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ISSUE 105



Sweetwater UHSD Gets \$8.2 Million in Settlement Over Pay-To-Play Scandal

Jan. 12, 2017 | By Greg Moran | www.eastbaytimes.com

EXCERPT: Two construction management firms will pay \$8.2 million to the Sweetwater Union High School District to settle a lawsuit with the companies that were involved in a pay-to-play scandal that roiled the district beginning in 2011.

The school board voted unanimously Thursday night to approve the settlement.

The district had sought \$26 million from the companies, Gilbane of Providence, R.I., and SGI of Pasadena, when it filed the suit in 2014. Employees of the two companies were among 18 people charged in a wide-ranging corruption probe of South County school districts that showed the businesses wined and dined district officials to get work under Proposition O, a \$664 million voter-approved construction bond.

The agreement includes no admission of liability from any of the parties and waives seeking recovery of legal fees, the district said in a statement. ...

The district argued that the contracts the companies won were tainted by the scandal. School district trustees and administrators were among the 18 people charged and were the beneficiaries of the gifts, which included fancy dinners, Rose Bowl trips and free theater tickets.

Under the state's conflict-of-interest law, public officials can't enter into a contract in which they have a financial interest. If they do, the contracts become void and the money paid should be returned. ...

To read the complete article visit:

<http://www.sandiegouniontribune.com/news/courts/sd-me-sweetwater-suit-20170111-story.html>

Brown Demands Better Auditing Procedures to Be in Place Before Issuing Bonds Governor Proposes Minimal funding Increase for K-12 Schools Next Year

Jan. 10, 2017 | By John Fensterwald | www.edsource.org

EXCERPT: ... And in a press conference surprise that will likely frustrate school districts and the construction industry, Brown said that his administration would not issue any of the \$7 billion bonds for K-12 school facilities that voters approved in November until the Legislature established better auditing procedures to document how the money will be spent.

Michael Cohen, the director of the state Department of Finance, said, "We must continue to have commitment to taxpayers that the money will be accounted for appropriately."

Brown was responding to a [2016 Department of Finance report](#) that criticized the Office of Public Construction's failure to fix weaknesses in auditing procedures for \$7 billion in school bonds that that voters authorized a decade ago. Eric Bakke, interim co-director of Los Angeles Unified's Office of Government Relations and the district's expert on facilities, said it could take a year to 18 months to pass corrective laws and regulations and train districts in new auditing methods.

The delay will irk school districts whose building needs have to be addressed, Bakke said. "I would hope the process (of responding to the governor) will be expedited," he said.

Voters passed Proposition 51 the November bond initiative, with a 55 percent majority. Brown opposed it because it kept the state's current first-come, first-served formula for allocating state building aid, which he said favors wealthy districts with full-time construction staff. He reiterated his displeasure on Tuesday, and he is expected to press hard for some revisions through regulations. ...

To read complete article please visit: 51

edsource.org/2017/governor-proposes-minimal-increase-for-k-12-schools-next-year/

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6th Annual
CaLBOC
Statewide
Conference
April 25, 2017
Tuesday
Sacramento

Los Angeles Civil Grand Jury Report:
"Capital Appreciation School Bond Debt: Consequences of Poor Financial Practices" Final Report 2015-2016 .
[PDF](#)

CaLBOC: CBOC Operation Guidelines Provides a basis for the BOC to perform a self-assessment of their operations and identify training needs. Could use as outline to develop a training program for committee members.
[PDF](#)

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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