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CALIFORNIA STATE ALLOCATION BOARD
PUBLIC MEETING

STATE CAPITOL
ROOM 447
SACRAMENTO, CALIFORNIA 95814

DATE: WEDNESDAY, AUGUST 20, 2014
TIME: 4:02 P.M.

Reported By: Mary Clark Transcribing
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APPEARANCES

MEMBERS OF THE BOARD PRESENT:

ERAINA ORTEGA, Chief Deputy Director, Policy, Department of Finance, designated representative for Michael Cohen, Director, Department of Finance

ESTEBAN ALMANZA, Chief Deputy Director, Department of General Services, designated representative for Fred Klass, Director, Department of General Services

CESAR DIAZ, Appointee of Edmund G. Brown, Jr., Governor of the State of California

KATHLEEN MOORE, Director, School Facilities Planning Division, California Department of Education, designated representative for Tom Torlakson, Superintendent of Public Instruction

SENATOR CAROL LIU

ASSEMBLYMEMBER JOAN BUCHANAN

ASSEMBLYMEMBER CURT HAGMAN

ASSEMBLYMEMBER ADRIN NAZARIAN

REPRESENTATIVES OF THE STATE ALLOCATION BOARD PRESENT:

LISA SILVERMAN, Executive Officer
BILL SAVIDGE, Assistant Executive Officer

REPRESENTATIVES OF THE DEPARTMENT OF GENERAL SERVICES, OFFICE OF PUBLIC SCHOOL CONSTRUCTION (OPSC) PRESENT:

LISA SILVERMAN, Executive Officer
JUAN MIRELES, Deputy Executive Officer

REPRESENTATIVE OF THE DEPARTMENT OF GENERAL SERVICES, OFFICE OF LEGAL SERVICES PRESENT:

JONETTE BANZON, Staff Counsel

P R O C E E D I N G S

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CHAIRPERSON ORTEGA: All right. Call the August 20th meeting of the State Allocation Board to order. If you could call the roll.

MS. JONES: Senator Hancock.

Senator Liu.

Senator Fuller.

Assemblymember Buchanan.

ASSEMBLYMEMBER BUCHANAN: Here.

MS. JONES: Assemblymember Hagman.

ASSEMBLYMEMBER HAGMAN: Here.

MS. JONES: Assemblymember Nazarian.

Esteban Almanza.

MR. ALMANZA: Here.

MS. JONES: Kathleen Moore.

MS. MOORE: Here.

MS. JONES: Cesar Diaz.

MR. DIAZ: Here.

MS. JONES: Eraina Ortega.

CHAIRPERSON ORTEGA: Here.

MS. JONES: We have a quorum.

CHAIRPERSON ORTEGA: Thank you. The first item of business is the **Minutes** from the June 25th meeting.

ASSEMBLYMEMBER BUCHANAN: Move approval.

1 MS. MOORE: Second.

2 CHAIRPERSON ORTEGA: Is there any public comment?

3 All those in favor.

4 (Ayes)

5 CHAIRPERSON ORTEGA: Any objections? Seeing none,

6 Item 3 is the **Executive Officer's Statement**.

7 MS. SILVERMAN: Yeah. We have a few items to
8 share with you tonight. Keep it short.

9 In your Consent Agenda, we have tucked away an
10 Emergency Repair Program approved list. That's 489
11 applications for \$93.4 million. And although the Budget Act
12 did approve for \$180.5 million, this is what we currently
13 have, although we've been working very closely with the
14 Department of Education and we've got some assurances that
15 some of the program money -- remaining program money will be
16 coming relatively soon. So we anticipate October.

17 And then the next item we wanted to share is the
18 priority in funding apportionments. Also in your agenda in
19 the action items is 34 projects will be presented for
20 \$100.5 million and again those authorizations will have
21 until November 18th to activate the cash. So again, it's
22 very important for those projects that do receive the award
23 to closely associate the timeline associated with project,
24 so -- and we'll be continuously working with districts to
25 remind them of the timelines associated with them.

1 We also wanted to share an update. The April 7th
2 appportionment, there was over \$372 million that did go out
3 for projects. 105 projects were appportioned and only 2
4 projects failed to meet the two-strike timeline. So --
5 these were related to the New Construction and Modernization
6 Program projects. They were small increments of those
7 projects. The bond authority did revert back to the
8 program.

9 The regulation update, the Board took action in
10 March to also include additional programs as part of the
11 priority in funding 90-day timeline. So Career Tech,
12 Charter Schools, and Overcrowded Relief Grant will have also
13 the requirement to participate and we anticipate the
14 regulation to be effective October 1st.

15 And very critical that the timelines associated
16 with the next certification round is in November. So we'll
17 be sending out reminders and email blasts as the regulations
18 become effective, also notifying those folks that the new
19 requirements will also apply to them if they're on the
20 unfunded list.

21 And lastly, we wanted to share that there is a
22 high probability we won't have September meeting. So I just
23 wanted to highlight that.

24 CHAIRPERSON ORTEGA: Thank you. Any questions,
25 comments? Any public comment? Seeing none, we'll move onto

1 Item No. 4 which is the **Consent Agenda**.

2 In addition to the items that Ms. Silverman
3 mentioned, I'd like to suggest that we include Items 8, 9,
4 and 10 accepting all the staff recommendations as part of
5 the Consent Agenda. This would be the regulatory amendments
6 for the additional grant for general site development, the
7 priority in funding school construction apportionment, and
8 the 12th funding cycle, keeping that open for the ORG
9 program applications.

10 ASSEMBLYMEMBER BUCHANAN: And I also would like to
11 recommend that we move Item 7, the **Dinuba** appeal, to the
12 Consent Agenda. I'd like to recommend that we approve the
13 district's appeal and also direct staff to conduct an
14 analysis of the regulations addressing the use and
15 application of all the developer fees to ensure that the
16 regulations reflect the statutory requirements and that we
17 have staff report back to the Board its findings with any
18 proposed amendments to the regulations to ensure compliance.

19 MR. DIAZ: So move.

20 CHAIRPERSON ORTEGA: Okay. Is there any
21 objections?

22 ASSEMBLYMEMBER HAGMAN: No, but I would just split
23 that out and put the appeal on the Consent and then have the
24 second one being part of the staff recommendations --

25 CHAIRPERSON ORTEGA: Okay.

1 ASSEMBLYMEMBER BUCHANAN: Okay.

2 CHAIRPERSON ORTEGA: Okay. So there's a motion to
3 that effect --

4 MS. MOORE: Second.

5 CHAIRPERSON ORTEGA: -- that would approve Items 7
6 through 10. Motion and a second. All those in favor.

7 (Ayes)

8 CHAIRPERSON ORTEGA: Any objections or
9 abstentions? Seeing none, the next item will be the **Status**
10 **of Fund Releases.**

11 MS. SILVERMAN: Yeah. On page 107, we wanted just
12 highlight that \$210 million did go out as a result of a
13 90-day apportionment and we did share back in June that
14 there was a slow run at the cash, but obviously there was a
15 big run at the end. So we were happy to report that nearly
16 all the funds have been allocated, so -- and that's the
17 highlight on page 107.

18 We can move forward to the **Status of Fund**
19 **Releases**, we did process as part of the Consent Agenda three
20 Seismic projects, also a High Performance Incentive Grant
21 project associated with a Seismic Program approval. And we
22 had three conversions in the charter area.

23 So with that, an additional \$20.2 million in
24 unfunded approvals are added to the list.

25 And then we also had the additional closeout

1 adjustments reflected on your left side and that relates to
2 almost \$100,000. And that's on page 111.

3 And also highlight on page 112 is again the
4 activation of the Emergency Repair Program unfunded
5 approvals with the cash being provided. Again it will
6 definitely reduce the amount of accumulated unfunded
7 approvals and again that's reflected in the lower chart.

8 CHAIRPERSON ORTEGA: Okay. Any questions or
9 comments? Any public comment on Items 5 or 6, the Status of
10 Funds and the Fund Releases? Seeing none, we'll move onto
11 Item 11, the **Quarterly School Facility Joint-Use Program**.

12 MS. SILVERMAN: Yeah. So we just wanted to
13 highlight that we've been doing quarterly updates and the
14 Board did take an action back in June 2012 to provide funds
15 and cash associated with joint-use and at the time, the
16 Board took action on several projects and we still have one
17 outstanding and we've been working with the district and the
18 timelines associated with that project. They have until
19 December 19th to activate the cash. So we'll report back
20 and we're hoping that they can make the timeline.

21 CHAIRPERSON ORTEGA: Okay. All right. **Workload.**

22 MS. SILVERMAN: And we workload reports. So
23 without a September meeting, that workload looks pretty
24 flat. And then we have the October and December anticipated
25 workloads. I'm not sure if we have any questions.

1 CHAIRPERSON ORTEGA: Any questions or comments?

2 ASSEMBLYMEMBER BUCHANAN: No.

3 CHAIRPERSON ORTEGA: I think that's it. Go ahead,
4 Ms. Moore.

5 MS. MOORE: I have a final comment.

6 CHAIRPERSON ORTEGA: Yeah. I was just going to
7 say that I'm going to not adjourn the meeting to the hold
8 the role open for -- to give a few more minutes for anybody
9 who's going to come late and then -- but the rest of you are
10 free to go. Ms. Moore.

11 MS. MOORE: I just wanted to say on behalf of the
12 school community thank you to Assemblymember Buchanan and
13 Assemblymember Hagman for all your work on the bond measure.
14 We were, as you noted yesterday, not successful, but I want
15 you to know how much the school community really appreciates
16 the work that both of you did on that.

17 ASSEMBLYMEMBER BUCHANAN: Thank you.

18 ASSEMBLYMEMBER HAGMAN: Thank you.

19 CHAIRPERSON ORTEGA: Anything else.

20 (Off record at 4:11 p.m.)

21 (On record at 4:13 p.m.)

22 CHAIRPERSON ORTEGA: Senator Liu, we have voted on
23 our items, but the roll is open. So please let the record
24 note that Senator Liu has arrived. And we have one action
25 item that was the Consent and then all of the other items

1 were added to the Consent, so Items 7 through 10. So we
2 just have one vote.

3 SENATOR LIU: All right.

4 CHAIRPERSON ORTEGA: So please call the action
5 number.

6 MS. JONES: Senator Liu, how do you vote on the
7 agenda.

8 SENATOR LIU: Aye.

9 MS. JONES: Thank you.

10 (Off record at 4:13 p.m.)

11 (On record at 4:13 p.m.)

12 ASSEMBLYMEMBER NAZARIAN: Just the Consent item?

13 CHAIRPERSON ORTEGA: The Consent item and then we
14 added basically all the other action items to the Consent
15 Agenda, so everything is under 6.0 or 7.0.

16 ASSEMBLYMEMBER NAZARIAN: Perfect. I'll add on.

17 MS. JONES: Okay.

18 ASSEMBLYMEMBER NAZARIAN: Thank you.

19 MS. JONES: Assemblymember Nazarian votes aye.

20 (Whereupon, at 4:14 p.m. the proceedings were
21 adjourned.)

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) ss.
4 COUNTY OF SACRAMENTO)

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11 Allocation Board, Public Meeting, were duly reported and
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13 That the foregoing transcript is a true record of
14 the proceedings as recorded;

15 That I am a disinterested person to said action.

16 IN WITNESS WHEREOF, I have subscribed my name on
17 August 21, 2014.

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