



State of California

LITTLE HOOVER COMMISSION

February 24, 2016

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Executive Director

The Honorable Bob Hertzberg
Senator, California State Senate
State Capitol, Room 4038
Sacramento, CA 95814

RE: SB 1029 - SUPPORT

Dear Senator Hertzberg:

The Little Hoover Commission is proud to support Senate Bill 1029, to require more accountability and oversight for bonds issued in California.

The Commission supports this measure based on its findings and recommendations in its report, *Bond Spending: Expanding and Enhancing Oversight* (June 2009). In this report, the Commission reviewed existing bond accountability mechanisms in place to monitor bond funds after they have been allocated. The Commission found that at the state level, the website tasked with tracking bond funds was sorely lacking, and failed to provide consistent levels of information on different types of bonds. And at the local level, the Commission found that the local bond oversight committees varied greatly in their effectiveness.

In its report, the Commission recommended that the Legislature and state government entities administering bond funds improve oversight to ensure that bond money is spent efficiently and as voters intended.

SB 1029 would make great strides in improving the oversight and accountability of bond allocations, with a requirement that any state or local government bond issuer must provide annual debt accountability reports to the California Debt and Investment Advisory Commission (CDIAC). SB 1029 would require that these reports to CDIAC include specific information regarding each debt issue, including a list of purposes for which the debt has been issued and the amounts of proceeds from the debt issue that were expended in the previous year.

Because Senate Bill 1029 would help improve the accountability of the bond administration, before, during and after funds are issued, the Commission supports this measure.

As the bill moves through the legislative process, I will be writing letters on behalf of the Commission to legislators urging aye votes. If you have any questions, or if I can be of any further assistance, please do not hesitate to contact me.

Sincerely,

Carole D'Elia
Executive Director

c: Commissioners, Little Hoover Commission