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CALIFORNIA STATE ALLOCATION BOARD

PUBLIC MEETING

STATE CAPITOL
ROOM 447
SACRAMENTO, CALIFORNIA 95814

DATE: WEDNESDAY, SEPTEMBER 26, 2018

TIME: 2:02 P.M.

Reported By: Peter Petty
eScribers

1 APPEARANCES:

2 MEMBERS OF THE BOARD PRESENT:

3 JACQUELINE WONG-HERNANDEZ, Chief Deputy Director, Policy,
4 Department of Finance, designated representative for Michael
Cohen, Director, Department of Finance

5 JEFFREY McGUIRE, Chief Deputy Director, Department of General
6 Services, designated representative for Daniel Kim,
Director, Department of General Services

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

9 JUAN MIRELES, Director, School Facilities and Transportation
10 Services Division, California Department of Education,
designated representative for Tom Torlakson, Superintendent
of Public Instruction

11 SENATOR JANET NGUYEN

12 SENATOR RICHARD PAN

13 ASSEMBLYMEMBER ADRIN NAZARIAN

14 ASSEMBLYMEMBER ROCKY CHAVEZ

15 ASSEMBLYMEMBER PATRICK O'DONNELL

16 REPRESENTATIVES OF THE STATE ALLOCATION BOARD PRESENT:

17 LISA SILVERMAN, Executive Officer

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

LISA SILVERMAN, Executive Officer

20 BARBARA KAMPMEINERT, Deputy Executive Officer

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

23 TOM PATTON, Assistant Chief Counsel

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25

P R O C E E D I N G S

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CHAIRPERSON WONG-HERNANDEZ: Good afternoon.

4

Having gone to 2:00 o'clock, we're going to call the meeting

5

of the State Allocation Board to order. Secretary, will you

6

please call the roll.

7

MS. JONES: Senator Allen.

8

Senator Nguyen.

9

SENATOR NGUYEN: Here.

10

MS. JONES: Senator Pan.

11

SENATOR PAN: Here.

12

MS. JONES: Assemblymember Nazarian.

13

Assemblymember Chavez.

14

ASSEMBLYMEMBER CHAVEZ: Here.

15

MS. JONES: Assemblymember O'Donnell.

16

ASSEMBLYMEMBER O'DONNELL: Here.

17

MS. JONES: Juan Mireles.

18

MR. MIRELES: Here.

19

MS. JONES: Cesar Diaz.

20

MR. DIAZ: Here.

21

MS. JONES: Jeffrey McGuire.

22

MR. MCGUIRE: Here.

23

MS. JONES: Jacqueline Wong-Hernandez.

24

CHAIRPERSON WONG-HERNANDEZ: Here.

25

MS. JONES: We have a quorum.

1 CHAIRPERSON WONG-HERNANDEZ: And Mr. Nazarian.

2 Thank you. Welcome.

3 So a quorum has been established, and the first
4 order of business today the Board is going to adjourn into a
5 closed session.

6 Pursuant to Government Code
7 Section 11126(e) (2) (b), the Board will meet in closed
8 session for the purposes of conferring with and receiving
9 advice from its legal counsel that based on existing facts
10 and circumstances, there is a significant exposure to
11 litigation against the state body.

12 The SAB is going into closed session to discuss
13 the matter of the CCI adjustments to grant levels -- grant
14 funding levels with its counsel.

15 Before we move into closed session, is there any
16 public comment? Seeing none, I would ask that all members
17 of the public please depart from the room and we will
18 reconvene the meeting at the completion of our discussion.

19 Thank you for understanding that we want to start
20 here and then we'll get to the other items on the agenda.

21 (Whereupon at 2:04 p.m., the open meeting was recessed
22 for the closed session and resumed as follows at 3:22 p.m.)

23 CHAIRPERSON WONG-HERNANDEZ: State Allocation
24 Board is reconvened in open session. We finished discussing
25 the CCI adjustments to grant levels -- grant funding levels

1 with Board counsel.

2 Tomorrow, a nonconfidential version of the
3 materials discussed in closed session will be made available
4 on the Office of Public School Construction website beneath
5 the link to the agenda for today's meeting.

6 And now we're ready to move on to action items
7 starting with the **Minutes**.

8 MS. SILVERMAN: Minutes are ready for your
9 approval.

10 CHAIRPERSON WONG-HERNANDEZ: Hopefully, everyone's
11 reviewed.

12 SENATOR PAN: So moved.

13 ASSEMBLYMEMBER NAZARIAN: Second.

14 CHAIRPERSON WONG-HERNANDEZ: Motion and a second.
15 Great.

16 THE REPORTER: Who seconded? I'm sorry?

17 CHAIRPERSON WONG-HERNANDEZ: I'm sorry. Second by
18 Mr. Nazarian.

19 MS. JONES: Senator Pan.

20 SENATOR PAN: Aye.

21 MS. JONES: Assemblymember Nazarian.

22 ASSEMBLYMEMBER NAZARIAN: Aye.

23 MS. JONES: Assemblymember Chavez.

24 Assemblymember O'Donnell.

25 ASSEMBLYMEMBER O'DONNELL: Aye.

1 MS. JONES: Juan Mireles.

2 MR. MIRELES: Aye.

3 MS. JONES: Cesar Diaz.

4 MR. DIAZ: Aye.

5 MS. JONES: Jeffrey McGuire.

6 MR. MCGUIRE: Aye.

7 MS. JONES: Jacqueline Wong-Hernandez?

8 CHAIRPERSON WONG-HERNANDEZ: Aye.

9 MS. JONES: That motion carries.

10 CHAIRPERSON WONG-HERNANDEZ: Thank you. Next is
11 the **Executive Officer's Statement.**

12 MS. SILVERMAN: Yes. Hi. So we wanted to share
13 with the Board tonight that we actually have a bond sale
14 coming up, so we've been sharing that news since last month,
15 but it will actually execute on October 17th, and with that,
16 we are planning to bring apportionments back to this Board.

17 So it would be upward in the area of \$400 million.
18 So we're going to be excited about that.

19 We also notified, at the last meeting, that we are
20 really close to that threshold of having enough --
21 sufficient applications to have covered the remaining bond
22 authority.

23 So the applications received beyond authority list
24 has been started and that was effective September 12th, in
25 which we notified the stakeholders that any applications

1 that come in the door subsequent to that date that need --
2 they also need to have an additional requirement added to
3 their application when they submit it, is have that Board
4 resolution that actually outlines that there's no guarantee
5 to future funding. So that is in effect.

6 We also wanted to share that the Career Tech
7 Education filing round is still open and the deadline to
8 submit your grant application request for Department of
9 Education review, which is the first step, is October 19th,
10 and we did have some communication with the Department of
11 Education. Probably have a handful of applications, but we
12 understand there will probably be definitely a rush come
13 through October 19th.

14 So we'll have some more updates to share with the
15 Board about how many applications that came through the door
16 and are seeking funding.

17 Full-Day Kindergarten Facility Grant Program, we
18 actually had two stakeholder meetings and our last
19 stakeholder meeting was in Van Nuys. So we're actually
20 having a stakeholder meeting here in Sacramento on
21 October 4th and it will be in the building.

22 So we're looking forward to more input. We will
23 have a draft regulation package and again seeking input from
24 our stakeholders and we plan to have -- at least our
25 guideline is to bring that to the October Board for

1 approval.

2 We also wanted to share announcement of the
3 Education Agency Audit Workshops. There's new instructions
4 for the K-12 Audit Program. And so we are partnering up
5 with the Education Audit Appeals Panel and so our first
6 meeting or our first workshop will be October 17th and
7 outlined several workshops, one also in Fresno at the end of
8 October and three in January, one starting in Los Angeles
9 County Office of Education, Sacramento in the middle of
10 January and that will also be webcast, and the end of
11 January, we'll have it in San Diego.

12 Space is limited, so please sign up and there will
13 be valuable information for those folks that are going to go
14 out and provide those services, which is your local audit
15 firms and also will be a very good education forum for
16 districts as well.

17 The last point, we have our Board meeting
18 October 24th. We also wanted to share with the Board that
19 the Office of Administrative Law has approved the regulatory
20 amendments for the multipurpose room gym hybrid facilities.
21 That goes into effect January 1st. That's it.

22 CHAIRPERSON WONG-HERNANDEZ: Thank you. Any Board
23 member comments on this or questions? No? Any public
24 comment on this item? Okay. Informational items -- seeing
25 none, we'll move onto the **Consent Agenda**.

1 MS. SILVERMAN: Consent is ready for your
2 approval.

3 SENATOR PAN: So move.

4 MR. MIRELES: Second.

5 CHAIRPERSON WONG-HERNANDEZ: Motion and a second.
6 And so can we do without objection or do we need to take a
7 vote --

8 MS. JONES: We need the roll.

9 CHAIRPERSON WONG-HERNANDEZ: Go for it.

10 MS. JONES: Senator Pan.

11 SENATOR PAN: Aye.

12 MS. JONES: Assemblymember Nazarian.

13 ASSEMBLYMEMBER NAZARIAN: Aye.

14 MS. JONES: Assemblymember O'Donnell.

15 ASSEMBLYMEMBER O'DONNELL: Aye.

16 MS. JONES: Juan Mireles.

17 MR. MIRELES: Aye.

18 MS. JONES: Cesar Diaz.

19 MR. DIAZ: Aye.

20 MS. JONES: Jeffrey McGuire.

21 MR. MCGUIRE: Aye.

22 MS. JONES: Jacqueline Wong-Hernandez.

23 CHAIRPERSON WONG-HERNANDEZ: Aye.

24 MS. JONES: And that motion carries.

25 CHAIRPERSON WONG-HERNANDEZ: Thank you. Okay.

1 Moving onto the next item. I know these are information
2 items, but it's really just if Board members have questions
3 on either the status of fund releases or --

4 MS. SILVERMAN: Yeah. The **financial reports**.

5 CHAIRPERSON WONG-HERNANDEZ: Right. Yeah.

6 Please.

7 MS. SILVERMAN: The Board just approved 16
8 projects for nearly \$47 million. So that's the highlight of
9 the Consent Agenda and we also did have some funds that came
10 back to the program that was close to \$900,000. So that was
11 pretty much the status of funds.

12 CHAIRPERSON WONG-HERNANDEZ: Great. Any public
13 comment? Seeing none --

14 MS. SILVERMAN: The appeal?

15 CHAIRPERSON WONG-HERNANDEZ: Yeah. The last item
16 we really have is the appeal.

17 MS. KAMPMEINERT: So the appeal is for **Lake**
18 **Elementary School District** in Glenn County. Staff does
19 recommend approval of this appeal. It is a change of scope
20 request due to financial constraints. The district is
21 asking to reduce from six classrooms to two classrooms and
22 go from a permanent to a modular multipurpose room.

23 Staff believes the project still maintains its
24 core purpose and it's not in violation of any of our
25 procedures for change of scope. So we recommend approval.

1 SENATOR PAN: Move approval.

2 ASSEMBLYMEMBER NAZARIAN: Second.

3 CHAIRPERSON WONG-HERNANDEZ: Motion and a second.

4 Any public comment on this before we vote? Seeing none --

5 MS. JONES: Okay. Senator Pan.

6 SENATOR PAN: Aye.

7 MS. JONES: Assemblymember Nazarian.

8 Assemblymember O'Donnell.

9 ASSEMBLYMEMBER O'DONNELL: Aye.

10 MS. JONES: Juan Mireles.

11 MR. MIRELES: Aye.

12 MS. JONES: Cesar Diaz.

13 MR. DIAZ: Aye.

14 MS. JONES: Jeffrey McGuire.

15 MR. MCGUIRE: Aye.

16 MS. JONES: Jacqueline Wong-Hernandez.

17 CHAIRPERSON WONG-HERNANDEZ: Aye.

18 MS. JONES: And that motion carries.

19 CHAIRPERSON WONG-HERNANDEZ: Thank you. All
20 right. And then the last is just projected workload and
21 dates, more information. Does anybody have any questions on
22 that? This is all your stuff in the last tab.

23 MS. SILVERMAN: And we also wanted to share
24 there's a Board meeting that has been set for December 11th
25 at 2:00 o'clock.

1 CHAIRPERSON WONG-HERNANDEZ: Okay. December 11th
2 at 2:00. Okay. Any public comment on any other items not
3 on the agenda? Seeing none, we're adjourned. Thank you
4 all.

5 (Whereupon, at 3:28 p.m., the proceedings were
6 adjourned.)

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TRANSCRIBER'S CERTIFICATE

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STATE OF CALIFORNIA)
) ss.
COUNTY OF SACRAMENTO)

I, Mary C. Clark, a Certified Electronic Court Reporter and Transcriber, Certified by the American Association of Electronic Reporters and Transcribers, Inc. (AAERT, Inc.), do hereby certify:

That the proceedings herein of the California State Allocation Board, Public Meeting, were duly transcribed by me;

That the foregoing transcript is a true record of the proceedings as recorded;

That I am a disinterested person to said action.

IN WITNESS WHEREOF, I have subscribed my name on September 27, 2018.

Mary C. Clark
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