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CALIFORNIA STATE ALLOCATION BOARD
PUBLIC MEETING

STATE CAPITOL
ROOM 3191
SACRAMENTO, CALIFORNIA 95814

DATE: WEDNESDAY, FEBRUARY 24, 2016
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

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 LONI HANCOCK

SENATOR CAROL LIU

ASSEMBLYMEMBER ADRIN NAZARIAN

ASSEMBLYMEMBER SUSAN BONILLA

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

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CHAIRPERSON ORTEGA: Good afternoon, everyone. I will call to order the February 24th meeting of the State Allocation Board. Please call the roll.

MS. JONES: Senator Hancock.

Senator Liu.

Senator Huff.

Assemblymember Nazarian.

ASSEMBLYMEMBER NAZARIAN: Present.

MS. JONES: Assemblymember Bonilla.

ASSEMBLYMEMBER BONILLA: Here.

MS. JONES: Assemblymember Chavez.

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: Okay. Thank you. We have a very short consent only agenda today, although we do have a number of public speakers who would like to speak on an item

1 not on the agenda. So we will start with the **Consent**
2 **Agenda.**

3 Are there any comments from Board members on the
4 Consent?

5 Seeing none, is there any public comment on any of
6 the items on Consent?

7 CHAIRPERSON ORTEGA: Okay. Is there a motion.

8 MR. DIAZ: So move.

9 ASSEMBLYMEMBER BONILLA: Second.

10 CHAIRPERSON ORTEGA: We have a motion and a
11 second. All in favor.

12 (Ayes)

13 CHAIRPERSON ORTEGA: Any opposition or
14 abstentions? None. I will hold it open so Senator
15 Hancock -- she's outside -- can come in and add on.

16 So we'll move to the public comment for items not
17 on the agenda. The first name I have on the list here is
18 Matthew McClain. Okay. Come on up.

19 MR. McCLAIN: Members of the Board, I want to
20 thank you first for allowing me time to speak. My name is
21 Matthew McClain. I'm the Energy Conservation Supervisor for
22 Fremont Unified School District in Fremont, California.

23 I'm here representing James Morris, the
24 Superintendent of the district, who could not attend. He
25 has a conflict with the school district board meeting

1 tonight. So I have a prepared message that I was asked if I
2 could read.

3 The Fremont Unified School District respectfully
4 requests that the State Allocation Board place an item on
5 the next available agenda to make the determination that the
6 state bond funds are not available for new school
7 construction, since the Allocation Board is no longer
8 approving apportionments for viable new school construction
9 projects.

10 This action will enable school districts like
11 Fremont to begin levying Level III school impact fees on
12 residential development projects in our boundaries.

13 Additional capital funds are desperately needed in
14 our district. School overcrowding has reached an all-time
15 high due to the rapid and large scale residential growth
16 occurring in our boundaries.

17 Currently, our district has over 2,000 students on
18 waiting lists for seats in their neighborhood schools. We
19 know that for this coming August when school opens, we'll
20 need at least 18 additional classrooms to accommodate new
21 residents -- to accommodate resident students.

22 Our school facility needs analysis demonstrates a
23 need to build five new elementary schools, one new middle
24 school, and one high school to accommodate residential
25 enrollment growth.

1 We simply do not have the funds to build the
2 classrooms that we need.

3 While we have attempted to work cooperatively with
4 developers to gain assistance in mitigating the impacts of
5 this growth, we have no leverage in statute to address these
6 dire circumstances. However, the State Allocation Board has
7 specific authority to increase developer fees to mitigate
8 the impacts of new residential development.

9 Level II developer fees at this time provide only
10 about 30 percent of the dollars we need to assure that every
11 child in our district has a safe and appropriate place to
12 learn at a neighborhood school.

13 We do have a local bond measure, Measure E, passed
14 in 2014. However, those funds are for the upgrade and
15 modernization of existing schools only.

16 Seeking relief by renting additional portable
17 classrooms would be counterproductive, a Band-Aid solution
18 for a long term problem.

19 The State Allocation Board recognizes that at this
20 time it can no longer make apportionments of state funds for
21 new construction pursuant to the state school facility
22 program.

23 The Board has an acknowledged list of new
24 construction projects for which it has no funds to
25 apportion. Grant applications for viable new construction

1 projects exceed available funds by billions of dollars. Yet
2 the State Allocation Board has not taken formal action to
3 acknowledge the reality that it has no funds available that
4 it may apportion to the new construction projects.

5 We join with many other districts in the State of
6 California respectfully requesting that the State Allocation
7 Board fulfill its legal obligation to make the determination
8 required by Government Code Section 65995.7 that state bond
9 funds are not available and to notify the Secretary of the
10 State [sic] and the Chief Clerk of the Assembly in writing
11 of this determination for publication in the respective
12 journals of each house. Thank you.

13 CHAIRPERSON ORTEGA: Thank you, Mr. McClain.
14 Before we take any comments, I want to return -- we had a
15 motion on the Consent Calendar and we have called for the
16 vote. If you could call the absent members.

17 MS. JONES: Yes. Senator Hancock, how do you vote
18 on the Consent Calendar?

19 SENATOR HANCOCK: Aye

20 MS. JONES: Senator Liu?

21 SENATOR LIU: Aye.

22 MS. JONES: Assemblymember Chavez?

23 ASSEMBLYMEMBER CHAVEZ: Aye.

24 MS. JONES: Thank you very much.

25 CHAIRPERSON ORTEGA: Thank you. The motion

1 passes. Now are there any -- we have additional speakers I
2 think on the same topic, so maybe we should hear from
3 everyone before anyone would like to make any comments.

4 Next we have some folks --

5 SENATOR HANCOCK: Well --

6 CHAIRPERSON ORTEGA: Go ahead, Senator Hancock.

7 SENATOR HANCOCK: Unfortunately, I have to go to a
8 budget briefing.

9 CHAIRPERSON ORTEGA: Okay.

10 SENATOR HANCOCK: So thank you for letting me vote
11 on the Consent Calendar, but I am very interested in this
12 topic and I hope that we can schedule it for our next
13 meeting.

14 SENATOR LIU: I don't know about next meeting, but
15 there is something I saw on a future agenda.

16 CHAIRPERSON ORTEGA: Yes. It is planned for a
17 future agenda.

18 SENATOR HANCOCK: Okay. Thank you.

19 ASSEMBLYMEMBER BONILLA: Do we have a date?

20 CHAIRPERSON ORTEGA: Well, we have some
21 uncertainty about our next meeting. We had a meeting
22 scheduled for March that may be postponed because the
23 purpose of that meeting was a specific set of projects which
24 may need a little more time to come together. So I don't
25 think our next meeting is going to be until April, but we'll

1 certain that up.

2 Okay. So let's move onto the folks from Dublin
3 unified School District. The first name I have is
4 Dr. Stephen Hanke. You're welcome to speak in any order.

5 DR. HANKE: Okay. Thank you very much.

6 CHAIRPERSON ORTEGA: Yeah.

7 DR. HANKE: Madam Chairperson, members of the
8 Board, thank you for hearing us today. My name is Steve
9 Hanke. I am the Superintendent of the Dublin Unified School
10 District. Here with me today are three of our trustees. We
11 have board vice president, Megan Rouse is here. We have
12 trustee Amy Miller and trustee Sameer Hakim.

13 I do want to make sure that I thank you for
14 hearing us today. We are here for three reasons.

15 First, we want to thank and remind the Board to
16 agendize the issue of SB-50 and developer fees just as soon
17 as you possibly can. Second is to share an update with you
18 about the conditions that we are facing in Dublin and the
19 local measures that we are taking to manage the
20 extraordinary growth that we are experiencing, and third is
21 to share some thoughts with you on what we hope will be part
22 of the conversation when this item is agendized.

23 Trustee Sameer Hakim will share some information
24 about this. Thank you again.

25 MR. HAKIM: Good afternoon, Madam Chair and State

1 Allocation Board members. My name is Sameer Hakim. I'm a
2 new trustee with the Dublin Unified school board.

3 First, it's an honor and privilege to be here
4 today with my colleagues speaking to you all.

5 Dublin school board is a strong team focused on
6 student learning.

7 We addressed you in January to request an item
8 about Level III fees and SB-50 reform. We thank you for
9 that dialogue and looking forward to getting it agendized
10 for discussion at a future meeting.

11 I want to reassert that Dublin school board
12 strongly supports the \$9 billion state facilities bond
13 measure in November. We did need options for our schools in
14 Dublin for Dublin community, a community which has proven to
15 be extraordinarily supportive of our schools and the state
16 bond.

17 We ask you to support the state facilities bond.
18 We ask you to encourage Governor Brown to support it as
19 well.

20 Thank you. I'll pass it to Megan.

21 MS. ROUSE: Thank you. Good afternoon. My name
22 is Megan Rouse also with Dublin.

23 Since we were here a month ago, we have grown in
24 Dublin by about 30 students, a full classroom of growth in
25 the last month. In fact, we grow by a full classroom every

1 month and if you think about it, that's a student a day
2 coming into our district. This growth comes into a full
3 district.

4 Last night, our school board took action to close
5 an impacted middle school to new enrollment starting
6 immediately.

7 Previously, our board had expanded this school by
8 300 students more than its original design.

9 This impacts our ability to offer neighborhood
10 schools to our community.

11 Also last night, after a six-month process
12 utilizing our facilities master plan committee with 40
13 members, we had over 50 meetings and incorporating the input
14 of over 1,000 stakeholders, the board approved a second high
15 school to meet our tremendous growth needs.

16 This is contingent upon securing land and funding.
17 Clearly we cannot do this without state partnership.

18 MS. MILLER: Okay. Hi, I'm Amy Miller, also from
19 Dublin Unified. We know that we've asked you now multiple
20 times to agendize the item.

21 To be clear, we are asking for reform of the state
22 school facilities funding system, not repeal of SB-50.

23 As you've heard, our district, like a handful of
24 others, is growing at an unprecedented rate.

25 We hope part of the conversation will include

1 solutions such as a facilities relief target similar to the
2 economic recovery target that was implemented when LCFF came
3 into effect, which provides fund targeted to districts where
4 pace and magnitude of growth simply cannot be absorbed by
5 available community resources.

6 The system that currently exists with its related
7 legislation is a one size fits all and unfortunately, it
8 doesn't fit Dublin.

9 We hope you might consider developing criteria
10 that can be implemented for enacting Level III fees and
11 districts like Dublin and even our neighbors at Fremont can
12 continue to provide adequate facilities for our students.

13 In closing, we want to thank you again for taking
14 the time to hear us today. We truly appreciate your support
15 and we look forward to seeing you all again hopefully in
16 April. Thank you.

17 CHAIRPERSON ORTEGA: I had a quick question. Have
18 you all had a local bond measure?

19 MS. MILLER: Yeah. We've passed over \$283 million
20 in local bond measures and we're actually talking right now
21 about putting one on the ballot in June.

22 CHAIRPERSON ORTEGA: Okay.

23 MS. MILLER: Yeah, and we've passed two parcel
24 taxes. Thank you.

25 MR. HAKIM: Thank you very much.

1 DR. HANKE: Thank you very much.

2 MS. ROUSE: Thank you.

3 CHAIRPERSON ORTEGA: Okay. Is there any further
4 public comment to come before the Board? Any comments from
5 Board members?

6 Okay. Seeing none, we'll be adjourned. Thank
7 you.

8 (Whereupon, at 4:14 p.m. the proceedings were
9 adjourned.)

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REPORTER'S CERTIFICATE

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STATE OF CALIFORNIA)
) ss.
COUNTY OF SACRAMENTO)

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That I am a disinterested person to said action.

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