



State of California

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Milton Marks Commission on California State Government
Organization and Economy

website: www.lhc.ca.gov

December 13, 2021

The Honorable Fiona Ma
915 Capitol Mall C-15
Sacramento, CA 95814

RE: SUPPORT FOR CABOC LEGISLATIVE PROGRAM

Dear Treasurer Ma,

I am writing regarding the legislative program proposed to you by the California Association of Bond Oversight Committees (CABOC).

The Little Hoover Commission is encouraged that this proposal would implement important parts of the recommendations we made in our June 2009 report, [Bond Spending: Expanding and Enhancing Oversight](#) and our February 2017 report, [Borrowed Money: Opportunities for Stronger Bond Oversight](#). Together, these two reports emphasized the need for more consistent oversight and greater transparency of local bonds expenditures, specifically identifying the need to bolster the effectiveness of Citizens' Bond Oversight Committees. In its reports, the Commission offered several recommendations to improve local bond oversight committees.

First, to help ensure that local bond proceeds are spent as efficiently as possible and as voters intended, the Commission recommended requiring that performance audits for bond programs measure the effectiveness of spending and the results. Additionally, the oversight committee's role in selecting and interacting with bond program auditors should be expanded.

Second, the Commission found that the success of bond oversight committees is in adequately training members so that they understand their role and the tools they have at their disposal to ensure they are effective. The Commission called on the state to develop easily accessible online training materials for bond oversight committee members.

Third, to enhance the independence of the oversight process, the Commission recommended that the state require civic groups to nominate local committee members, allowing veto power for the school or community college district.

Finally, to help improve transparency, the Commission called on the state to require districts to provide a web presence for bond oversight committees to prominently display meeting agendas and reports.

CABOC's legislative proposal would implement important parts of our recommendations, and while our support for specific legislation would be dependent upon a careful examination of exact bill language, we are encouraged at CABOC's effort to address the major points of our reports. I would note that three of their recommendations – items four, six, and eight, proposing oversight authority for all capital

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projects, the use of bond proceeds to cover oversight committee expenses, and the creation of oversight committee bylaws, respectively – go beyond the scope of our report, and thus the Commission expresses no view on those matters.

The Commission looks forward to reviewing any legislation introduced on this topic in the coming year and will consider potential support of specific legislative language at that time.

Sincerely,

A handwritten signature in black ink, appearing to be 'PN' with a stylized flourish.

Pedro Nava
Chair

C: Commissioners, Little Hoover Commission