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CALIFORNIA STATE ALLOCATION BOARD  
PUBLIC MEETING

STATE CAPITOL  
ROOM 447  
SACRAMENTO, CALIFORNIA 95814

DATE: WEDNESDAY, DECEMBER 9, 2015  
TIME: 2:09 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

DANIEL C. KIM, Director, Department of General Services

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

NICK SCHWEIZER, Deputy Superintendent of Public Instruction, Services for Administration, Finance, Technology & Infrastructure Branch, California Department of Education (CDE), designated representative for Tom Torlakson, Superintendent of Public Instruction

SENATOR CAROL LIU

ASSEMBLYMEMBER ROCKY CHAVEZ

REPRESENTATIVES OF THE STATE ALLOCATION BOARD PRESENT:

LISA SILVERMAN, Executive Officer

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

LISA SILVERMAN, Executive Officer  
BARBARA KAMPMEINERT, 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: Good afternoon, everyone.  
I'd like to call to order the December 9th meeting of the  
State Allocation Board. Please call the roll.

MS. JONES: Certainly. Senator Hancock.  
Senator Liu.

SENATOR LIU: Here.

MS. JONES: Senator Runner.  
Assemblymember Nazarian.

Assemblymember Bonilla.

Assemblymember Chavez.

ASSEMBLYMEMBER CHAVEZ: Here.

MS. JONES: Nick Schweizer.

MR. SCHWEIZER: Here.

MS. JONES: Cesar Diaz.

MR. DIAZ: Here.

MS. JONES: Daniel Kim.

MR. KIM: Here.

MS. JONES: Eraina Ortega.

CHAIRPERSON ORTEGA: Here.

MS. JONES: We have a quorum.

CHAIRPERSON ORTEGA: Thank you very much. Thank  
you all for being here today. I wanted to take a quick  
second to welcome the Director of General Services, Daniel

1 Kim. I don't think you have been at a meeting with us yet.  
2 So welcome and we look forward to working with you.

3 MR. KIM: Thank you. Likewise.

4 CHAIRPERSON ORTEGA: Our next item of business  
5 would be any public comment on issues that are not on the  
6 agenda.

7 Seeing none, we'll move onto the **Minutes**.

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

10 CHAIRPERSON ORTEGA: We have Minutes from  
11 August 26th and September 8th. Any comments from Board  
12 members?

13 MR. DIAZ: Move to approve.

14 ASSEMBLYMEMBER CHAVEZ: Second.

15 CHAIRPERSON ORTEGA: Moved by Mr. Diaz. Second by  
16 Mr. Chavez. Any public comment on the Minutes? Seeing  
17 none, all in favor.

18 (Ayes)

19 CHAIRPERSON ORTEGA: Any opposed or abstentions?  
20 Adopted unanimously. And the next, Lisa?

21 MS. SILVERMAN: **(Executive Officer's Statement)**  
22 We have just a few updates regarding the program and just  
23 wanted to announce that we have currently an open filing  
24 round for the priorities of funding and that will be for  
25 projects that currently have unfunded approval, and those

1 projects that are receiving unfunded approval today will  
2 also be eligible to submit.

3 The deadline is tomorrow. So we want to encourage  
4 those folks who are eligible to submit that certification to  
5 us.

6 And also just an update with the Board for the  
7 projects that were apportioned. In September, \$190 million  
8 were funded to projects, and a number of projects did come  
9 in at the last minute and so providing for some updates in  
10 January.

11 CHAIRPERSON ORTEGA: Okay.

12 MS. SILVERMAN: And then we wanted to update the  
13 Board, there was a question in August related to the cost of  
14 bond issuance related to our program.

15 The Treasurer did actually execute a bond sale.  
16 They did share with us there was a slight increase in the  
17 market costs due to the Greece climate -- local climate  
18 issues in Greece.

19 So they did share a report with us. So it was  
20 slightly higher than sales that occurred in March and April.

21 CHAIRPERSON ORTEGA: Okay.

22 MS. SILVERMAN: And the regulation update, there  
23 are some updates to the regulations that were approved by  
24 the Board. They were approved by the Office of  
25 Administrative Law, related to the add-on grant, was going

1 to be removed for public works projects, so those -- it's  
2 effective January 1st, 2016.

3 And we have the Board calendar for next year as  
4 well. So our next meeting is January 27th.

5 CHAIRPERSON ORTEGA: Any comments or questions  
6 from Board members? Okay. Seeing none, we'll move onto the  
7 **Consent Agenda.**

8 MS. SILVERMAN: Yeah. Also I wanted to highlight  
9 really quickly. I know we have seismic projects that we've  
10 been working closely with Desert Sands and again, this is to  
11 highlight that we have a streamline process that we've been  
12 working with the district and the Division of State  
13 Architect to try to alleviate some of those concerns  
14 about -- and come to some agreement related to some of the  
15 costs associated with the seismic project.

16 So we just wanted to highlight there is a project  
17 on the Consent Agenda that we did work very closely with  
18 these folks. And so we're looking forward to more  
19 streamlining in the future with some additional projects.

20 CHAIRPERSON ORTEGA: Great. Great. I think after  
21 much discussion over the issues that have been raised around  
22 the Seismic Mitigation Program that it's important to know  
23 that some of these issues can be resolved and will be  
24 brought on the Consent Agenda. So thank you for that.

25 Any comments or questions on the consent items?

1 Okay. Is there any public comment on any of the items on  
2 the consent calendar? Okay. Seeing none, is there a  
3 motion?

4 MR. DIAZ: Motion to approve.

5 CHAIRPERSON ORTEGA: Moved by Mr. Diaz.

6 ASSEMBLYMEMBER CHAVEZ: Second.

7 CHAIRPERSON ORTEGA: Second by Mr. Chavez. All in  
8 favor of the consent calendar say aye.

9 (Ayes)

10 CHAIRPERSON ORTEGA: Any abstentions or  
11 objections? No. Financials?

12 MS. SILVERMAN: So just -- I know we have interest  
13 of time today and wanted to give the Board an update as far  
14 as the cash that's being released on page 158.

15 The fund releases, the Board took action with the  
16 bond sales. There were over \$42 million since we last met  
17 in cash being released, and we'll have some additional  
18 updates when we report in January as far as those projects  
19 that perfect and the timelines with the bond sale in August.

20 And if there's no question with that, on the  
21 Status of Funds, just wanted to share with the Board, we did  
22 have a number of projects going through the closeout and  
23 adjustment phases for all three propositions.

24 So there were 28 projects in the Consent Agenda  
25 that reflected some adjustments, and as a result, there's

1 \$1.4 million of program funds returned back to the program.

2           And we wanted to also highlight in the Consent  
3 Agenda, there was a number of approvals that also included  
4 seismic projects that were -- and a number of facility  
5 hardship projects that were approved in the agenda and  
6 \$11 million of additional unfunded approvals and some  
7 conversions also did go through the Consent Agenda. And  
8 that represented over 18 items in that category.

9           So that leaves \$126.7 million available in bond  
10 authority for the program.

11           And with that, we'll take questions.

12           CHAIRPERSON ORTEGA: Any questions about the  
13 financials? Any public comment on those items? Seeing  
14 none, Item 7 was withdrawn. So we'll move onto the  
15 legislative update.

16           MS. KAMPMEINERT: On page 191, we have our annual  
17 legislative update item and this is included for the Board's  
18 reference. It's a listing of bills with a brief summary of  
19 anything that may have an impact to programs administered by  
20 the Board or may be related to the programs.

21           We are still evaluating if any of these bills  
22 require further action by our office or by the Board, and in  
23 the event that they do, we will bring it back to the Board  
24 for consideration. But for today, it's just for information  
25 to alert everybody to the bills that have gone through.



1           CHAIRPERSON ORTEGA: Any comments? Okay. Without  
2 anything else, we'll move onto the three-month workload.  
3 Lisa, do you have anything --

4           MS. SILVERMAN: No, nothing to highlight. So we  
5 meet in January.

6           CHAIRPERSON ORTEGA: Okay. Any other comments  
7 from Board members? Any other public comment?

8           Okay. Before we adjourn, we wanted to take a  
9 point of personal privilege here of the Chair and the other  
10 Board members to recognize -- I think many of you may know  
11 that Mr. Almanza -- Esteban Almanza who had been our  
12 designee on the Board for over four years that he's been at  
13 DGS -- Department of General Services since May of 2011.

14           We have -- very lucky for him, been able to retire  
15 and he retired on December 1st with 32 years -- more than  
16 32 years of state service. And so we wanted to recognize  
17 both his services to the state and his service to the Board  
18 and we have a resolution for him.

19           And so I hope you all will indulge us in  
20 congratulating him on his retirement and we look forward to  
21 hearing about all the great times he's having.

22           Mr. Almanza, if you'd like to come -- we'll hand  
23 this to you -- everybody can see how nice it is. From the  
24 State Allocation Board and it's signed by all the members of  
25 the Board.

1 MR. ALMANZA: Thank you.

2 CHAIRPERSON ORTEGA: There you go.

3 (Applause)

4 CHAIRPERSON ORTEGA: Congratulations again. I  
5 know the staff and the Board members will miss you here.

6 MR. ALMANZA: It's been a privilege to serve on  
7 the Board and serve the many, many schools throughout our  
8 state who are in need of this assistance. So thank you very  
9 much.

10 CHAIRPERSON ORTEGA: Great.

11 (Applause)

12 CHAIRPERSON ORTEGA: I don't think we have any  
13 other official items. Nothing else from Board members?  
14 Anything else from the public? Okay. Seeing none, we'll  
15 adjourn. Happy holidays, everyone.

16 (Whereupon, at 2:17 p.m. the proceedings were  
17 adjourned.)

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REPORTER'S CERTIFICATE

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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 reported and 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 December 10, 2015.

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Mary C. Clark  
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Reporter and Transcriber