

East

Thursday, January 24, 1991

Neighbors

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Consultant fights for education

On a wall in the downtown Sacramento office of a school finance consultant is a framed poster that says, "It will be a great day when our schools get all the money they need and the Air Force has to hold a bake sale to buy a bomber."

The poster is not so much a commentary on the Pentagon or the United States' involvement in the Persian Gulf as it is on the failure of the federal and state governments to give the school system similar respect, said Lori Raineri, a financial consultant hired by more than 30 school districts statewide, including Folsom Cordova Unified, five districts in El Dorado County and the El Dorado County Office of Education.

Raineri, who moved to Davis a year ago from Southern California, is a walking cheerleader for educational causes and continually condemns the state, county, city governments and developers for not adequately financing schools.

"This state built the Golden Gate Bridge during the Depression, but we can't build schools," she lamented.

When subdivisions are constructed, developers along with city and county officials wouldn't dream of not constructing adequate roads and sewers, Raineri said, but schools are not considered as important.

"In my view, I'd give up streets for schools," she said. "We cannot continue to allow development without schools. We're not expecting new development to pay for past problems."

Developers must realize, she said, that homebuyers look at the quality of the school system when looking for a place to live.

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— Lori Raineri,
finance consultant

"Why do people pay more to live in Davis than in Sacramento?" Raineri asked. "Why do people pay more to live in Beverly Hills than across the street in Los Angeles Unified? Good schools contribute materially to property values."

Raineri praised Gov. Pete Wilson's backing of a bill to reduce the two-thirds approval required for school bond issues to a majority vote.

"I don't know how in a democratic society, you can allow one-third of the people to make the decisions," she said.

Folsom Cordova hired Raineri about a month ago to help the district cope with financial difficulties that have left it \$8.4 million in debt because district officials expected the state to finance half the cost of the construction of Oak Chan and Carl Sundahl elementary schools in Folsom. Raineri said she is working with the district to restructure its debt so that it can be paid off and the district can afford to construct the seven new elementary schools and finance improvements and modifications to the Folsom High and Junior High sites to accommodate the massive growth projected for the city.

"I don't believe the problem will be insurmountable, but it will be difficult," said Raineri, who plans to present a recommendation shortly to the board of education.

The situation Folsom Cordova has encountered, she said, is similar to that of a homeowner who has one loan for a house and another loan for a car, but the raise that person was expecting didn't come. Raineri said she is exploring ways to consolidate Folsom Cordova's debts in much the same way a private citizen would consolidate a home/auto loan.

School districts in western El Dorado County, she said, do not face the same fiscal crunch as Folsom Cordova because they have not constructed schools without funding resources.

Folsom Cordova chose to construct Sundahl and Oak Chan in order to avoid overcrowding in existing elementary schools in Folsom without receiving state approval and then hoped that the state would provide half the construction cost, Raineri said.

The Buckeye and Rescue union school districts and the El Dorado Union High School District, she said, used a different strategy — to get funding first and then build the schools. The drawback to that strategy, she said, is that the El Dorado districts have allowed their schools to become extremely crowded and relied on portable buildings for classrooms while taking up playground space.

Before turning to school districts, Raineri was an investment banker who bought bonds from government agencies and sold them to people interested in municipal bonds. She started her own firm about three years ago in Southern California, working with different government agencies, but the bulk of her clients were school districts caught in the fiscal crunch the Legislature passed on to local government, including school districts.

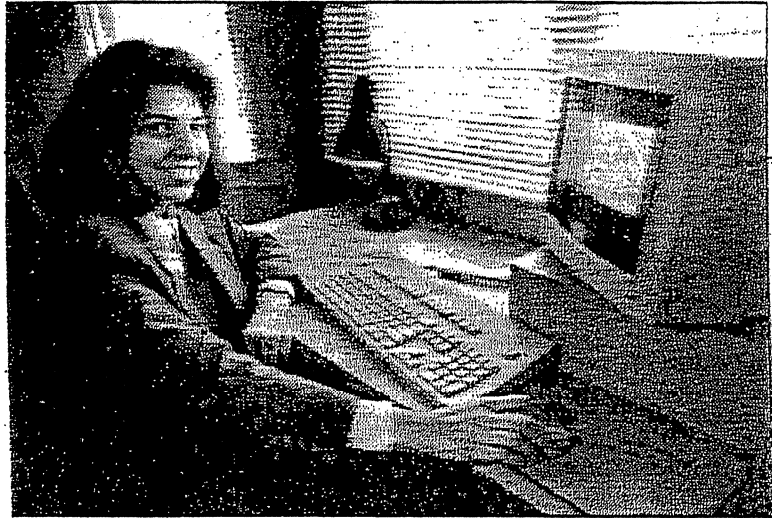
"It's sad to say that because of the (school) funding problem, we're busy," Raineri said of the firm's staff, which includes Paul Raineri, her brother-in-law, Steve Lawrence and Susan Trout.

She gained many school clients after working with the Elk Grove Unified School District to pass a Mello-Roos bond measure in 1987. In addition to the Folsom Cordova, Buckeye, Rescue and El Dorado districts, Raineri's clients include the Placerville and Gold Trail districts in El Dorado County, the El Dorado County Office of Education and districts in Roseville, Sacramento, Davis and Dixon.

With most of her clients in the Sacramento area, Raineri decided to open an office on N Street across the street from the state Capitol and move to Davis rather than fly to Sacramento on a regular basis from Southern California.

"In my house, I'm subject to two taxes — libraries and schools — and I wrote both of them," she said.

— Ross Farrow



Catherine Daley/Neighbors

Lori Raineri specializes in state school financing. She's working for area districts in Folsom and El Dorado County.