

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

**Annual Report: 2025-2026
and Fiscal Year Ending June 30, 2025**

INTRODUCTION

This report was prepared by the Measures B, J, and Y Independent Citizens' Bond Oversight Committee (CBOC) for the Oakland Unified School District (OUSD) in accordance with California Education Code §15280(b) and OUSD Board Bylaw 9131, Section 2, Subparagraph 4. The purpose of this report is to make available to the public (1) an annual report of bond activities and expenditures; and (2) a review of the July 1, 2024-June 30, 2025 financial and performance audits of OUSD as required by Article XIII A of the California Constitution. Activities and expenditures cover the CBOC meetings held from June 2025 through May 2026

PURPOSE OF THE OUSD CITIZENS' BOND OVERSIGHT COMMITTEE

The OUSD CBOC is a state-mandated committee made up of local residents that is required by statute when a local Bond Measure is passed by the taxpayers at a minimum 55% rate. In Oakland, voters have approved approximately \$1.645 billion in School Facilities bonds. 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.

In addition to the state-mandated oversight authority, in January 2021, the OUSD School 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 Board Bylaws further provide that the CBOC’s authority includes “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).

Summary of 2025-26 Activities and Recommendations

The Measures B, J, and Y Independent Citizens’ Bond Oversight Committee (CBOC) met eight times during this reporting period. In addition, CBOC has toured all the current major projects over the last year, including Roosevelt MS, Garfield Elementary, Claremont MS New Building, Laurel CDC, Melrose Leadership Academy, Cole Administration Building, Fremont High School, Coliseum College Prep Academy (CCPA) and McClymonds High School.

The CBOC has made the following observations and recommendations during this reporting period:

- Do not move up or proceed with solar projects ahead of more critical capital projects such as addressing districtwide thermal comfort issues which was identified as the largest ongoing concern by students, parents and staff
- Do not cut board-approved bond funds designated for demolition of 1025 Second Avenue and Ralph Bunche properties
- Prioritize projects in historically marginalized schools, where the need is the greatest, as identified in the Facilities Master Plan (FMP) such as McClymonds and Garfield
- Adhere to OUSD BB § 9131(2) which allows CBOC to make recommendations by way of a vote of our full committee on certain items related to the use of bond funds before those items go to the full Board

See the section below titled “CBOC OBSERVATIONS AND CONCERNS” for a more thorough discussion of our concerns regarding current non-compliance with the by-laws, particularly as it relates to alterations to project budgets and our recommendation to resolve this issue.

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 PROJECT OVERVIEW

Although bonds fund a wide range of district wide improvements, we highlight the major projects that are being funded:

Coliseum College Prep Academy (CCPA)

The project consists of the demolition of eight existing portable classrooms and construction of 14 new classrooms in a two-story modular building, with 2 state-of-the-art science labs, construction of a new gymnasium building, new restroom facilities and inclusive outdoor spaces. Construction is to commence in Q3 (Summer) 2026, with completion scheduled for Q4 2027. OUSD originally identified \$35.5 million and subsequently increased that allocation to \$55 million to account for increased construction costs and to adhere to DSA standards and state specifications. Total proposed budget has increased to \$74,000,000 with funding coming from other sources.

Roosevelt MS Modernization

This project includes renovated classrooms in the main wing with a new 3,400 square foot modern science building with STEM learning opportunities. The school is also getting upgraded HVAC system, new lighting and major structural safety. The outdoor learning areas are receiving landscaping and gardening improvements. Original approved budget was \$90.5 million. New proposed budget is \$97.6 million. Phase 1 of the project's construction is underway.

Fremont HS Modernization

This project includes four new permanent modular buildings and two office spaces. This project is replacing an existing old portable classroom. This project also includes elevator modernization and lighting on Foothill Blvd parking lot area and EV charging infrastructure. The original project budget that was Board approved was \$15 million from Measure J. New proposed budget is \$22.8 million including \$18.3 million from Measure J. Project is in construction.

Garfield Elementary Site Renovation

The OUSD Board approved a budget of \$56.7 million in 2023/2024 for this project, then increased in 2025 to \$70.7 million. The project has changed from a modernization project to a New PK-5 campus with 30+ classrooms, a resource center which also includes an expansion of the District TK/PK program. This will be a Net Zero ready campus with an all-electric high efficiency system. Other features include new play structures, play yards, and staff parking. The project is in development, construction documents for bid and award with tentative construction start in early 2027. New projections suggests that the budget will \$104.5 million.

McClymonds HS Modernization

The project consists of modernizing various aspects of the school's facilities. The modernization is campus wide, which includes classroom enhancements, upgrades on indoor, outdoor spaces, landscaping and building, plumbing and heating systems, enhancements to the stadium, the bleachers and the turf field are being replaced. The construction documents and specifications have been completed and submitted to DSA for review and approval. Project construction is to begin Q2/Q3 of 2026, with completion scheduled for in early 2028. OUSD

originally identified \$65 million in Measure Y funding for this project, subsequently increasing that allocation to \$95.75 million to account for increased construction costs and to adhere to DSA standards and state specifications. More increases are expected, likely bringing the overall investment to \$108 million.

Melrose Leadership Academy MLA Maxwell

The project includes campus wide improvements to classrooms, administrative spaces, structural upgrades and plumbing renovations, solar panel system and a new high efficiency heat pump system. The campus is also getting a new middle school building with 6 classrooms with a science lab, and gender-neutral restrooms. The original approved budget was \$36.5 million. Current proposed budget is \$42.2 million. Project is waiting DSA approval with construction expected to start in the fall 2026.

BOND PROGRAM OVERSIGHT

Ms. Sele Nadel-Hayes was appointed to fill the post of Executive Director, Facilities Construction. She and her staff serve as the primary point of contact for the CBOC committee. She succeeds Kenya Chatman who resigned in mid-May 2025.

CBOC Members and Roles as of May 2026.

Viola Gonzales, Chair
Andrew Nelsen, Vice Chair
Andrea Dawson, Secretary
Anana Clark, Member
Andrew Butler, Member
Sam Davis, Member
John Jones, III, Member
Vacancies (2)

We conduct project site visits as part of our regular work and have been able to visit the currently on-going bond projects. In addition to the members listed in list above, David

Colbert is the OUSD Staff Liaison to the committee and OUSD Board Member Valerie Bachelor remains the Facilities Committee lead.

Citizens' Bond Oversight Committee

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. In addition, OUSD Resolution No. 2021-0031, which is codified in Section 2 of Board Bylaw (BB) 9131, requires Staff to present to this committee for review and advice any substantial changes to project scope, budget or timeline that are subject to Board of Education approval.

Over the past year, the committee held in person public meetings on our regular monthly schedule and reviewed program expenditures and other facility reports pertinent to expenditures of bond revenues.

Publicly noticed meetings of the CBOC are typically held on the second Monday of each month from August through June. Scheduling information and meeting agendas are available under the body "Measures B, J, and Y Independent Citizens' School Facilities Bond Oversight Committee.

Meetings are typically held in person at Committee Room, KDOL TV Studio, B-237, Met West High School Entrance, 314 East 10th Street, with an option for the public to participate remotely.

CBOC OBSERVATIONS AND CONCERNS

CBOC appreciates the efforts of OUSD Facilities Staff and Board Office Staff to manage CBOC meetings and present information to our committee each month. Facilities Staff members are generally responsive to our concerns and strive to provide the information that our committee requests in a format that is most helpful to us.

The CBOC notes the following specific observations related to bond expenditures:

Facilities Master Plan (FMP) Completion

Pranita Ranbhise, Executive Director of Facilities Planning & Management, oversaw extensive outreach to complete the updated Facilities Master Plan in a timely basis. We

appreciate the opportunities that were afforded for us to robustly participate in the FMP update. We note that our suggestions were given consideration and many were incorporated in some form in the final document.

And although many members felt that the document could have been shorter and written more simply, the most important fact is that the Facilities Master Plan satisfies the California Department of Education (CDE)'s requirement to be eligible for state facilities funding.

The Facilities Master Plan (FMP) is the foundational document to guide the District's decisions related to its facilities' needs. Board Policy (BP 7110) mandates that the District update the FMP "every five years in its entirety and also updated annually as to work accomplished in the prior year as well as the District's demographics." It is a living document and the public expectation is that it will be updated each year.

Non-compliance with OUSD BB § 9131(2)(8), Process for Reporting Change Orders and Other Project Funding Alterations

OUSD BB § 9131(2)(8) states that CBOC activities include:

"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.

- o If the Committee elects to review and make advisory recommendations regarding proposed alterations to project budgets, timelines and other changes to bond program expenditures that are subject to OUSD Board approval, these recommendations must be made at or before the Board meeting where the requested changes are to be considered for approval.
- o The Superintendent or designee shall ensure that all documentation related to the requested change is provided to the Committee through the Chair at the same time that such documentation is provided to the Board.
- o The Superintendent or designee shall ensure that all alterations to project budgets, timelines and other changes to the Bond program expenditures, with adequate explanations for these changes, are reported to the full Committee at the next scheduled meeting and, in no event less frequently, than once a quarter."

Non-compliance with this section of the bylaws has been an ongoing concern since our 2021 report. While we noted improvements in our 2023 report, last year we stated that “the current change order process for reporting lacks any meaningful review opportunities for either the CBOC or the Board.” We have the same observation this year. Change orders have routinely occurred without due notice to the Board or CBOC. Change orders most commonly appear on the Board’s consent calendar, often after the fact and staff do not prepare quarterly reports of change orders for CBOC review.

Furthermore, every performance audit in the past several years, including this year’s, has noted that practices of reporting change orders and/or Allowances for Expenditure Directives (AEDs) were areas that needed improvement. (See Performance Audit-Theme 2 below.) This year’s audit notes “...there was no centralized, complete change-order listing for the fiscal year” and recommends “a centralized log and better advance visibility of significant change actions”. The audit further states “Frequent AED activity suggests opportunities to improve early-stage planning, design completeness, and scope definition.

The by-laws’ requirement applies beyond change orders as well. CBOC is to be advised of all “proposed alterations to project budgets, timelines, and other changes to bond program expenditures that are subject to OUSD Board of Directors approval “ so that we can review them and make advisory recommendations pertaining to them. We have on several occasions seen changes to projects budgets go forward without giving us opportunity to consider and make recommendations on those changes.

The May 28th Amendment to Cahill Contractor’ Lease-Leaseback Agreement at Fremont High School provides an example. This \$10 million change in scope to the project never came to CBOC, despite the by-laws direction that “proposed alterations to project budgets, timelines, and other changes to bond program expenditures that are subject to OUSD Board of Directors approval.” If it had, we could have noted for the Board that the funding for this change in scope came from the current project’s contingency fund. Project contingency funds are customarily intended for unforeseen and unavoidable expenses that are necessary to complete the current contract, which is not the case here. A project’s unused contingency funds should be allocated to the Bond’s overall reserves. The Board should have at least been made aware of the changes’ impact on the Bond’s overall reserves. Additionally, once this change was approved several change orders were executed under this amendment that came to neither the CBOC or the Board.

Many change orders are unavoidable and must be expedited in order to conform to construction timelines. These change orders should be compiled and reported quarterly, with justification. However, changes to project budgets, timelines, and other changes to bond program expenditures **that are a result of OUSD staff discretion** and not driven by unavoidable situations that occur during construction **must be reported in advance to CBOC, per the bylaws.**

We stated last year that “we want to work with staff and the Board to create a process whereby, at a minimum, change orders initiated at staff discretion (i.e. owner-initiated change orders) are available for review prior to expenditure approval.” This year, we want to state more strongly that **the District is out of compliance with its by-laws** and we must insist that staff, Board and CBOC jointly establish a process to address this non-compliance.

Delayed appointments to the CBOC

The appointments of two qualified applicants for CBOC membership in FY 2025-26 were delayed significantly by a lack of Board action on their appointment. One appointment was delayed until November and another until January. Appointments are typically made in August. These delays meant that the CBOC was denied the contributions of these two members for much of the Fiscal Year. We encourage the Board and Board President to continue the customary practice of appointing CBOC members in August going forward. CBOC remains with two vacancies as of this report.

Review of Annual Financial Statements & Recommendations from Performance Audit

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 auditor’s Financial and Performance Audit to ensure that Measure B, J and Y bond funds are spent in accordance with the bond language.

Each fiscal year a financial and performance audit of Measures B, J, and Y expenditures is required to be conducted. Eide Bailey LLP was contracted to conduct the performance and financial audit of Measures B, J and Y for the year ending June 30, 2025. This committee received the Audit Reports as part of the agenda for our regular meeting of April 13, 2026 where we received a presentation of the findings from Eide Bailey LLP.

The Audit Reports are available for review on the District website [need to confirm location details](#)).

Annual Financial Documents for Fiscal Year July 1, 2024 through June 30, 2025.

OUSD received very positive news from its auditors. Our school district received a “clean audit”, meaning that there were no findings. These unmodified opinions on the financial statements indicated that there were no significant deficiencies or material weaknesses in internal controls and expenditures were made for authorized bond projects.

Performance Audit for Fiscal Year Ending June 30, 2025. Our school district also invests in an annual Prop 39 independent performance audit. The scope of work includes evaluating performance in the following eight areas :

1. Adherence to design and construction cost budgets,
2. Adherence to project schedules and timelines,
3. Financial reporting and internal controls over the bond program,
4. Payment processing and invoice approval controls,
5. Change order and claim procedures,
6. Bidding and procurement procedures,
7. Best practices for procurement of materials and services, and
8. Selected compliance areas, including conflict-of-interest disclosures and compliance with applicable state laws, regulations, and Board policy.

The expanded performance audit listed sixteen (16) observations made by the audit team that identified documentation exceptions, reporting inconsistencies and improvement opportunities warranting management attention. The areas of improvement were organized around four themes, as follows:

Theme 1- Reporting consistency and schedule transparency

Certain project level cumulative budgets and expenditures differed between accounting and project management reports. Therefore, the audit pointed out the need for a single reconciled source of truth before reports are issued.

Theme 2 - Change Orders, AEDs, and Early Warning Reporting

Audit recommended a centralized log and better advance visibility of significant change actions.

Frequent and recurring use of Allowance Expenditure Directives (AEDs) across multiple projects suggests that certain risks are being managed during construction instead of being mitigated earlier in project development. These are opportunities to improve early-stage planning, design completeness, and scope definition.

Theme 3-Documentation and procurement execution

Review of the execution of procurement procedures identified instances of missing or out-of-sequence signatures; outdated bid advertisements; and work beginning before final approval in some cases. These instances are execution and documentation issues that point out areas where management can improve performance.

Theme 4- Governance infrastructure and Long-Term Control Maturity The audit pointed out the need for a better version control and a single “source of truth” for facilities standards.

CBOC will be reaching out to the facilities staff team to work in partnership with Board and staff to continue to make additional improvements as recommended by the performance audit.

Auditors reported that management had begun implementing actions to strengthen controls and reporting. CBOC values the major project Facts Sheets as an important addition to the information we receive, enabling us to track projects and be able to report to the community spending and timeline changes. We want to continue to work in consultation with staff about improvements to the Fact Sheet formats.

CBOC COMPLIANCE STATEMENT

In accordance with Cal. Educ. Code § 15278 (b), the CBOC is tasked with advising the Board of Education and the public on OUSD’s compliance with the California Constitution’s requirements related to the expenditure of bond funds. None of the observations and concerns with the expenditure of bond funds noted in the report rise to a level that constitutes improper use of bond funds. We therefore **find that OUSD is in compliance** with the requirements of Article XIII A, Section 1(b)(3) of the California Constitution.