing copies of the annual, independent~~
20 ~~financial audit required by subparagraph (D) of paragraph (3) of~~
21 ~~subdivision (b) of Section 1 of Article XIII A of the California~~
22 ~~Constitution.~~

23 ~~(3) Inspecting school facilities and grounds to ensure that bond~~
24 ~~revenues are expended in compliance with the requirements of~~
25 ~~paragraph (3) of subdivision (b) of Section 1 of Article XIII A of~~
26 ~~the California Constitution.~~

27 ~~(4) Receiving and reviewing copies of any deferred maintenance~~
28 ~~proposals or plans developed by a school district or community~~
29 ~~college district, including any reports required by Section 17584.1.~~

30 ~~(5) Reviewing efforts by the school district or community~~
31 ~~college district to maximize bond revenues by implementing~~
32 ~~cost-saving measures, including, but not limited to, all of the~~
33 ~~following:~~

34 ~~(A) Mechanisms designed to reduce the costs of professional~~
35 ~~fees.~~

36 ~~(B) Mechanisms designed to reduce the costs of site preparation.~~

37 ~~(C) Recommendations regarding the joint use of core facilities.~~

38 ~~(D) Mechanisms designed to reduce costs by incorporating~~
39 ~~efficiencies in schoolsite design.~~

1 ~~(E) Recommendations regarding the use of cost-effective and~~
2 ~~efficient reusable facility plans.~~

3 ~~SEC. 2.~~

4 *SECTION 1.* Section 15286 of the Education Code is amended
5 to read:

6 15286. (a) Consistent with the provisions contained in
7 subparagraphs (C) and (D) of paragraph (3) of subdivision (b) of
8 Section 1 of Article XIII A of the California Constitution, the
9 required annual, independent financial and performance audits for
10 the preceding fiscal year shall be submitted to the Controller, the
11 county superintendent of schools, and the citizens' oversight
12 committee established pursuant to Section 15278 by March 31 of
13 each year.

14 (b) These audits shall be conducted in accordance with the
15 Government Auditing Standards issued by the Comptroller General
16 of the United States for financial and performance audits.

17 (c) The Controller shall post the audits received pursuant to
18 subdivision (a) on the Controller's Internet Web site.

19 (d) The county superintendent of schools shall review the audits
20 when reviewing other audits of the school district pursuant to
21 Section 41020.

22 ~~SEC. 3.~~

23 *SEC. 2.* If the Commission on State Mandates determines that
24 this act contains costs mandated by the state, reimbursement to
25 local agencies and school districts for those costs shall be made
26 pursuant to Part 7 (commencing with Section 17500) of Division
27 4 of Title 2 of the Government Code.