

CITIZENS' OVERSIGHT COMMITTEE PASADENA UNIFIED SCHOOL DISTRICT

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Pasadena, California

May 23, 2017

Kimberly Kenne – Board Liaison

Mr. Roy Boulghourjian
President, Board of Education
351 South Hudson Avenue
Pasadena, CA 91109

Dear Mr. Boulghourjian:

At its meeting on May 17, 2017, the Citizens' Oversight Committee voted to recommend that the Board of Education *approve* the expenditure of Proposition TT funds described in Board Reports 1184 through 1193. The Committee voted to recommend that the Board *disapprove* the expenditure described in Board Report 114-B. The reasons for the Committee's recommendation of disapproval of Board Report 114-B were explained in my letter of May 20, 2017 to Dr. Pomeroy and Messrs. Torres and Phelps, and I repeat them here for the benefit of the entire Board.

Board Report 114-B seeks an additional \$200,000, payable entirely from Proposition TT funds, for legal services rendered and to be rendered to the District by the law firm Atkinson, Andelson, Loya, Ruud & Romo. The Board Report states that such "[s]ervices include representation for general and construction legal services as well as providing the District with informative newsletters, training opportunities and conferences to help the District with daily legal concerns."

"General" legal services, "informative newsletters," "training opportunities," and "conferences" are, by their very terms, not directly related to the "construction, reconstruction, rehabilitation, or replacement of school facilities . . .," which is the

governing legal standard under California Constitution Art. XIII A, sec. 1(b)(3). Rather, they are general administrative services, and under the California Constitution and the Education Code sec. 15278(b)(2), they cannot legally be paid out of Proposition TT funds. The explanation provided by the Facilities Department at the Committee's meeting of May 17 was that Board Report 114-B simply requests additional funding of an existing contract. Be that as it may, that fact is irrelevant to the legality of the expenditure presently at issue. (And the explanation implicitly raises the question whether funding of the existing contract out of Proposition TT funds, if that happened, was legal.)

The Committee realizes that some of the legal services described in Board Report 114-B may pertain directly to Proposition TT projects and are, therefore, eligible to be paid out of Proposition TT funds. In that event, however, it would be reasonable to expect the District to provide a sufficiently detailed explanation of the nature of the legal services and a reasonable, fact-based allocation between qualifying and non-qualifying expenditures so that the Committee and the Board can determine what portion can properly be charged to Proposition TT. The same approach—an explanation and a reasonable allocation—would also apply to any other “dual purpose” expenditure.

The Committee hopes that its recommendations will aid the Board in acting upon these eleven Board Reports.

Sincerely,

/s/ Clifton B. Cates
Chair, Citizens' Oversight Committee