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ISSUE 114



California Places Alum Rock Schools on Tighter Fiscal Leash

June 29, 2017 | By Sharon Noguchi | www.mercurynews.com

EXCERPT: ...The California Department of Education late Wednesday revoked the district's fiscal independence - in itself an unusual status among California school districts - and granted greater oversight by the Santa Clara County Office of Education. ...

On Wednesday, Tran and Assistant Superintendent Rene Sanchez emailed Torlakson asking that the request be denied. They insisted that the district is following the law and improving its accounting - contrary to concerns raised earlier this month by a critical state audit.

The letter also stated that the district has hired the law firm Fagen Friedman & Fulfrost and construction consultants WSP/Parsons Brinckerhoff to help respond to the audit.

In fact, the district's five-member board has not approved contracts with either firm, its lawyer, Luis Saenz said Wednesday. ...

"We rarely see anybody fighting back on a FCMAT report. They're highly respected, independent, and they don't have any axes to grind," said Ron Bennett, CEO of School Services of California, which advises about 850 of California's roughly 1,000 school districts. ...

Both Jocelyn Merz, head of Alum Rock's teachers union, and Raymond Mueller, head of Alum Rock's Citizens Bond Oversight Committee, welcomed the intervention. ...

FCMAT audits of school districts are rare - fewer than 40 have been done in the 12 years since they've been authorized by the Legislature. Bennett said he can't remember an instance when a state schools superintendent has refused a recommendation to revoke a district's financial independence. ...

The audit by FCMAT, as it's known, warned that Alum Rock may be vulnerable to fraud, mismanagement and misspending, and cited millions of dollars paid to its bond construction manager, Del Terra Real Estate, with scant documentation. In 3½ years through last spring, Alum Rock had paid Del Terra \$3.25 million for construction management.

Despite passing three bond measures totaling \$444 million over nine years, all with the promise to fix basic infrastructure, several Alum Rock schools will start next school year lacking heating, cooling, secure roofs or functioning bathrooms.

In seeking broader authority over Alum Rock, Gundry cited its refusal to respond to requests for timely finance reports, lack of internal controls, lack of an auditor and failure to track bond expenditures. ...

To read complete article and letters, please visit:

<http://www.mercurynews.com/2017/06/29/california-places-alum-rock-schools-on-tighter-fiscal-leash/>

California Schools Chief's Political Ties Kept Alum Rock Guessing

June 30, 2017 | By Sharon Noguchi | www.mercurynews.com

EXCERPT: Government watchdogs spent a week wondering if state schools Superintendent Tom Torlakson would require Alum Rock to abide by accounting practices used by a majority of school districts. The California Department of Education eventually did late Wednesday, effectively ordering more oversight by the Santa Clara County Office of Education.

The questions about Torlakson arose partly because of Torlakson's ties through political donations and fundraisers to the Alum Rock construction manager, Del Terra Real Estate and its CEO Luis Rojas, the beneficiary of favorable contracts and subject of a Santa Clara County district attorney's investigation. ...

Torlakson also didn't respond to requests for comment. ...

Or perhaps Torlakson did take himself out of the decision? The letter revoking Alum Rock's "fiscal independence" was signed by Deputy Superintendent Nick Schweizer. ...

To read complete article, please visit:

<http://www.mercurynews.com/2017/06/30/california-schools-chiefs-political-ties-kept-alum-rock-guessing>

SB-341 School bonds: citizens' oversight committee: member terms.

Bill Extending Oversight Committee Terms Moves To Governor's Desk

SB 341, Wilk. School bonds: citizens' oversight committee: member terms. ...This bill would instead require a member of the citizens' oversight committee to serve on the committee for no less than one 2-year term and for no more than 6 consecutive 2-year terms. ...

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=20170180SB341

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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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