School Bond Transparency in San Diego County

September 2022

OVERVIEW AND INTENT

Since its establishment in 1945, the San Diego County Taxpayers Association has been a nonpartisan association of individuals, businesses, and organizations who promote effective and efficient government on behalf of all San Diego County taxpayers. One of the ways SDCTA has worked to accomplish this longtime goal has been through conducting research and delivering opinions on issues relevant to taxpayers, including the transparency of public institutions that are funded by taxpayer dollars. Taxpayers should be able to easily determine whether school district officials have carried out their promises to effectively use funds to construct new buildings and upgrade facilities.

Schools should be as transparent as possible with their bond program information and how they are allocating funds, so the purpose of this report is to evaluate whether San Diego schools with active bond programs are meeting the standards of transparency. This report is the most recent update of the San Diego Taxpayers Educational Foundation's (SDTEF) 2007 study, which created SDCTA's "Oversight Committee Best Practices," last amended in May 2019, to appraise the transparency of schools' Independent Citizen Oversight Committees (ICOCs). **It should be noted that the scope of this study evaluates only the transparency and not the quality of bond programs, measuring the public existence of information needed for taxpayers to assess the overall performance of school bond programs.** We do not evaluate the accountability of schools' bond programs, and whether they are honestly listing their spending. We can only evaluate the extent to which they make their bond materials publicly available. The Transparency Report Card does not comment on the quality of material available or ease of access. Our recommendations at the end of this report, however, suggest how to improve these aspects of a district's bond program.

Like last year, SDCTA continued to involve the taxpayer representatives from each district's ICOC in the review of transparency. Doing so further empowered our representatives on these ICOCs and created opportunities for them to assess their respective districts. Having these specific ICOC members, a group of dedicated individuals who are well-immersed and experienced in the topic of school bond transparency, contribute to the information collection and grading process only enhances the integrity of the report card.

As for the grades, there was an upward trend of scores compared to last year. Of the 27 districts evaluated, the average transparency grade was 81%, a 5 point increase from last year's 76%. However, this number has been skewed by the lowest two grades. After removing the bottom two, the average for the remaining twenty five is 86%.

FINDINGS

CLICK HERE TO VIEW COMPLETED SCORECARD

Each district was graded on a 27 point rubric, which can be found at the end of this report card. There have been no changes to this rubric in the last year. Below are the grades of each district for the 2022 School Bond Transparency Report Card:

F Borrego Springs Unified School District
B+ Cajon Valley Union School District
B+ Carlsbad Union School District
A- Chula Vista Elementary School District
A- Del Mar Union School District
B- Encinitas Union School District
B Escondido Union School District
C- Fallbrook Union High School District
A+ Grossmont Union High School District
A+ Grossmont-Cuyamaca Community College District
B- Lakeside Union School District
B- Lemon Grove School District
A- MiraCosta Community College District
C National School District

F   Mountain Empire Unified School District
B+ Oceanside Unified School District
A- Palomar Community College District
B+ Solana Beach School District
B+ South Bay Union School District
A- San Diego Community College District
A- San Dieguito Union High School District
A- San Diego Unified School District
D+ Santee School District
D+ Sweetwater Union High School District
B+ Southwestern Community College District
A- San Ysidro School District
B+ Vista Unified School District

SDCTA frequently communicates with school districts about their ICOC websites, pointing out missing information and reminding them to update their pages. Upon completion of the grading, SDCTA sent each district a copy of the rubric containing their grade to offer them the opportunity to provide any justification or possible correction to a markdown. Districts were given one week to respond before grades were finalized. The purpose of granting this opportunity was to ensure that the grades SDCTA releases are truly accurate to each district's transparency. However, points were not awarded back to changes made by the district only after SDCTA contacted them. Doing so would have gone against the overall spirit of the report card, which is to assess a district's transparency over the course of the year, not just the week before it is released. The SDCTA values day-to-day business practices that reflect an authentic intent to be transparent with the taxpaying public, and so last minute changes by districts did not result in regrading.

RECOMMENDATIONS

Recommendation #1 for School Districts: Review SDCTA Standards on Performance Audits and pass a resolution requiring specific elements of oversight during the performance auditing process.

A performance audit's aim should not be to evaluate financial compliance with law. Instead, a performance audit should aim to increase accountability in the actual construction process.

The two criteria below contain the details of what SDCTA is looking for from districts in relation to their performance audits.

(1) Performance Audits meet SDCTA Standards: Performance audits are in line with SDCTA's Oversight Committee Best Practices requirements (see highlighted text starting on page four of document).

The performance audit scope should align with the construction progress to measure the effectiveness of the bond program. In order to assist the oversight committee, SDCTA proposes the scope of work for the Performance Audit must include a review of at least the following:
- Current Bond Program Management Program/Plan
- Construction Project Delivery Methods and Performance Analysis
- Review of Project Budgets and Program Performance and Forecasting
- Evaluation of Overall Transparency of Bond Program

(2) Did the district pass a resolution on Performance Audits? Did the oversight committee pass a resolution requiring the following elements of the Performance and/or the Financial Audit:
- That the District conduct a Performance Audit that considers the appropriate scope and ways to improve Program effectiveness and efficiency;
- That a member of the oversight committee is involved in the auditor selection process and in the development of the audit's scope of work; and
- That the oversight committee review the Performance and Financial Audits before they are presented to the Board.

Recommendation #2 for School Districts: Update all information on the oversight committee's website on a regular basis, including posting up-to-date agendas, minutes, financial and performance audits, and annual reports.

Access to up-to-date information remains vital to transparency. Districts should frequently update all website materials to reflect the most accurate information. Audits and financial reports

should be available in a more timely fashion, as they should take no longer than a few months to prepare. Similarly, project status updates should be regularly provided— not just as budget updates, but construction progress with expected timelines for completion. Motivation to keep this information updated should spawn from the desire to keep taxpayers informed rather than just wanting to receive a good grade on the report card.

Recommendation #3 for School Districts: Adjust oversight committees' websites for easier navigation and useability.

Simply including all of the recommended information such as financial audits and meeting minutes does not guarantee transparency. Instead, an ideal ICOC website would organize these files by type and date in separate links, so that any interested party could easily find the information available. All files are important, but they are often not easy to differentiate between, especially when uploaded with a nondescript file name. Additionally, reducing the amount of clicks it takes to reach any given page or document on the ICOC website is strongly recommended.

RUBRIC/LIST OF CRITERIA

School Bond Transparency Rubric for the 2022 Report Card

On the District's ICOC Website	
1. Committee Bylaws	A link to the committee bylaws is available on the ICOC website.
2. Member Information	A list of the names of all ICOC members is available on the ICOC website.
3. Meeting Agendas and Minutes	Links to the most up-to-date meeting minutes and agendas are available on the ICOC websites.
4. Additional Meeting Materials	Links to attachments, appendices, presentations, and other additional materials for every ICOC meeting are available on the ICOC website.
5. Annual Reports	A link to the Annual Reports is available on the ICOC website.
6. Performance Audits	A link to separate Performance Audits is available on the ICOC website, or under a separate heading within the Financial Audits.

7. Financial Audits	A link to the Financial Audit is available on the ICOC website.
8. Project List	All projects currently being funded by the bond are listed on the ICOC website.
9. Project Descriptions	A brief written description of each project can be found on the ICOC website.
10. Project Progress	The current status and plan of action for each project can be found on the ICOC website.
11. Bond Background	A brief description of the bond, for what it is intended, when it was passed, and its amount can be found on the ICOC website.
12. Contact Information	The school district phone number and an email address of the ICOC point of contact is listed on the ICOC website.
13. Vacancies listed	Any committee vacancies, expected vacancies, or lack of vacancies are listed on the ICOC website.
14. Number of Vacancies	The number of current ICOC committee vacancies is listed on the ICOC website. While this is not a scored criterion, SDCTA recommends having no vacancies when possible.
15. 2021 Annual Report Available	The 2021 Annual Report is available on the ICOC website.
16. 2021 Audit Available	The 2021 Audit is available on the ICOC website.

On the 2021 Annual Report and/or Audits	
17. Budget Overview	A breakdown of how the budget was allocated for the past year is found in the annual report or audit.
18. Program Status Updates	An explanation of the current status of the bond program is found in the annual report or audit.
19. Detailed Discussion of Projects	A detailed discussion about what was accomplished in the past year and future plans for bond projects are found in the annual report
20. Basic Financial Information	Basic financial information can be found in the audit in accordance with general auditing standards.
21. Expenditures Itemized by Project/Site	All expenditures are itemized by project within the Financial Audit.

22. Prop 39 Required Audit Findings	Audits fulfill the requirements set forth by Proposition 39.
23. Additional Recommendations	There is a separate heading within the Audit called "Additional Recommendations," or a clear list of recommendations by the Auditor is easily found within the Audit.
24. Detailed ICOC Member Information	Section includes member names and positions, as well as contact information for at least one member.
25. Project Progress Report	The current status of all projects, further work that needs to be completed, and a general timeline for expected completion can be found in the annual report or audit.
26. Audits Performed by Third Party	Audits are performed by an independent auditor in accordance with the law.
27. Performance Audits meet SDCTA Standards	Performance audits are in line with SDCTA's recommendations found on the [Oversight Committee Best Practices](#) document (starts on page 4, text highlighted in yellow).
28. Did the District pass a resolution on Performance Audits?	Did the District pass a resolution requiring the following elements of the Performance and/or the Financial Audit: **(A)** That the District conduct a Performance Audit that considers the appropriate scope and ways to improve Program effectiveness and efficiency; **(B)** That a member of the oversight committee is involved in the auditor selection process and in the development of the audit's scope of work; and **(C)** That the oversight committee reviews the Performance and Financial Audits before they are presented to the Board?

Final score is out of 27 (#14 is unscored)