

ASSEMBLY BILL

No. 2116

Introduced by Assembly Member Gallagher
(Coauthors: Assembly Members Brough and Harper)
(Coauthor: Senator Nielsen)

February 17, 2016

An act to amend Sections 15100, 15278, and 15284 of the Education Code, relating to school bonds.

LEGISLATIVE COUNSEL'S DIGEST

AB 2116, as introduced, Gallagher. School bonds: citizens' oversight committees: school bond waste prevention actions.

(1) Existing law authorizes the governing board of any school district or community college district to order an election and submit to the electors of the district the question whether the bonds of the district should be issued and sold for the purpose of raising money for specified purposes, including, among other things, the supplying of school buildings and grounds with furniture, equipment, or necessary apparatus of a permanent nature.

This bill would require the governing board of a school district to obtain reasonable and informed projections of assessed property valuations from an independent third party not associated with the bond measure before placing a bond measure on a ballot.

(2) Existing law requires the governing board of a school district or community college district to establish and appoint members to an independent citizens' oversight committee, as specified, if a bond measure authorized pursuant to certain provisions of the California Constitution is approved by 55% of the voters. Existing law requires the citizens' oversight committee to convene to at least ensure the bond

revenues are expended only for specified purposes and not used for any teacher or administrative salaries or other school operating expenses.

This bill would additionally require a citizens’ oversight committee that is established by the governing board of a school district to annually review the school district’s arrangements for issuing and repaying its bonds.

(3) Existing law authorizes an action to obtain an order restraining and preventing any expenditure of funds received by a school district or community college district through the sale of bonds described above against any officer, agent, or other person acting on behalf of, that school district or community college district, by citizens who are or were liable to pay an ad valorem tax on real property within the school or community college district if it appears by the complaint or affidavits that certain conditions are present, including, among others, that the governing board of a school district or community college district has willfully failed to appoint the citizens’ oversight committee. Existing law defines these actions as a “School Bond Waste Prevention Action.”

This bill would, in the case of a school district only, authorize a county auditor with jurisdiction over the school district to also bring a School Bond Waste Prevention Action.

(4) This bill also would delete obsolete references and make other nonsubstantive changes.

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

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

1 SECTION 1. Section 15100 of the Education Code is amended
 2 to read:
 3 15100. (a) Except as otherwise provided by law, the governing
 4 board of any school district or community college district may,
 5 when in its judgment it is advisable, and shall, upon a petition of
 6 the majority of the qualified electors residing in the school district
 7 or community college district, order an election and submit to the
 8 electors of the ~~district~~ *school district or community college district,*
 9 *as applicable,* the question whether the bonds of the *school district*
 10 *or community college* district shall be issued and sold for the
 11 purpose of raising money for the following purposes:
 12 (a)
 13 (1) The purchasing of school lots.

- 1 ~~(b)~~
- 2 (2) The building or purchasing of school buildings.
- 3 ~~(c)~~
- 4 (3) The making of alterations or additions to the school building
- 5 or buildings other than as may be necessary for current
- 6 maintenance, operation, or repairs.
- 7 ~~(d)~~
- 8 (4) The repairing, restoring, or rebuilding of any school building
- 9 damaged, injured, or destroyed by fire or other public calamity.
- 10 ~~(e)~~
- 11 (5) The supplying of school buildings and grounds with
- 12 furniture, equipment, or necessary apparatus of a permanent nature.
- 13 ~~(f)~~
- 14 (6) The permanent improvement of the school grounds.
- 15 ~~(g)~~
- 16 (7) The refunding of any outstanding valid indebtedness of the
- 17 *school district or community college* district, evidenced by bonds,
- 18 or of state school building aid loans.
- 19 ~~(h)~~
- 20 (8) The carrying out of the projects or purposes authorized in
- 21 Section ~~17577 or 81613~~. 17577.
- 22 ~~(i)~~
- 23 (9) The purchase of schoolbuses the useful life of which is at
- 24 least 20 years.
- 25 ~~(j)~~
- 26 (10) The demolition or razing of any school building with the
- 27 intent to replace it with another school building, whether in the
- 28 same location or in any other location.
- 29 ~~Any~~
- 30 (b) *Any one or more of the purposes ~~enumerated~~, enumerated*
- 31 *in subdivision (a), except that of refunding any outstanding valid*
- 32 *indebtedness of the school district or community college district*
- 33 *evidenced by bonds, may, by order of the governing board of the*
- 34 *school district or community college district, as applicable, that*
- 35 *is entered in its minutes, be united and voted upon as one single*
- 36 *proposition.*
- 37 (c) *Before the governing board of a school district may order*
- 38 *an election for purposes of this section, it shall obtain reasonable*
- 39 *and informed projections of assessed property valuations from an*
- 40 *independent third party not associated with the bond measure.*

1 SEC. 2. Section 15278 of the Education Code is amended to
 2 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:

22 (1) Ensuring that bond revenues are expended only for the
 23 purposes described in paragraph (3) of subdivision (b) of Section
 24 1 of Article XIII A of the California Constitution.

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

29 (c) In furtherance of its purpose, the citizens’ oversight
 30 committee may engage in any of the following activities:

31 (1) Receiving and reviewing copies of the annual, independent
 32 performance audit required by subparagraph (C) of paragraph (3)
 33 of subdivision (b) of Section 1 of Article XIII A of the California
 34 Constitution.

35 (2) Receiving and reviewing copies of the annual, independent
 36 financial audit required by subparagraph (C) of paragraph (3) of
 37 subdivision (b) of Section 1 of Article XIII A of the California
 38 Constitution.

39 (3) Inspecting school facilities and grounds to ensure that bond
 40 revenues are expended in compliance with the requirements of

1 paragraph (3) of subdivision (b) of Section 1 of Article XIII A of
2 the California Constitution.

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

7 (5) Reviewing efforts by the school district or community
8 college district to maximize bond revenues by implementing
9 cost-saving measures, including, but not limited to, all of the
10 following:

11 (A) Mechanisms designed to reduce the costs of professional
12 fees.

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

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

15 (D) Mechanisms designed to reduce costs by incorporating
16 efficiencies in schoolsite design.

17 (E) Recommendations regarding the use of cost-effective and
18 efficient reusable facility plans.

19 *(d) A citizens' oversight committee that is established by the*
20 *governing board of a school district shall also annually review*
21 *the school district's arrangements for issuing and repaying its*
22 *bonds.*

23 SEC. 3. Section 15284 of the Education Code is amended to
24 read:

25 15284. (a) An action to obtain an order restraining and
26 preventing any expenditure of funds received by a school district
27 or community college district through the sale of bonds authorized
28 by this chapter pursuant to paragraph (3) of subdivision (b) of
29 Section 1 of Article XIII A of the California Constitution and
30 subdivision (b) of Section 18 of Article XVI of the California
31 Constitution may be maintained against any officer, agent, or other
32 person acting on behalf of, that school district or community
33 college district, by a citizen residing in the school *district* or
34 community college district who is assessed and is liable to pay an
35 ad valorem tax on real property within the school *district* or
36 community college district, or who has paid an ad valorem tax on
37 real property within the school *district* or community college
38 district within one year before the commencement of the ~~action~~
39 *action, or, in the case of a school district only, a county auditor*
40 *with jurisdiction over the school district, if it appears by the*

1 complaint or affidavits that any of the following conditions are
2 present:

3 (1) An expenditure of funds received by a school district or
4 community college district through the sale of bonds authorized
5 by this chapter is for purposes other than those specified in
6 paragraph (3) of subdivision (b) of Section 1 of Article XIII A of
7 the California Constitution.

8 (2) The expenditure is not in compliance with paragraph (3) of
9 subdivision (b) of Section 1 of Article XIII A of the California
10 Constitution.

11 (3) That an expenditure in violation of paragraph (3) of
12 subdivision (b) of Section 1 of Article XIII A of the California
13 Constitution will be made or will continue to be made during the
14 litigation that would produce waste or great or irreparable injury.

15 (4) The governing board of a school district or community
16 college *district* has willfully failed to appoint the citizens' oversight
17 committee in violation of the requirements of Section 15278.

18 (b) An action brought pursuant to this section shall take special
19 precedence over all civil matters on the calendar of the court except
20 those matters granted equal precedence by law.

21 (c) The rights, remedies, or penalties established by this section
22 are cumulative to the rights, remedies, or penalties established
23 under other laws, including subdivision (a) of Section 526 ~~of~~
24 ~~Chapter 3 of Title 7 of Part 2~~ of the Code of Civil Procedure.

25 (d) If an order is obtained to restrain and prevent an expenditure
26 of funds pursuant to subdivision (a), a court may award attorneys'
27 fees pursuant to Chapter 6 (commencing with Section 1021.5) of
28 Title 14 of Part 2 of the Code of Civil Procedure.

29 (e) The action authorized by this section shall be known as a
30 "School Bond Waste Prevention Action."