



COC REVIEW OF JULY 2014 SAN DIEGO
TAXPAYERS EDUCATIONAL
FOUNDATION'S SCHOOL BOND
TRANSPARENCY IN SAN DIEGO REPORT

Citizen's Oversight Committee
July 2014

Citizen's Bond Oversight Committee

- David Barnum, District Parent
- Jean Diaz, Chair & Senior Organization Representative
- Teresa Greger, PTA Representative
- Jenna Harris, At-Large Representative
- Michael Hunsaker, Taxpayer Association Representative
- Darius Khayat, Business Person Representative
- Tom Kumura, At-Large Representative
- Robert Bowen, Alternate
- Stacy Carlson, Alternate

Review of San Diego Taxpayers Educational Foundation School Bond Transparency in San Diego County

San Marcos Unified School District Proposition K Citizens Oversight Committee

Honorable San Marcos Unified School District Governing Board, Staff & Community:

The Proposition K Citizens Oversight Committee is pleased to present to the Governing Board, staff and the community our review of the July 2014 School Bond Transparency in San Diego County prepared by the San Diego Taxpayers Educational Foundation.

Background

The San Diego Taxpayers Educational Foundation (SDTEF) conducts research on issues relevant to taxpayers including transparency. The report, which is attached, is intended to provide tools for San Diego County school districts to use in the ongoing process of improving transparency with respect to school facilities bond programs. The Transparency Scorecard, contained within the report, summarizes the findings of this study by providing an accounting of information made available by school districts.

The following provides the San Marcos Unified School District (SMUSD) Governing Board, staff and community, with the Proposition K Citizen's Oversight Committee's (COC) review of the findings specifically relating to SMUSD.

Website Information Transparency

As covered in the COC's 2014 Annual Report, improving transparency was an important focus and, together with staff support, the COC website was completely reworked and a companion Facebook page was developed. The importance of this effort is reflected in the SDTEF's statements commending the clear visibility and access to COC's website:

Compare this to the experience in finding information when the link[to the COC Homepage] is prominently placed on a homepage, like in the case of San Marcos Unified School District. On SMUSD's home page there is immediately a link to information regarding their school facilities bond (Proposition K). This link, titled "Prop K Citizen's Oversight Committee," is easy to see and prominently placed, leaving no confusion for the user...

And their statement regarding the overall content of the COC website:

However, two schools that passed their facilities bonds since issuance of the 2011 report have been able to perform at an exceptional level. SMUSD (2010) only missed one mark on the website section of the transparency scorecard...

The missing item was provision of the COC By-Laws, or a link to them. A link to Resolution No. 28-10/11 adopting Policies and Regulations Relative to the COC will be added to the website. While not an adverse rating factor for the COC website, the SDTEF report refers to the inclusion of links to the reports and other material submitted to the COC, in addition to the minutes of COC meetings, as a best practice it recommends.

Annual Report/ Audit Information Transparency

This year the COC recommended, and the Governing Board accepted, that the annual financial and performance audits be reviewed by the COC prior to submission to the Governing Board. The SDTEF report concluded that as a whole, school district's did not perform as well in the transparency of the annual reports and audits as they did with the transparency of their websites. However, SMUSD was one of seven district's that missed only one point. The SDTEF report indicated that the reports didn't itemize expenditures by project or site. Almost all of the expenditures for the period covered in the SDTEF report have been devoted to San Marcos High School reconstruction. Now that the district is moving on to the other Prop K projects the COC has asked staff to report expenditures by site and by project and this should also be reflected in the annual reports and audits going forward.

The report also suggests that the firm providing the independent Annual Performance Audit should have specific expertise in project management and construction industry best practices.

While not an adverse finding for the SMUSD, the report does support more frequent COC reports than the annual required report. While the COC does not provide a more frequent report per se, the website is updated each quarter after the COC meetings.

Overall, SDTEF in its conclusion on Annual Report/Audit Information Transparency, stated:

SMUSD again excelled in its performance...in the report and audit criteria.

COC Follow Up and Recommendations

The COC welcomes the comments contained within the SDTEF report and offers the following responses and recommendations:

1. A link to Resolution 28-10/11 Adopting the Policies and Regulations Relative to the COC will be included in the COC website;
2. The COC recommends that links to reports and other materials submitted in relation to COC meetings be more visible in the COC website;
3. Beginning with the July 24th COC meeting, staff has agreed to provide a summary of expenditures by project and by site and this information will be carried through to the quarterly website updates, annual COC report and hopefully, the annual financial audit report;
4. In selecting the firm to prepare the annual Performance Audit, the Governing Board should consider the specific project management experience and knowledge of construction best practices.

The COC thanks the SMUSD staff for its support of the COC and its efforts over the last year to improve transparency and outreach to the community.

Respectfully Submitted

*San Marcos Unified School District
Proposition K Citizens Oversight Committee*