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## Education Debt Debate Heats Up

January 4, 2016 | By James Poulos | [calwatchdog.com](http://calwatchdog.com)

**EXCERPT:** ... The school construction bond measure has run up against opposition from powerful forces to the left of center. Gov. Jerry Brown, for instance, "is opposed to more bond debt," as Skelton noted. "And teachers unions don't want a school bond on the November ballot to compete against their anticipated tax increase proposal." The CTA, for instance, has so far opted not to take a position on the \$9 billion bond. "But the union is working on an initiative to stop the scheduled expiration of some temporary taxes that voters approved in 2012 with Proposition 30," according to the *San Jose Mercury News*. "Various proposals are in the works to raise at least \$5 billion a year by extending some of those taxes."

Schools themselves have not been immune from criticism. Seeking a culprit for the derelict condition of many state schools, *U-T San Diego* blamed "the Legislature's decision during the Great Recession to suspend the state mandate requiring that districts spend at least 3 percent of their budgets on maintenance."

"Some districts essentially gave up on such maintenance and have not ramped up maintenance to old levels now that school funding has rebounded. When there is little money in the operating budget for maintenance, some districts - including San Diego Unified - have used borrowed bond money to pay for routine upkeep."

The controversy over the responsibility of school unions and public pensions for accumulating debt has played out at a time when the costs of CTA's political influence have increased. "The CTA has become a force in Sacramento by pouring millions into influencing ballot measures and electing lawmakers, then millions more lobbying legislators after they take office," the *Mercury News* recalled. "The union's formidable political operation - spending about \$200 million on campaigns and lobbying in the last 15 years - is funded by roughly 300,000 classroom teachers who pay approximately \$1,000 each in annual union dues." ...

**To read the complete article please visit:**  
<http://calwatchdog.com/2016/01/04/education-debt-debate-heats/>

## Education Sector Bond Spending Continues to Spike

January 5, 2016 | By Steve Miller | [calwatchdog.com](http://calwatchdog.com)

**EXCERPT:** ... A *CalWatchdog* analysis of data for the year shows 465 securities issuances from education entities. Some were refunding issuances - refinancing existing bonds - but the majority were general obligation bonds, which rely on taxation for repayment.

Most of the issuances came from school districts, charter schools and education districts, while 64 were directly tied to a single community college district or public university system.

A driving factor in the boost in issuances is the increase in real estate values in much of the state, said Kevin Carlin, a San Diego-based public interest attorney with a public works construction background.

"There is a limit in bond measure (regulations) that says you can't issue more than a certain percentage of assessed value in a district. So once you get maxed out on the value limit, you have to wait for those limits to go up."

The voter-approved bonds are part of a continued spending surge on education in the state.

In November, voters will decide on \$9 billion in school construction bonds. It's the first statewide education bond measure since 2006. The issue is propped up by big money from the construction and engineering industries and so far has drawn little opposition. The measure was qualified for the ballot via a push from the California Building Industry Association. ...

... Between 2001 and 2014, California voters approved \$146.1 billion in bond debt for school and college districts, according to a study published in July by the California Policy Center.

"The idea that people are forming is this assumption that property values will skyrocket forever," said Kevin Dayton, the author of the study. "That way it won't be so painful for the kids to pay it off as adults. But this is all built on predictions and we have no idea if this will come true." ...

**To read the complete article please visit:**  
<http://calwatchdog.com/2016/01/05/education-sector-binge-spending-continues-to-see-more-and-more/>

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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.

[PDF](#)

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