

**MEASURE “J” CITIZENS BOND OVERSIGHT COMMITTEE
Mt. Diablo Unified School District
Annual Report to the Public July 1, 2022- June 30, 2023**

Traditionally Californians have supported public education and have routinely passed state and local school bonds to build educational facilities. However, at the end of last century many local school bond ballot measures were failing, and various organizations placed a measure on the state ballot to make it easier to pass local school bonds.

In 2000, the Prop 39 School Bond Act passed, reducing the voter approval threshold from 2/3 to 55%. Prop 39 also required that school districts must establish an independent “citizens bond oversight committee” (CBOC) for any bond measure passed under Prop 39.

CBOC’s are all-volunteer uncompensated committees composed of a cross section of district residents, including parents, seniors, businesses, and a representative of a bona fide taxpayer advocacy organization. The CBOC’s purpose is to monitor district management of bond programs, and report at least annually to the public on whether the district has:

- Constructed the facilities or improvements promised in the bond ballot language.
- Complied with laws regarding school bond program management.
- Not spent bond funds on district operational costs or non-bond administrative salaries.
- Performed annual financial and performance audits on the bond program.

In 2018, voters in the Mt. Diablo district approved a \$150 million bond, Measure “J” to implement a variety of student and campus safety improvements, energy system efficiency upgrades, and other general goals. Upon approval of the bond ballot measure, the district formed the Measure J. Citizens Bond Oversight Committee. The CBOC has met numerous times, has visited various bond program construction sites, and has issued several annual oversight reports, as required by Prop 39.

During July 1, 2022- June 30, 2023, the Measure J CBOC held a total of 6 public meetings, two of those being special meetings called by the Board Chair. Revenues from July 1, 2022, to June 30, 2023, total \$1,964,057 which includes loss in Bond value of \$1,056,130. Expenses during that same period are \$25,101,319. The majority of expenditures during this period are related to the Energy Savings Contract with Scheider Electric.

The Measure “J” CBOC has been frustrated in its duty to monitor bond program management for the following reasons:

- The district has experienced high turnover in key management positions, including the Superintendent, Director of Facilities, Chief Business Officer

(who worked closely with the CBOC), and most recently the district Legal Counsel.

- These personnel changes caused delays in planning and managing bond program efforts.

Although the original ballot language was vague as to specific projects to be funded by the bond (as required by state law) recently the district's primary focus has been on upgrading energy and HVAC systems. In 2022 the district trustees approved a contract to upgrade energy systems, and work commenced. Later the trustees approved a significant extension to the contract without going to bid, and a complaint was filed with the District Board of Education and CBOC by David Johnsen of Contra Costa Compliance regarding concerns about the violation of government code sections, no savings guarantee in the Energy Saving Contract, and no open subcontractor pricing.

The CBOC requested an opinion from an Energy Saving Contract Consulting firm that also expressed concern with the savings projects claimed by Scheider. The CBOC requested that the district approve a contract to provide 30 hours of legal assistance to provide an independent legal opinion on the legality of the contract extension, but the district has declined to approve the proposed contract, a direct violation of the district's obligation under prop 39 to provide the CBOC with necessary administrative support.

In summary, the CBOC reports:

- District property owners are already paying interest on bonds sold, yet actual construction results lag years later than originally proposed; and
- There is question as to whether state contract law has been violated; and• The district is not meeting its obligation to residents and taxpayers to achieve the promises in Measure J bond language in a timely, and efficient, manner.

Gina Haynes

Gina Haynes, Chair

8/21/24

Date