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Editorial: Pay-to-Play Concerns in WCCUSD School Bond Program?

Oct. 7, 2016 | By Daniel Borenstein | www.eastbaytimes.com

EXCERPT: An audit of West Contra Costa's \$1.6 billion school construction program indicates vendors felt pressured to contribute to two board trustees' pet causes in order to receive district contracts.

Former trustee Charles Ramsey, current trustee Madeline Kronenberg and political ally and current school board candidate Don Gosney solicited money from vendors and subcontractors, according to the audit.

During fiscal years 2009-15, \$2.1 million was donated by 26 vendors and subcontractors including architects, financial consultants, contractors, engineers and the bond program's construction management firm.

About half the money went to the Ivy League Connection, a privately financed scholarship program founded by Kronenberg and Ramsey, and administered by them and Gosney, according to the audit.

Another \$961,000 of vendor contributions went to "For the Children of West County," a political action committee that campaigns for the district's bond and parcel taxes. Ramsey was its fund-raising chairman.

If vendors were required to make contributions to obtain public contracts or continue their business relationships with the district, that would violate state and federal criminal bribery and extortion statutes, said attorney Michael Martello, a government ethics expert. ...

The audit, by the Southern California firm of Vicenti, Lloyd and Stutzman, doesn't specifically label the solicitations as pay-to-play, but indicates that several vendors regarded the contributions as a cost of doing business.

The report contains paraphrased summaries of comments from unnamed vendors: "The message was always clear - here's what it costs to stay in." "This is how we continue to get work from WCCUSD." ...

The contribution solicitations arose as part of the conflict-of-interest section of the investigation. The auditors offered no opinion on the legality of the practices. On Sept. 21, the school board voted unanimously to send the audit to law enforcement. ...

To read the complete article visit:

mercurynews.com/2016/10/07/borenstein-pay-to-play-concerns-in-school-bond-program

Link to WCCUSD Forensic Audit: www.wccusd.net/audit

The document is available in whole and is also broken up into easily downloadable segments. TC = Test Controls, FI = Forensic Investigation

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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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Prop. 51: \$9 Billion for Construction Supporters see needs, critics question bonds' affordability

Oct. 29, 2016 | By Christine Armario, Asso. Press | www.ocregister.com

EXCERPT: California voters are deciding whether to approve \$9 billion in bonds for school and community college construction projects - a measure proponents say is necessary to fill a backlog of needed new buildings and renovations.

Opponents of Proposition 51 argue the state cannot afford the estimated \$500 million it would cost each year to pay off the bonds and that reform is needed in how school construction projects are funded.

The measure is backed by a coalition funded by two developer organizations that have contributed more than \$6 million since January, as well as the California PTA and dozens of school districts, labor and business associations. It would authorize \$6 billion in general obligation bonds for building new K-12 schools and renovating older ones, as well as \$1 billion for charters and vocational schools and \$2 billion for community colleges. Principal and interest payments would be paid off over 35 years and cost a total of \$17.6 billion if sold at an average 5 percent interest rate. ... An analysis by the Legislative Analyst's Office warned that the existing system "fails to treat school facility costs as an ongoing expense despite the recurring nature of facility needs" and deepens inequities between school districts, among other concerns.

The construction bonds are provided on a first-come, first-serve basis, which critics say gives larger and wealthier districts that have facilities staffs dedicated to obtaining new funding for construction and renovation projects an advantage over smaller, less affluent districts. Opponents of Prop. 51 contend that bond money for school projects should be doled out based on need. ... **To read complete article please visit:**

www.ocregister.com/articles/school-733716-state-bonds.html

www.CaLBOC.org

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