

CRITIQUE OF AB 1381 AMENDED IN SENATE JUNE 26 AND AUGUST 8, 2006 RE: THE INSPECTOR GENERAL

While the first subject addressed in the text of AB 1381 is the Los Angeles Unified School District's the Inspector General (IG), do not mistake this legislation for enhancing his authority or the accountability he provides through oversight of district protocols and expenditures.

AB1381 uses the discussion of the IG and its easy association to the issue of accountability as window dressing, hopefully leading the reader to conclude that the intent behind AB 1381 is indeed greater public accountability. Yet, in fact, the autonomy of the IG would be greatly diminished under this bill, as would the oversight provided by the Board of Education and the public.

In public agencies as with most organizations, budgetary discretion is where the rubber meets the road. In AB 1381, as amended June 26, the budget allotted an Inspector General was at the sole discretion of the Superintendent. Therefore, the main lever determining the scope and depth of the IG's work—that is, his access to the resources needed for any serious audit or investigation—*would be determined by the executive in charge of the organization he is meant to audit and investigate!* The letter of this bill was in direct contradiction to the spirit its' advocates say inspired their proposal.

The potential of this limitation is not imaginary. Caprice Young, a member of the Riordan-Broad "Reform Board", held back the IG's budget for 6 months and then reasoned that since half the year had elapsed only half the funds were necessary. She then acted accordingly (L.A. Times 11-2-00). This episode illustrates the *need* to have the budget of the IG protected from intrusion by *any* entity, including the board.

Furthermore, it is important to note that the current Speaker of the Assembly, Fabian Nunez, the author of AB 1381, has a documented record of presenting amendments to legislation limiting the authority and independence of the Inspector General (L.A. Times 7-24-00 and Daily News 4-7-02), subsequent to revelations of improprieties in the school construction program by the IG (L.A. Times 3-30-00).

Notwithstanding the obligatory transfer of budgetary authority back to the Board of Education, the linguistic legal sleight of hand exhibited, substituting commanding words like *require* and *shall* in directives to the board regarding the Inspector General, for the vagueness of words such as *authorize* and *may* in the most recent language of AB 1381 we see, yet again, a clear attempt to stifle accountability while plying a ruse about increased accountability; speaking to one set of principles while enacting the very opposite. How can we view this as anything other than a betrayal of public trust?

AB 1381 and its proponents seek, in no uncertain terms, to replace the *transparency* afforded by the Brown Act, with *invisible lines of authority* that lead from the executive branch of municipal government, the mayor, straight through the appointment of a superintendent to the billions of dollars of state allocated and voter approved public funds currently at LAUSD's disposal. The 20.664 billion dollars in construction monies and the over 800 million dollars in LAUSD Financial Corporation certificates of participation represent a treasure trove of real estate and procurement deals, and that is not to consider the vast portfolio of assets and the contracts around the district's ongoing day-to-day operations for which the Board of Education, through it's Inspector General, provides oversight.

In a recently revealed confidential letter (6-30-06) to Mayor Villaraigosa, copied to his chief of staff, Robin Kramer, a former employee of The Broad Foundation and the chief of staff to former mayor Richard Riordan, Speaker of the Assembly, Fabian Nunez and Senator Gloria Romero, billionaire Eli Broad proffered an amendment to the pending legislation, whereby "The Inspector General must report directly to the council of mayors". In the latest amended bill, the IG is so directed. Both versions of the pending legislation essentially give all control of contractual and facilities matters to the mayor of Los Angeles. So where is the accountability?

This bill, far from the accountability measure it claims to be, is an affront to the values of democracy, transparency and public service that our legislators and elected officials are bound to uphold.

The question is, will we stand up for the public interest and the children?