

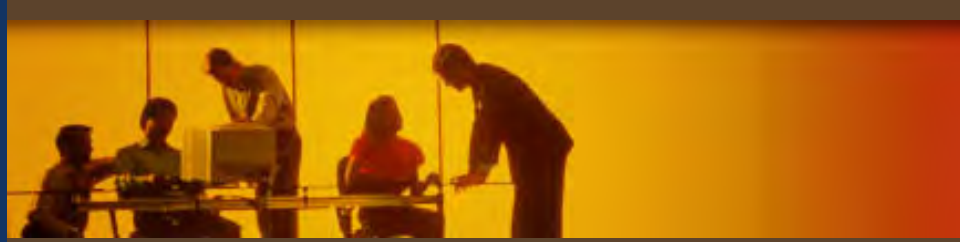
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April 20, 2015

ISSUE 73



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## CaLBOC - 4th Annual Statewide Conference

May 19, 2015 - Tuesday

9:30 am - 3:00 pm

California Chamber of Commerce, California Room  
1215 K Street, Sacramento, CA 95814

\$50 per person, includes lunch & refreshments

### Theme: "Value in a Changing World"

#### Keynote Speakers:

State Senator Jean Fuller

Don Mullinax, CFE, former Inspector General of  
Los Angeles Unified School District

Keynote Presentation: The Governor's View of School Facility Finance  
State Senator Jean Fuller, State Republican Leader-Elect, and Retired  
Superintendent of the Bakersfield City School District

Keynote Presentation: Fraud Awareness: School Construction  
Mr. Don Mullinax, Certified Fraud Examiner and  
former Inspector General of Los Angeles Unified School District

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## SEC Launches Informal Inquiry into LAUSD's Use of Bonds for iPads

April 17, 2015 | By Howard Blume | [www.LAtimes.com](http://www.LAtimes.com)

**EXCERPT:** The federal Securities and Exchange Commission recently opened an informal inquiry into whether Los Angeles school officials complied with legal guidelines in the use of bond funds for the now-abandoned \$1.3-billion iPads-for-all project.

In particular, the agency was concerned with whether the L.A. Unified School District properly disclosed to investors and others how the bonds would be used, according to documents provided to The Times.

District officials said they were optimistic that they had addressed the SEC concerns.

The news of the SEC inquiry came the same week that L.A. Unified officials defended a refund from computer giant Apple over curriculum supplied on the devices by Pearson, which sells education services and materials worldwide. Pearson was a subcontractor to Apple under a contract approved by the Board of Education in June 2013.

That fall, problems immediately plagued the rollout of devices to campuses, and questions soon arose about whether Apple or Pearson had an unfair advantage in the bidding process. An ongoing criminal investigation by the FBI is looking into that matter. Current and former district officials have denied any wrongdoing. ... **To read the complete article, please visit:**

[www.latimes.com/local/education/la-me-laUSD-ipads-inquiry-20150417-story.html](http://www.latimes.com/local/education/la-me-laUSD-ipads-inquiry-20150417-story.html)

## Converting High-Interest capital Appreciation Bonds San Leandro district bond refinance saves millions

April 17, 2015 | By Rebecca Parr | [www.mercurynews.com](http://www.mercurynews.com)

**EXCERPT:** San Leandro Unified has saved taxpayers \$16.7 million by converting some high-interest capital appreciation bonds.

Some cash-strapped school districts throughout California issued capital appreciation construction bonds, but they came with a steep price -- taxpayers can end up paying interest many times the original amount borrowed. Districts do not make regular installment payments on the bonds; the mounting interest can result in huge balloon payments.

San Leandro converted more than \$7 million of the bonds, cutting the ultimate price tag from \$35 million to \$18.3 million and shortening the bond term by 10 years, from 2039 to 2029.

The property tax rate in the first eight years of the reissued bonds will go up about \$5.25 per hundred thousand dollars assessed the value, said financial adviser Dale Scott, who helped the school district with the bond deal.

"But overall, there will be a substantial decrease for taxpayers," he said.

The district converted the bonds through a combination of buying back bonds in the open market and more traditional refinancing, taking advantage of low interest rates, Scott said. He also has helped school districts in Stockton, Ceres and Daly City convert bonds.

"When we first started this program, everybody had said you can't refinance these bonds. We figured out a way to engage the holders of the bonds in the open market," he said.

More than 200 California school districts issued about \$3 billion of the high-interest capital appreciation bonds from 2001 to 2013, when a new law prohibited capital appreciation bonds with debt ratios of 4-to-1 or greater, Scott said. ... **To read the complete article, please visit:**

[www.mercurynews.com/business/cj\\_27927941/san-leandro-school-district-bond-refinance-saves-taxpayers](http://www.mercurynews.com/business/cj_27927941/san-leandro-school-district-bond-refinance-saves-taxpayers)

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CaLBOC - 4th Annual  
Statewide Conference  
May 19 - Tuesday

## A G E N D A

9:30 am - Registration

10:00-10:15 am

INTRODUCTORY REMARKS

10:15-11:00 am

PANEL PRESENTATION:  
1st Cost Reduction Strategies

11:00-11:45am

PRESENTATION: Rethinking  
How California Funds  
School Facilities

11:45-12:15 pm - LUNCH:

[Plates Catering](#)

*an outreach effort of the St.  
John's Shelter for Homeless  
Women and Children*

12:15-1:00 pm

KEYNOTE PRESENTATION:

The Governor's View of  
School Facility Finance  
State Senator Jean Fuller

1:00-1:15 pm

The Anton Jungherr Award

1:15-2:00 pm

KEYNOTE PRESENTATION:

Fraud Awareness:  
School Construction  
Mr. Don Mullinax, CFE

2:00-2:45 pm

PRESENTATION: Beyond  
Reviews and Reports:  
BOC Members' Experiences

2:45-3:00 pm

CLOSING REMARKS

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### Mission Statement

To promote school district accountability by improving the training and resources available to California's Proposition 39 School Bond Oversight Committees and educating the state legislature, local school boards and the public about the oversight and reporting powers these Citizens' Bond Oversight Committees (CBOCs) have, and to advocate on a state level, where appropriate, on issues of common concern to all CBOCs.

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[calboc.org/reviews.html](http://calboc.org/reviews.html)

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