

California Association of Bond Oversight Committees (CABOC) Legislative Proposals, 2023 - Summary

Background

Since the year 2000, Prop 39, related statutes and countless bond measures across California have promised voters the appointment of "independent" citizens' bond oversight committees (CBOCs) with authority to exercise "strict oversight" whenever bond approval is set at 55%, instead of 2/3 of voters. With \$181 billion approved by voters to date under Prop 39, over 500 CBOCs now exist in California.

In practice, all too many CBOCs are neither independent nor capable of exercising meaningful oversight responsibilities. As one witness before the Little Hoover Commission put it in 2017, "The watchdog has no bite". The commission has pulled no punches in calling for legislation to "update and overhaul the education code related to the Strict Accountability in Local School Construction Bonds Act of 2000"-i.e., Prop 39.

It is long past time for California legislators to take action to fulfill promises of accountability and effective citizen oversight of millions of dollars of taxpayer funds now spent every year on school facilities.

California Association of Bond Oversight Commissions (CABOC) Proposed Legislation

CABOC's proposal aligns with the Little Hoover Commission's recommended statutory changes to affirm the independence of CBOCs and bolster their effectiveness. This proposal is also consistent with overall principles found in Education Code 15274 namely that: "vigorous efforts are undertaken [to ensure] that bond measures are in strict conformity to the law."

When implemented, CABOC's proposed changes will

- Require CDIAC to work with CABOC to develop easy-to-access online training material.
- Strengthen CBOC independence by specifying CBOC develop their own by-laws consistent with CBOC control over process and rules of operation.
- Strengthen bond program audit requirements and expand the role of CBOCs in selecting and interacting with auditors.
- Require bond ballot language clearly refer to specific projects in the district's facility master plan instead of highly generalized projects, such as "safety upgrades" or "technology improvements".
- Make CBOC membership selection and appointment more transparent, open and merit-based.
- Require districts provide sufficient budgets funded by bond funds to include independent legal counsel for the CBOC, train members and maintain a website to prominently display meeting agendas and reports so that CBOCs can fulfill their mission to report to the general public.

Strong Bond Oversight Support

Little Hoover Commission (Reports: #197, June, 2009, **Bond Spending: Expanding & Enhancing Oversight** and Report #236, February, 2017, **Borrowed Money: Opportunities for Stronger Bond Oversight**) based on testimony from taxpayer and other organizations including *Howard Jarvis Taxpayers Association, League of Women Voters of California, California State PTA, California Association of County Treasurers and Tax Collectors, Fiscal Crisis & Management Assistance Team, State Controller, State Auditor, State Allocation Board and Education Audit Appeal Panel.*