



**Fremont High School** – *New construction completed with Measure J bond funds*

# Measures B, J & Y Independent Citizens' Bond Oversight Committee

Annual Progress Report for Fiscal Year 2019-2020

## PURPOSE OF THE OUSD CITIZENS' BOND OVERSIGHT COMMITTEE

The Oakland Unified School District's Measure B, Measure J, and Measure Y Independent Citizens' Bond Oversight Committee (CBOC) is a state-mandated committee of residents that oversees the approximately \$1.645 billion in School Facilities bonds approved by voters. According to state law ([Cal. Educ. Code § 15278-15282](#)), our job is to inform the public about the expenditure of bond revenues by reviewing and reporting on "the proper expenditure of taxpayers' money for school construction". California Law requires that "taxpayers directly participate in the oversight of bond expenditures" and "the members of the oversight committee appointed pursuant to this chapter promptly alert the public to any waste or improper expenditure of school construction bond money." Cal. Educ. Code § 15264.

## BOND BACKGROUND

In June 2006, Oakland voters passed **Measure B, a \$435 million** School Facilities Improvement Bond which provided funding to the Oakland Unified School District (OUSD). Except for some remaining fire alarm projects, all Measure B funds have largely been spent prior to fiscal year 2019-2020.

In June 2012, Oakland voters passed **Measure J, a \$475 million** School Facilities Improvement Bond, for OUSD to enhance the educational environment for the students and communities of Oakland and better prepare students for college and jobs. Bond funds have been allocated to upgrade science labs, classrooms, computers, and technology; improve student safety and security; repair bathrooms, electrical systems, plumbing and sewer lines; improve energy efficiency; and make seismic upgrades.

In November 2020, Oakland voters passed **Measure Y, a \$735 million** School Facilities Improvement Bond, for OUSD to provide, among other things, classroom repair and school safety improvements, upgrading classrooms, science labs and technology; improving student safety and security; repairing bathrooms, electrical systems, plumbing and sewers; and improving energy-efficiency and earthquake safety.

## BOND PROGRAM ADMINISTRATION WORK

In 2020, Tadashi Nakadegawa became the permanent OUSD Deputy Chief of Facilities Planning and Management. Mr. Nakadegawa has worked for OUSD for 35 years and previously served as interim Deputy Chief of Facilities following the passing of former Deputy Chief of Facilities, Tim White, in November 2019. In accordance with OUSD Board Bylaws, CBOC Chairwoman Andrea Dawson participated in the interview process for the Deputy Chief of Facilities.

Over the past year, the OUSD Facilities Department oversaw three important developments related to the bond program. First, the OUSD Board of Education (Board) approved the 2020 Facilities Master Plan in May 2020. Second, OUSD proposed a new bond, Measure Y, for inclusion on the November 2020 ballot. Oakland voters approved Measure Y with 78% support. Third, the Facilities Department developed a revised Spending Plan for the remainder of funds from Measures B and J. The Board approved this revised Spending Plan in January 2021.

The past year also continued the unprecedented challenge of dealing with the impacts of the global coronavirus pandemic. OUSD schools closed to most students in March 2020 and have remained closed to in-person instruction through March 2021.

The 2019-2020 Financial and Performance Report were completed by Eide Bailey and presented to CBOC members on April 12, 2021. The performance audit is discussed on page 5 of this report. OUSD's Bond Financial Advisor is ISOM Advisors. \$175 Million were sold in fiscal year 2019-2020.

## BOND PROJECT OVERVIEW

Although most OUSD facilities were closed due to the pandemic during the school year, OUSD completed construction on several Measure J bond related projects (see Project Photos on page 7):



Fremont High School



The Center (Central Kitchen)



Glenview Elementary School



Madison Park

- **Fremont High School:** Construction is complete. Project consisted of a new campus entry, a new two-story classroom wing to replace portables, and renovation of the main classroom wing, new gym, sports field, and stadium. Final project cost: \$133.2 million. ([Project Fact Sheet](#))
- **The Center: Central Kitchen, Instructional Farm and Educational Center:** The 43,000 square-foot, one-acre central kitchen will provide a new district nutrition program providing 35,000 Oakland school children with healthier and fresher meals. Final project cost: \$75.5 million. ([Project Fact Sheet](#))
- **Glenview Elementary School:** Construction is complete at the elementary school and ready to accept students when in-person learning resumes. New buildings and replacement of 21 classrooms, library, cafeteria, and administrative offices. Final project cost: \$58.8 million. ([Project Fact Sheet](#))
- **Madison Park Business and Art Academy Expansion:** The expanded facility provides a K-12 pathway for students in the Sobrante Park neighborhood. Final project cost: \$39 million. ([Project Fact Sheet](#))
- **Emerson Softball Field and Playground Improvements:** Construction complete on girls' softball field that will be available for Oakland Tech High School softball team. Additional improvements were made to the elementary school playground and yard. Final project cost: ~\$3.2 million. ([Project Fact Sheet](#))

Other notable projects that remain in-progress and will rely on Measure J and Measure Y funds:

- **Claremont Multi-Purpose Building:** Planning and design continue to replace the kitchen that was destroyed by a fire and build a new multi-purpose room at Claremont Middle School.
- **Laurel CDC:** Planning and design continue for the project that consists of building new classrooms, administrative, foodservice, and other spaces. Site work includes new paved play and learning spaces.

## Citizens' Bond Oversight Committee Work

CBOC's responsibility is to actively review and report on the expenditure of taxpayers' money for school construction with voter-approved projects in accordance with Cal. Educ. Code § 15278. As required, the Board appointed a committee of residents from the district comprised of nine appointees, including a Chairperson, Vice Chairperson and Secretary. As voters approved new bond measures over the years, the Board has included oversight of those bond measures in this CBOC's jurisdiction.

In addition to the state-mandated oversight authority, in January 2021, the Board approved additional oversight authority for the CBOC in Resolution No. 2021-0031, which is codified in Section 2 of Board Bylaw

(BB) 9131. The new resolution provides this CBOC the authority for “reviewing and making advisory recommendations to the OUSD Board of Directors regarding proposed alterations to project budgets, timelines, and other changes to bond program expenditures that are subject to OUSD Board of Directors approval” OUSD BB § 9131(2)(8).

Over the past year, CBOC held virtual public meetings on their regular monthly schedule and reviewed program expenditures and other facility reports pertinent to expenditures of bond revenues. While the committee typically includes project site visits as part of its regular work, visits were suspended due to the global pandemic. In lieu of in-person site visits, OUSD Facilities Department Staff conducted presented virtual tours of several completed projects (see Project Photos on page 7) highlighting successes for the CBOC. Other activities included getting updates from prior years and monitoring on-going developments to capital improvements related to the bond program.

In the fiscal year 2019-2020, the CBOC continued to keep an attentive watch on the on-going progress of Measure J and B bond-funded projects. In addition, the Board included oversight of the recently passed Measure Y in the CBOC’s on-going oversight role. This annual report summarizes and highlights the work of the CBOC and our review of the expenditures in the Measure B, J and Y School Facilities Improvement Bonds for the fiscal year 2019-2020.

### 2019-2020 CBOC MEMBERS

- Andrea Dawson, *Chairperson*
- Saleem Shaki-Gilmore, *Vice Chairperson*
- Tina Longfield, *Secretary (resigned March 2021)*
- Mike Beebe (*appt. Feb. 2020*)
- Andrew Nelsen
- Travis Ritchie (*appt. Feb. 2020*)
- Andre Spearman
- Renee Swayne
- Victor Valerio

### OBSERVATIONS AND CONCERNS

The members of the CBOC appreciate the support provided by OUSD Staff throughout a difficult year. In particular, we would like to acknowledge the work done by Edgar Rakestraw, Linda Floyd, the KDOL staff, and the other staff in OUSD Legislative Services and Operations for their efforts to transition to virtual public meetings. Their work allows the CBOC to continue its work.

The CBOC also appreciates the cooperation and professionalism of OUSD Facilities Department Staff. Notwithstanding the concerns discussed below, OUSD Facilities Department Staff have remained communicative and responsive to concerns raised by the CBOC. In the CBOC’s view, OUSD Facilities Department has made important progress in recent years towards a more transparent and effective decision-making operation. Of note, the OUSD Facilities Department completed a revised 2020 Procedures Manual to better formalize the process for decision-making related to scoping and funding projects. Department Staff also developed new materials for this committee to review that highlighted both the status of various bond projects as well as their respective historical budgets. These improvements provide greater transparency for the CBOC and the public.

While the CBOC appreciates the improved transparency and processes, we have concerns and look forward to additional improvement in the following areas:

- **Implementation and documentation** of formal processes outlined in the Procedures Manual for decision-making related to the on-going planning and prioritization of bond projects.
- **More detailed processes** regarding communicating to the CBOC and the Board about important budget changes that affect use of bond program funds.

- **Implementation of best practice norms** for change-order approval processes and sharing with the CBOC and the Board in more timely and detailed manner that explain and justify when actual cost projections may or will change in accordance with the Spending Plan budget.
- **Using Measure J bond money for lease payments** at 1000 Broadway in years 2019, 2020, and 2021 to house administrative staff may be an inappropriate use of bond funds, a concern we have raised in previous years. This concern will remain until a permanent home is found for staff. The Cole Administration Center site had been considered as the new building. Staff sent out bid requests and received responses. However, no bid has been approved by the Board. The issue remains pending following direction from the Board to look at housing OUSD staff in multiple sites.

## Annual Financial and Performance Audit Review and Findings

CBOC's primary duty is to provide a written statement on compliance for the public on both our review of the bond program expenditures and activities and the independent auditors Financial and Performance Audit to ensure that Measure B, J and Y bond funds are spent in accordance with the bond language. At this time, bonds have not been issued for Measure Y.

The expenditure summary at the end of this report reflects the project expenditures for the Fiscal Year ending June 30, 2020, as presented by OUSD. The report is organized to reflect the life of each project commencing with the Pre-Design Phase and concluding with the Completed Phase. The expenditures reported by OUSD for the Measure B and J bond program fiscal year 2019-2020 totaled \$84,623,530.

Each fiscal year a financial and performance audit of Measures B and J bond fund (in the future to include Y) expenditures is required to be conducted. Eide Bailey LLP was contracted to conduct the performance and financial audit of Measures B and J for the year ending June 30, 2020. The performance audit was submitted to CBOC members by April 1, 2021. Eide Bailey presented the performance audit findings to the CBOC at our April 12, 2021, meeting. The financial audit was presented at the May 10<sup>th</sup> meeting.

The performance auditors concluded that, with the exceptions and clarifications noted below, bond proceeds were used only for listed projects under the 2006 Measure B and the 2012 Measure J bond programs. The performance audit report identified several good management practices used by OUSD. In addition, the auditors identified the following exceptions and clarifications:

- Although OUSD has updated procedures to ensure maintenance of complete procurement and contract files and invoices evidencing approval for all expenditure transactions, OUSD was not able to provide complete documentation for all sampled expenditures, procurement, and contract files to support expenditures' ability for several inter-department transactions and to support existence of internal control procedures.
- The ballot language addresses projects at OUSD and school site levels; however, particular expenditures are not explicit in the bond language, including the payment of rent for administrative staff offices as 1000 Broadway.
- OUSD does not have a documented basis for distributing salary between the narrow category of bond compliant construction projects, and routine every-day school facilities administrator expenses.

### **CBOC COMPLIANCE STATEMENT**

The 2019-2020 CBOC Statement of Compliance opinion on the Measure J and B bond program is submitted to the Board in accordance with Cal. Educ. Code § 15278. Based on available information provided by OUSD and the Eide Bailey fiscal year 2019-2020 Financial and Performance Audit, the **CBOC finds that OUSD is in compliance** with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution.

# Building a Better Community

## PROJECT PHOTOS

Additional highlight photos can be found in the Virtual Tours for each of these projects linked in appendix.

### FREMONT HIGH SCHOOL



Fremont High School



Football and Soccer Field



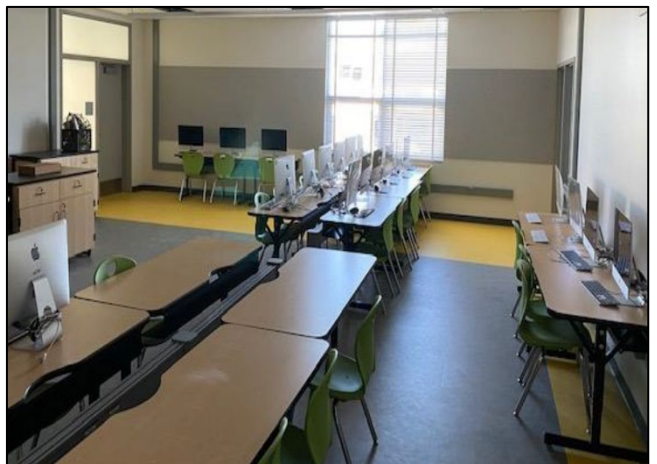
Gymnasium Exterior



Recording Studio



Science Lab Classroom



Media Pathway

## THE CENTER: CENTRAL KITCHEN, INSTRUCTIONAL FARM AND EDUCATIONAL CENTER



Main Entrance



Reception Area



Baxter Ovens



Cooktop



Training Classroom



Garden and Greenhouse



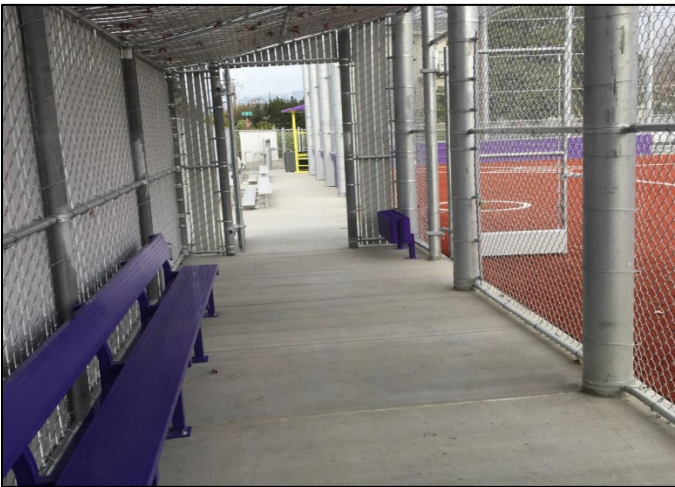
## EMERSON SOFTBALL FIELD AND PLAYGROUND IMPROVEMENTS



Infield and Homeplate



Homeplate and Overhead Screen



Dugout



Scorekeeper's Area



Basketball Courts



New Playset

## Appendix

- [2020 Facilities Master Plan \(revised\)](#)
- [2020 OUSD Procedures Manual](#)
- [Measure J Capital Spending Plan \(revised\)](#)
- [Historical Changes to Capital Spending Plan \(2014-2021\)](#)
- [2021 General Obligation Bond Issue Schedule](#)
- [2021 Measure Y Spending Plan](#)
- [OUSD Board of Education Resolution No. 2021-0031 \(amending Board Bylaw 9131\)](#)
- [FY 2019-2020 Performance Audit Report](#)
- **Virtual Site Tours:** [Fremont High School](#), [The Center \(Central Kitchen\)](#), [Emerson Softball Field](#)