



CALIFORNIA LEAGUE OF BOND OVERSIGHT COMMITTEES

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October 25, 2012 CaLBOC Press Release

For Immediate Release

CALIFORNIA LEAGUE OF BOND OVERSIGHT COMMITTEES (CaLBOC) IS SOLICITING FOR SUGGESTIONS FOR 2013 LEGISLATIVE PROGRAM ON SCHOOL BOND OVERSIGHT

CaLBOC has successfully co-sponsored legislation regarding school bond oversight and is currently soliciting suggestions for their 2013 legislative program.

There has been over \$83 Billion dollars of Proposition 39 school facility bonds issued in California since 2000. School districts that pass Prop 39 bonds are required to seat a Citizens' Bond Oversight Committee (CBOC, COC or BOC)) to assure that bond funds are expended in the fashion outlined in the district's bond resolution. CaLBOC offers free support and training to school bond oversight committees. CBOCs are made of volunteers appointed by school boards, this can, be rife with conflict-of-interest issues. Additionally CBOCs may not have the adequate training and support needed to be overseeing multi-million dollar bond projects. CBOCs may not be given the financial data needed or understand how to review that bonds are being used according to the bond statement.

CaLBOC works toward the preservation and enhancement of the CBOC system by sponsoring needed legislation.

Examples of Misuse of School Funds: Sweetwater Union High School District: Certain school board members accused of pay-to-play transactions with certain contractors were awarded work paid by school bonds. The contractor wine and dined certain Board members, including giving them trips to Napa. In addition, a law firm hired by the district is under investigation - his contract was so broad and invoices showed that the law firm was paid for services not provided or barely related to district business.

California taxpayers are paying for toxic loans: Recently Poway Unified School District in Southern California made national news because of borrowing \$105 million that will cost taxpayers almost \$1 billion using Capital Appreciation Bonds (CABs). One of the Poway's CABs sold for \$13.9 million will cost \$321 million (23 times the principal). Patterson Joint Unified School District sold a \$78 thousand CAB that will cost \$8.1 million (105 times the principal).

Clearly legislation is needed to ensure oversight of California's of \$83 billion dollars in local school bonds.

Suggested proposed legislation includes: Disclosing financing plans and estimated cost of each bond proposal. A limit on the amount of interest the bond can be issued for. Prohibit CABS with over 25 year payback terms. Public information Require districts to post a link to the CBOC website on their homepage. Require CBOC's Annual Report to disclose all campaign contributions made to benefit the bond ballot measure and disclose vendors that have contributed to campaigns.

CaLBOC's successful co-sponsored legislation: To ensure more comprehensive Performance and Financial audits CaLBOC co-sponsored California Senate Bill 1473 (Chapter 294) that became law on September 24, 2010. This law established for the first time Government Auditing Standards issued by the Comptroller General of the United States as the standards for both the financial and performance audits required by Proposition 39. CaLBOC also co-sponsored California Senate Bill 423 (Chapter 237) that became law on September 6, 2011. This law for the first time requires that the Proposition 39 financial and performance audits for each preceding fiscal year be submitted by March 31 of each year to the citizens' oversight committee for its review. Visit: www.CaLBOC.org/legis.html

Please email proposals for the CaLBOC 2013 Legislation Program by Nov. 2, 2012 to calboc1@aol.com
Their Legislative Program will be on the agenda at the CaLBOC November 9th board meeting.
November 9, 2012, 10 am - 3 pm Sacramento Chamber of Commerce, One Capital Mall, Sacramento, CA 95814

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If you would like more information please contact:

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About CaLBOC

CaLBOC is an all-volunteer, non-partisan association of Citizens' Bond Oversight Committee (CBOC) members, current and past, who are interested in helping other CBOC members. CaLBOC was formed in 2006 by CBOC members trying to find better training to help them perform their duties. The first training session was held in San Jose in 2007, and incorporated in the State of California in 2008. In 2009 they were recognized as a 501(c)3 charitable organization by the IRS.

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.

Proposition 39

Prop. 39 requires school districts that pass Proposition 39 bonds to create a Citizens' Bond Oversight Committee (CBOC) to assure the community that bond funds are expended in the fashion outlined in the district's bond resolution. The CBOCs are supposed to actively review and report on the proper expenditure of taxpayers' money for school construction.