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March 16, 2017

ISSUE 108



6th Annual CaLBOC Statewide Conference April 25, 2017 - Tuesday "Bond Oversight Basics"

KEYNOTE SPEAKER:

Carole D'Elia

Executive Director, Little Hoover Commission

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California Chamber of Commerce, 1215 K St, Sacramento, 95814
\$50 per person includes lunch & refreshments

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**6th Annual CaLBOC
Statewide Conference
April 25, 2017 - Tues.
Bond Oversight Basics**

DRAFT AGENDA

9:30-10:00am: Registration

10:00-10:15 am
Welcome & Introductions

10:15-11:00 am
Legal Roles and
Responsibilities of CBOCs

11:00-11:45 am
Committee Operations

11:45-12:15 pm: LUNCH

12:15-1:00 pm
KEYNOTE SPEAKER:
Carole D'Elia
Little Hoover Commission

1:00-1:15 pm
The Anton Jungherr Award

1:15-2:00 pm
Case Studies in
Recent Bond Oversight

2:00-2:45 pm
Preparing for Your Bond
Measure

2:45-3:00 pm
CLOSING REMARKS

*\$50 per person, includes
lunch & refreshments.
Handout Materials
Provided to Attendees.*

REGISTRATION:
calboctraining.eventbrite.com

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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.

Archived Newsletters

To view all with topics visit:
calboc.org/reviews.html

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School Bond Money Can Be - and Is - Used on Employee Salaries

March 13, 2017 | By Ashly McGlone | www.voiceofsandiego.org

EXCERPT: In 2000, California voters made a trade-off in order to help schools. They made it easier to pass school bonds, and in exchange, they included a caveat to safeguard the funds: The money can't be spent on employee salaries.

That way, the thinking went, taxes approved for school construction actually paid for facility repairs and upgrades, not employee paychecks or other routine costs.

A [ballot summary](#) by the California attorney general said the new law lowering local voter approval requirements for school bonds from two-thirds to 55 percent, "Prohibits use of bond proceeds for salaries or operating expenses."

So, it may come as a surprise to learn school districts statewide have been freely - and legally - spending bond money on employee salaries and benefits for more than a decade.

That's because of an opinion issued in 2004 by then-Attorney General Bill Lockyer said the prohibition does not include employees who oversee and administer the bond program. "Administrative oversight work is an integral part of the construction process," Lockyer reasoned.

Since then, school districts have spent bond money - which is borrowed and paid back with interest sometimes decades later - on employee salaries, as well as staff benefits like pensions and insurance for health care, unemployment and workers' compensation if they're working on the bond program.

San Diego Unified's Proposition S and Z bond measures in 2008 and 2012 both said there would be "no money for administrators," but further down, the ballot language had this disclaimer: "Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff when performing work on or necessary and incidental to the bond projects."

"Most people don't read all that," said Michael Turnipseed, president of the nonprofit California League of Bond Oversight Committees. "Everybody states there will be no salaries going for administration. Some say teachers and administrators. It's a big selling point, but that's not true. But all the election people put it in because it sounds good." ...

To read the complete article visit:

<http://www.voiceofsandiego.org/topics/education/school-bond-money-can-used-employee-salaries/>

State watchdog agency points to flaws in bond oversight

Feb. 22, 2017 | By Steven Greenhut | www.rstreet.org

EXCERPT: ... California voters approve an overwhelming majority of [the bond initiatives](#) placed before them on the ballot, but too often there's little attention paid to how the authorized funds actually are spent.

The state's independent watchdog agency, the Little Hoover Commission, last week released [a report](#) that reinforces that point. In the past decade, voters have approved \$70 billion in state bonds and more than \$138 billion in local school-facilities bonds - numbers that have increased after the state lowered the voter threshold for approval, it explained.

"Spreading the costs of major infrastructure projects across generations makes sense," the commission's chairman Pedro Nava added. "But as Californians have put more and more on the tab, a day of reckoning will arrive." The commission cautions that these payments on the debt service will remain after the next recession hits and called for a re-evaluation of "whether current oversight mechanisms are enough to ensure both state and local bond proceeds are spent as efficiently as possible and as voters intended."...

Regarding local bonds, the commission in 2009 recommended the creation of local oversight committees. It modeled its suggestion on the largely unheeded testimony from the [California League of Bond Oversight Committees](#). "Unfortunately, but understandably, many locally-elected government officials who must make multimillion- and multibillion-dollar decisions on bond issuances lack experience in municipal finance," according to the report. This situation, it wrote, is like "playing with financial matches."...

To read the complete article visit: <http://www.rstreet.org/op-ed/state-watchdog-agency-points-to-flaws-in-bond-oversight/>

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California League of Bond Oversight Committees - calboc@mail.com