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# CaLBOC CALIFORNIA LEAGUE OF BOND OVERSIGHT COMMITTEES

# REVIEW

HELPING SCHOOL BOND OVERSIGHT COMMITTEES SERVE THEIR COMMUNITIES  
[www.CaLBOC.net](http://www.CaLBOC.net)

December 5, 2017

ISSUE 119



## Alum Rock School Construction Has Lagged

Nov. 10, 2017 | By Sharon Noguchi | [www.mercurynews.com](http://www.mercurynews.com)

**EXCERPT:** ... More than two years later, construction hasn't even begun on the building. ...

This week, the district received a welcome bit of good news that might nudge the project forward. Four months into the fiscal year, Alum Rock finally won approval of its 2017-'18 budget from the Santa Clara County Office of Education, which is charged with budget oversight for the county's 31 school districts...

The district must meet conditions that the office of education attached to its budget approval. To help, the county office will send in an auditor to make sense of the district's financial books. On Jan. 1, it also will deploy a fiscal expert to help address persistent shortcomings - Alum Rock's failure to reconcile its numbers, prepare a monthly cash flow and address understated expenditures - and to report on progress in meeting state auditors' recommendations.

The adviser also will help identify funds to pay off \$25 million in special bonds not approved by voters but borrowed in 2010 to build San Antonio Elementary School.

The lapses in accounting aren't a new phenomena. "Historically, the district has submitted a balanced budget that has significantly varied from the actual budget at the end of the year," wrote Megan K. Reilly, chief business officer of the county office of education, in her letter to Alum Rock. ...

While setting its financial house in order, Alum Rock will be responding to subpoenas from the Securities and Exchange Commission, which is investigating its bond management. The board on Thursday agreed to seek a financial adviser to help respond to the SEC demands. ...

But perhaps the greatest hurdle may be Alum Rock's mercurial governing board, whose majority has resisted warnings issued by the state school auditing agency known as FCMAT. Board members also have vilified county office of education Superintendent Jon Gundry, who instigated the audit and has encouraged the board to comply with its findings. Board behavior has been cited as a liability by investigating agencies.

FCMAT advised renegotiating contracts with Del Terra Real Estate, which manages Alum Rock's bond construction. The board this week again rebuffed efforts by trustees Karen Martinez and Andrés Quintero to drop Del Terra as bond program manager. ...

**To read complete article, please visit:**

[mercurynews.com/2017/11/10/why-has-alum-rock-school-construction-lagged/](http://mercurynews.com/2017/11/10/why-has-alum-rock-school-construction-lagged/)

## CaLBOC Business Plan Approved

Nov. 20, 2017 | [www.Calboc.net](http://www.Calboc.net)

At a special board meeting of the California League of Bond Oversight Committees the board unanimously approved a new Business Plan for the organization.

CaLBOC is a statewide organization dedicated to providing support for citizens bond oversight committees (CBOC's) which are required for any public school district utilizing the lower 55% school bond voter threshold authorized by Prop 39. The purpose of CBOC's is to oversee the expenditure of Prop 39 school bond funds, and to report to the public on the district's compliance with Prop 39's provisions and on appropriate use of bond funds.

### Key features of the new Business Plan include:

- Creates a new "Membership" tier of the organization. Directors will be elected by the membership, and the membership will form a new pool of resources for the various projects and activities of the organization.
- Expands board membership from the current maximum of fifteen to thirty-five, which will also expand the pool of resources available. Officers will continue to be elected by the board of directors.
- Formalizes and expands the current catalog of training material, and authorizes the development of a syllabus of high-quality on-line training videos, which will be made available to CBOC's, K-12 school and community college district leadership, and other stakeholders. A sample demonstration video was presented to the board and was approved.
- Calls for strengthening the collaboration between CaLBOC and local taxpayer advocacy associations (TPA's). TPA's have the local knowledge necessary to allow them to consult with school districts prior to the passage of Prop 39 bonds, and are the logical source for taxpayer representatives on CBOC's, a requirement of Prop 39.

The Business Plan contemplates that CaLBOC will propose that the state Treasurer fund the development and roll-out of the video training plan. This proposal is in line with the recommendation of the Little Hoover Commission, which reported that the oversight of Prop 39 bonds since its passage is not adequate, and that mandatory training developed by CaLBOC should be required for all Prop 39 CBOC's.

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**SAVE THE DATE**  
**April 24, 2018**  
**7th Annual CaLBOC**  
**Conference**  
**SACRAMENTO**

### 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.

2017 6th Annual CaLBOC Conference  
**Bond Oversight Basics Handouts:**  
[www.calboc.com/2017-conference.html](http://www.calboc.com/2017-conference.html)

### Archived Newsletters

To view all with topics visit:  
[calboc.com/newsletters-1.html](http://calboc.com/newsletters-1.html)

#### ISSUE 118 - Nov. 6, 2017

- Alum Rock Manger Sought Secret Deal on Bids
- San Ysidro Trying to Recover Funds from Ex-Superintendent

#### ISSUE 117 - Oct. 16, 2017

- School Bond Secrecy Lobby
- CBOC Says West Contra Costa District is Mismanaging Bonds

#### ISSUE 116 - Sept. 25, 2017

- New Issues in Alum Rock CBOC Bylaws
- Bond Legislation Update
- Watchdog Blasts Pasadena Unified

#### ISSUE 115 - August 28, 2017

- PVUSD Pushes Against Grand Jury Report
- Gov. Brown Vetoes SB 341, CBOC Member Terms
- Court Sides With District Employee Who Balked at Order to Purge Emails

#### ISSUE 114 - July 11, 2017

- State Puts Fiscal Oversight over Alum Rock Schools
- State Superintendent Political Ties with Alum Rock Contractor

#### ISSUE 113 - June 23, 2017

- Mello Roos Property Tax Lacks Oversight
- The Untold Story Behind the Sweetwater Schools Scandal

#### ISSUE 112 - June 1, 2017

- Alum Rock Bond Review
- School Bond Watchdogs

#### ISSUE 111 - April 21, 2017

- Field Turf & 1,000 lbs Glue
- Conference Agenda

#### ISSUE 110 - April 18, 2017

- Alum Rock, Non-existent Construction?

#### ISSUE 108 - March 16 2017

- Little Hoover Commission Report Flaws in Oversight

[www.CaLBOC.net](http://www.CaLBOC.net)

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