



A California Public Benefits Corporation

Corporation formed September 19, 2019

Corporation Number 4319346

Internal Revenue Service Approved Exempt Federal Income Tax

Donations tax deductible to the fullest extent allowed by law.

For effective oversight

**9 Board Minutes, Saturday, August 14, 2021 Special Meeting**

**MINUTES BOARD OF DIRECTORS SPECIAL MEETING**

**Saturday, August 14, 2021 at 10:00 AM via Zoom**

**\$180.8 Billion Proposition 39 School Bonds approved by voters <sup>1</sup>**

CABOC website: [www.bondoversight.org](http://www.bondoversight.org)

**Purpose Statement:** “The specific purpose of this corporation is to provide training, assistance, and encouragement to California School Proposition 39 Citizens’ Bond Oversight Committee Members through development of training materials, delivery of online training, conferences, workshops, formation of regional groups of California Citizens’ Bond Oversight Committees and representing common interest at the statewide level.” (Articles of Incorporation, Section 4)

**To participate remotely using Zoom:** Log into Zoom from your laptop, PC, desktop, or tablet and enter the meeting ID 412 822 2265, passcode 293000. If you are calling in only, you will also need the meeting phone: 1.669.900.6833, after which you will be prompted for the meeting ID.

Note: Advisors are invited to attend this meeting but are not required to attend.

Please silence your cell phone.

Date: Saturday, August 14, 2021

Time: 10:00 AM to 11:30 AM

Place: Zoom

Call to Order -Vice President Carolyn Castillo at 10:02 AM

<sup>1</sup> For the period 2001 through 2020. Proposition 39 was approved by the votes in November 2000.  
C:\0 Documents\00000 California Association of Bond Oversight Committees 7.2.19\0 Board Meetings\0 Board 2021\9 Minutes August 14, 2021 -8.26.21 - aj.docx This document and all information herein are the property of the California Association of Bond Oversight Committees (CABOC). Any use or distribution without the express permission of CABOC is strictly prohibited. All intellectual property rights reserved.



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Roll Call Directors – Anton Jungherr

Name	County	Present	Absent
Carolyn Castillo	Los Angeles	X	
Marcus Crawley	Alameda		X
Chris Hanson	San Francisco	X	
Jason Hunter	Riverside	X	
Anton Jungherr	Contra Costa	X	
Nick Marinovich	San Diego	X	
Mac Moore	Contra Costa	X	
Thomas Rubin	Alameda	X	
Ourania Riddle	Solano		X
Amadeo Rodriguez	Los Angeles		X <sup>2</sup>
Jack Weir	Contra Costa		X <sup>3</sup>

Sixteen current authorized positions, 11 filled, 5 vacant.

Other Participants – Denise Sheehan and USC Study Team: Melissa Arellano, Brendon J. Moeller, Cassandra J. Perez and Janae Perkins

## DISCUSSION

### Item 1: Presentation of Bond Oversight Done Right: A Sustainable Strategic Plan for the California Association of Bond Oversight Committees (CABOC), August 13, 2021

The USC Study Team Melissa Arellano, Brendon J. Moeller, Cassandra J. Perez, and Janae Perkins presented the results of their study of CABOC. See attached PowerPoint presentation (4 pages).

Board members discussed the report and asked the Study Team several questions.

<sup>2</sup> Excused to take his daughter to college.

<sup>3</sup> Excused.



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Various Board Members expressed their appreciation and thanks to the Members of the USC Team for their excellent and insightful report.

After the meeting the full 67-page report was distributed to Board Members and Advisors.

The full report will be on the August 21, 2021 Board meeting agenda for further discussion/action.

**ADJOURNMENT**

Remarks from Directors and Advisors - none

How could we have improved this meeting? none

Items for future agenda? none

Adjournment by Vice President Carolyn Castillo at 11:08 AM

Date of Minutes: August 26, 2021

Anton Jungherr, Secretary

Distribution: Board and Advisors

Attachment: Bond Oversight Done Right (4 pages)

**DATES FUTURE BOARD MEETINGS**

Saturday, August 21, 2021 at 10:00 AM

Saturday, October 9, 2021 at 10:00 AM

Saturday, December 11, 2021 at 10:00 AM

Saturday, January 15, 2022 at 10:00 AM, Annual Membership Meeting

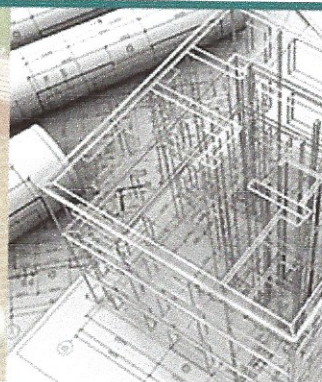


# BOND OVERSIGHT DONE RIGHT

A Sustainable Strategic Plan for the California Association of Bond Oversight Committees



## CALIFORNIA ASSOCIATION OF BOND OVERSIGHT COMMITTEES FOR EFFECTIVE OVERSIGHT



### NONPROFITS TODAY

There are approximately 1.5 million registered 501(c)(3)'s in the U.S.<sup>1</sup>

The nonprofit sector is the third-largest employment sector in the U.S., in 2020 it employed 12.5 million Americans.<sup>2</sup>

The sector lost 1.6 million jobs in the early months of the COVID-19 pandemic.<sup>3</sup>

In 2020, charitable giving grew by 2% in the U.S. compared to 2019, totaling \$40.7 billion.<sup>4</sup>

In 2020, 51% of nonprofits said their staff and volunteers were significantly impacted by the pandemic.<sup>5</sup>

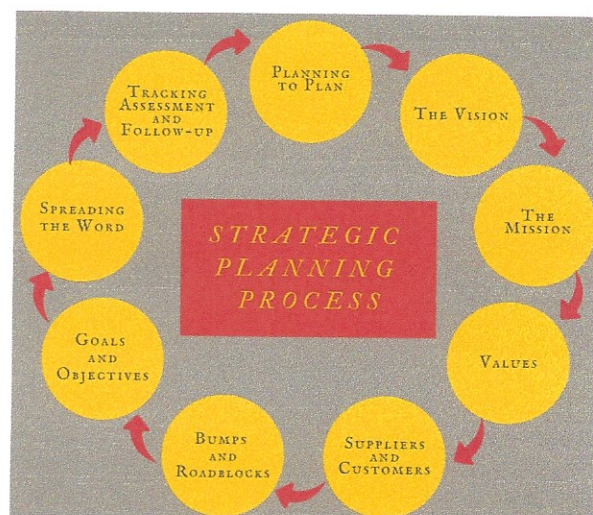
In 2020, 55% of nonprofits said their programs and services were significantly impacted by the pandemic.<sup>6</sup>

### NONPROFIT STRATEGIC PLANNING

Strategic plans are an efficient way for organizations to establish goals related to time. Strategic plans are critical to tracking progress over time and allowing the organization to self-assess and improve through the redistribution of resources where they are most efficient.

The California Association of Bond Oversight Committees (CABOC) is a recently created nonprofit organization in need of a strategic plan that will focus the organization's staff and resources towards more effectively executing their stated organizational objectives. Recognizing this problem and utilizing knowledge gained throughout the University of Southern California's Capstone Team composed the following problem statement:

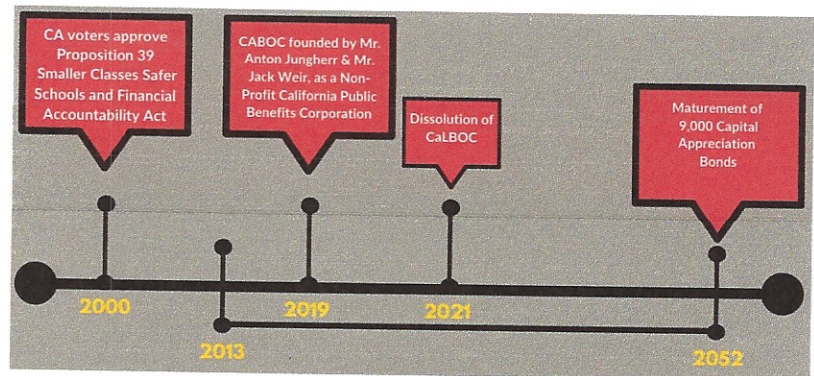
*"The CABOC requires a sustainable strategic plan to operate as an efficient nonprofit organization. The CABOC lacks organizational structure, training curriculum, fiscal sustainability, and performance metrics to assess progress towards strategic goals."*





## HISTORY OF CABOC

The CABOC's purpose is to provide "training, assistance, and encouragement to California School Proposition 39 Citizens' Bond Oversight Committee through the development of training materials, delivery of online training, conferences, workshops, formation of regional groups of California Citizens' Bond Oversight Committees and representation common interests at the statewide level." Before the CABOC, the California League of Bond Oversight Committees (CaLBOC) worked as a nonprofit organization to provide similar services.



Proposition 39 (Prop. 39):

- Lowers voting requirements from a two-thirds vote to 55 percent vote from an electorate to allow an increase to property tax to pay for school facility bonds, also known as Prop. 39 Bonds.
- Requires K-12 school districts and community colleges that pass Prop. 39 bonds in local elections to ensure independent citizen oversight.
- A corresponding bond oversight committee must be entrusted with the responsibility of oversight as dictated by California Education Codes 15278, 15280, and 15282.

The amendment of the Educational Code was a precursor to Proposition 39 passing, as it makes bond issuance more appealing to voters. The clause in Prop. 39 to ensure oversight from local Citizens' Oversight Committees saw the role to "assure the community that bond funds are expended in the fashion outlined in the district's bond resolution." Additionally, Prop. 39 Citizens' Oversight Committees are responsible for informing on the expenditures of the bond revenues and review for the proper expenditure of the money for school construction. Since the passing of Prop. 39, California school districts have issued over \$180.8 billion in school bonds.

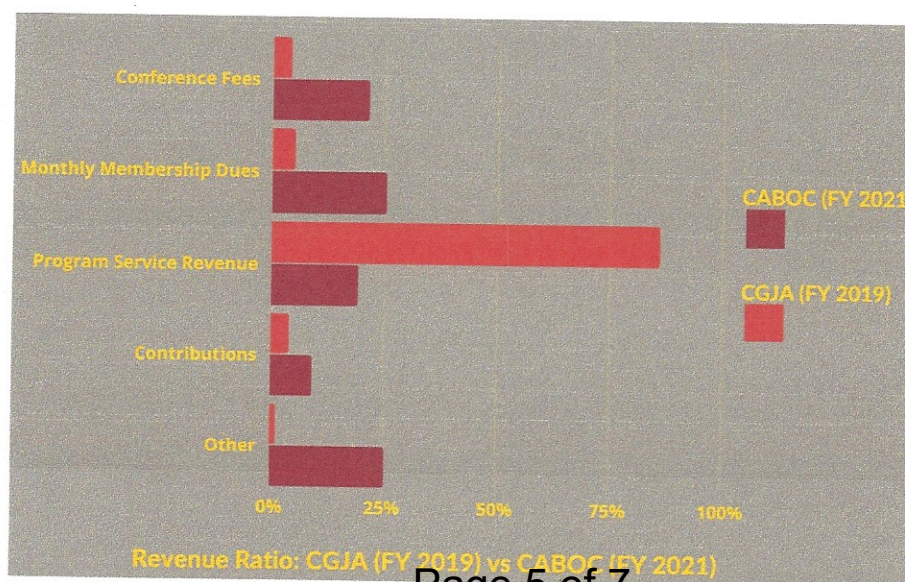
## FINANCES

A common problem in nonprofit organizations is the lack of compensation for staff. The CABOC is still in its formative stages, and therefore cannot pay leadership staff, leaving its team members easily susceptible to burnout. While running and contributing to a nonprofit's mission can be fulfilling, it is not lucrative. Maintaining fiscal feasibility is a criterion that is essential in assessing a new strategic plan for the CABOC.

- Revenue diversification in nonprofit organizations is imperative. There is an array of research and recommendations around how nonprofit organizations can reduce volatility through diversification.
- Diversification helps nonprofits equalize their reliance on earned income, investments, and contributions.

It is imperative to include data on how nonprofits maintain their financial structure when creating the CABOC's strategic plan.

- The California Grand Juror's Association (CGJA) has demonstrated that it has the resources to be sustainable. Therefore, a financial comparative analysis exemplifies how a sustainable organization operates financially and how the CABOC's leadership can follow a similar layout.





# METHODS & FINDINGS

## BEST PRACTICES & DATA REVIEW

Conducting a data review is key to understanding what is being assessed and analyzed to inform the best practice approach. Part of this process is understanding if data is from a primary source or a secondary source because it will influence the validity of the data source quantitatively or qualitatively. The following information was considered:

- Create a succinct strategic plan
- Reveal subordinate and superior relationships
- Prioritize training topics for the CABOC's training program
- Reduce volatility to increase the total expenses and fund balances
- Track progress and discussions on tasks for the Legislative Committee

## INTERVIEWS

Interviews are vital to understanding the environment at the CABOC, as well as the volunteers' personality dynamics that impact the CABOC's ability to succeed as an organization.<sup>7</sup> An essential element to interviewing is assessing human bias and organizational culture – via conflict. An interview script was developed with questions placed in systemic order to help the team obtain the most unbiased information that can help the team assess and analyze how to develop a strategic plan best suited to the CABOC's mission. The USC Capstone team conducted 12 semi-structured interviews and disseminated one survey; the results and common themes of these methodologies are shown below:



## COMPARATIVE ANALYSIS

A comparative analysis can be used to summarize data, test existing theories or assumptions, and elaborate on new theories and assumptions. The team determined that the California Grand Jury Association (CGJA) was a sufficient comparative organization, and yielded the following conclusions:

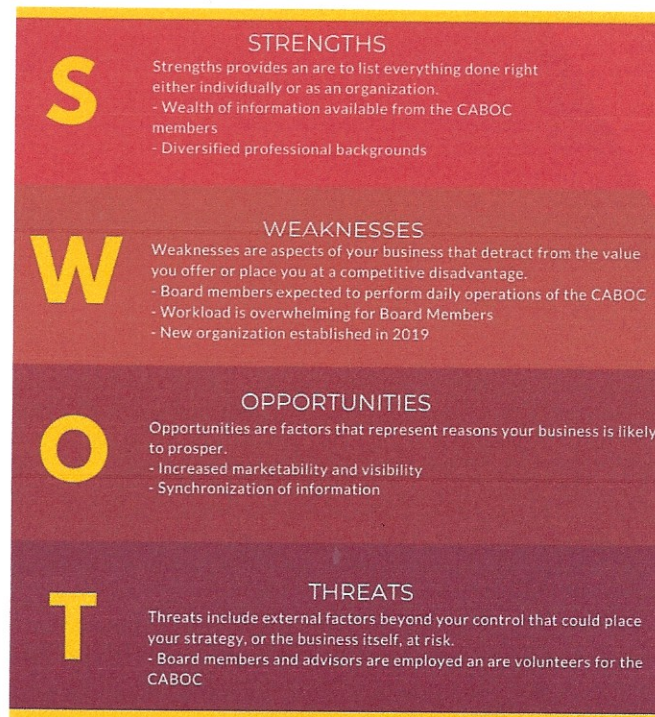
- Organizational structures align with mission
- Importance of having paid administrative staff
- Investing in training program to achieve organizational and financial goals

## COMPARATIVE ANALYSIS MATRIX (CAM)

The Comparative Analysis Matrix (CAM) displays the potential outcomes of alternative policy choices regarding performance measures. The comparative analysis matrix was explicitly used for the analysis of the CABOC's potential performance measurement models. The information gathered throughout the interviews and surveys was used to assess the viability of each policy alternative.

## LITERATURE REVIEW

A comprehensive literature review of nonprofit organizational theory, training development, financial management, and performance management guided the project's focus. Other literature the team reviewed includes articles about board involvement, organizational sustainability, strategic planning, and nonprofit dissolution.



## NEEDS ASSESSMENT

The Needs Assessment method is applied to the analysis of each research question to determine what is needed to elevate the CABOC in their organizational structure, performance management, financial structure, and training methodology. Furthermore, the needs assessment allows researchers to identify discrepancies between the CABOC's current operations in relation to its desired goals. The following issues were identified:

- No strategic plan
- No funding structure
- Lack of established metrics for accessing organizational progress
- Limited independence of California Citizens' Bond Oversight Committees (CBOCs)
- Too many responsibilities spread between too few people
- The retention of board leadership
- Lack of member participation
- Few resources and training for members
- Too few forums to promote their organizational mission
- Lack of training program across the state

## SURVEYS

The primary purpose of surveys is to concisely find more detailed information about the CABOC. The team coordinated with the CABOC's Co-Founder and disseminated an open-ended questionnaire survey electronically via email to the individuals in the CABOC's constant contacts database, including local CBOC members. Although the team's survey was released a week before the final report, a total of eight substantive responses were received.



# Findings, Recommendations & Implementation

FINDINGS	RECOMMENDATIONS	IMPLEMENTATION
A single point failure. Fear of CABOC dissolution due to lack of continuity plan.	Create Succession Plan	Establish a training pipeline and "assistant" role for all critical positions.
Need for diversified funding and professional financial guidance	Hire Financial Consultant	Hire a financial consultant, initially part time, and when funds permit it, full time.
Demand on Board members to perform organizational & administrative tasks as well as voluntary committee obligations	Rework organizational structure through supplemental staff to conduct administrative functions	Phased over time (short term to long term) hire additional staff to take over the administrative functions
Training program & curriculum is part of the CABOC's purpose but is non-existent	Create Training Videos	Standardize training curriculum and delivery of training online
Performance metrics are not being measured and are non-existent	Develop Performance Metrics	Develop performance metrics that can be measured over time followed by periodic assessments to measure



"Successful organizations understand the importance of implementation, not just strategy, and moreover, recognize the crucial role of their people in the process."

- Jeffrey Pfeffer  
(Academic & Author)

## References

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