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ISSUE 93



Fresno Unified Wants Leaseback Lawsuit Dismissed

April 19, 2016 | By MacKensie Mays | www.fresnoBee.com

EXCERPT: ... Attorneys for the district filed a motion in Fresno County Superior Court to dismiss the suit, claiming that Stephen Davis - the Fresno contractor who first alleged the district abused the "lease-leaseback" system - does not have a right to make his case. ...

... Davis' lawsuit [sparked a federal investigation](#) of the contract and several other of Fresno Unified's leaseback deals. The grand jury investigation, which began in August, is still underway.

Davis claims that not only did the district deliberately misuse the process to ensure the Gaston Middle School project went to Harris Construction, but it also broke conflict-of-interest laws by allowing the firm to perform pre-consulting work on the project.

Districts and contractors across the state are closely watching the case, which could change how school deals are done in California. Legislation has been introduced that would require competitive bidding in leaseback projects.

However, expected amendments to [Assembly Bill 2316](#) would protect contractors who previously signed those deals from having to pay back money to districts. ...

... Davis wants the money spent on the Gaston Middle School project to be returned to the district, and has invited Fresno Unified school officials to join him in his fight against Harris Construction, but to no avail.

"I'm shocked that the school district would attempt to defeat our efforts to return to them \$37 million they paid out under a contract that appears to be illegal," Davis' attorney, Kevin Carlin of San Diego, said Tuesday. "I'm confident that the Superior Court will deny the motion and find we do have standing." ...

To read the complete article please visit:
www.fresnobee.com/news/local/education/article72759377.html

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CaLBOC Statewide Annual Conference

Tuesday, May 31, 2016

Getting It Right... Successful Bond Programs

The California Chamber of Commerce (CalChamber)
1215 K Street Sacramento, CA 95814

Tentative Agenda

10:00-10:15	Welcome - Michael Turnipseed, CaLBOC President
10:15-11:00	Task Force on Bond Accountability: Task Force Report. Co-Chair Fred Keeley
11:00-11:45	20 Years of Successful Citizen Oversight Tim Towers, Santa Clara Unified
11:45-12:15	<i>Lunch - Plates Catering</i>
12:15-1:00	Invited Keynote Speaker: John Chiang, State Treasurer
1:00-1:15	Presentation of Anton Jungherr Award
1:15-2:00	A Successful Construction Project Story Larry Adams, Santa Clara Unified
2:00-2:45	Construction Performance Audits: How to Achieve Your Construction Program Goals Curtis Mathews, Moss Adams.
2:45-3:00	Closing - Michael Turnipseed, CaLBOC President

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AB 2316 | New Bill Would Protect School Contractors In No-Bid Deals

April 18, 2016 | By Dan Walters | www.sacbee.com

EXCERPT: Last year, a state appellate court ruled that when Fresno Unified School District hired a construction company to consult on a middle-school project and then awarded it a no-bid contract to build the school, it violated state conflict-of-interest laws.

The state Supreme Court refused to take up the case, immediately placing billions of dollars in school construction payments all over the state in jeopardy as attorneys demanded that districts recapture funds that were paid under illegal contracts.

Meanwhile, lobbyists for the construction industry - particularly firms that specialize in "lease-leaseback" projects - began pressing the Legislature for protection from "disgorgement," as it's called.

Protective legislation - dubbed a "get-out-of-jail-free card" by critics - was drafted but the effort stalled, in part because legislators were leery about intervening in what had become, in Fresno, a federal investigation of insider dealing. ...

... Assemblyman Patrick O'Donnell, D-Long Beach, who leads the Assembly Education Committee, had already introduced a bill that would require competitive bidding in lease-leaseback projects, in which a school district leases a school site to a contractor, then leases back the school that's built on the site.

O'Donnell is now drafting amendments to [Assembly Bill 2316](#), to be introduced in the next few days, that would expand the bidding requirement to include preconstruction consulting contracts. But they would protect contractors who had previously built schools under no-bid lease-leaseback contracts after serving as consultants from having to repay money. ...

... Protecting contractors from having to repay funds they received from such questionable deals is another matter altogether. While some may have acted in good faith, it's evident that others got caught doing something they should have known was unseemly and shouldn't have done. The pending bill would, in effect, reward them for bad behavior.

To read the complete article please visit:

www.sacbee.com/news/politics-government/politics-columns-blogs/dan-walters/article72539072.html

Assembly Bill 2316:

leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB2316

[bill_id=201520160AB2316](http://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB2316)

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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: CBOC Operation Guidelines

This 18 page document provides a basis for the BOC to perform a self-assessment of their operations and identify training needs. Could be used as an outline for developing a training program for committee members.

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