

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CALIFORNIA STATE ALLOCATION BOARD

PUBLIC MEETING

STATE CAPITOL
ROOM 447
SACRAMENTO, CALIFORNIA 95814

DATE: WEDNESDAY, AUGUST 17, 2016

TIME: 4:05 P.M.

Reported By: Mary C. Clark
Huntington Court Reporters and Transcription,
Inc.
301 North Lake Avenue, Suite 150
Pasadena, CA 91101
(800) 586-2988
www.huntingtoncr.com
reports@huntingtoncr.com

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

APPEARANCES

MEMBERS OF THE BOARD PRESENT:

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

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

SENATOR BOB HUFF

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

P R O C E E D I N G S

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

CHAIRPERSON ORTEGA: Good afternoon, everyone. I call to order the August 17th meeting of the State Allocation Board. Please call the roll.

MS. JONES: Senator Hancock.

Senator Liu.

SENATOR LIU: Here.

MS. JONES: Senator Huff.

SENATOR HUFF: Here.

MS. JONES: 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: Jeffrey McGuire.

MR. MCGUIRE: Here.

MS. JONES: Eraina Ortega.

CHAIRPERSON ORTEGA: Here.

MS. JONES: We have a quorum.

CHAIRPERSON ORTEGA: Okay. Thank you. We have a quorum and we have a few items of business to take care of

1 and then we will recess into closed session after that.

2 The **Minutes** for the May 25th meeting have been
3 withdrawn and we'll see them at a future meeting. So we'll
4 start with Lisa and the **Executive Officer's Statement**.

5 MS. SILVERMAN: We have just five items to present
6 tonight and one of them is that in the Consent Agenda in
7 anticipation of the treasurer's selling bonds at the
8 beginning of the month, we are introducing \$78 million in
9 projects for apportionment and we have highlighted
10 November 15th to submit the fund release request.

11 And the second item is to announce that we
12 actually have two seismic projects that are being -- as part
13 of the Consent Agenda as well, one for Bueno Park and one
14 for West Contra Costa. So we're making some progress in
15 that area.

16 And also provide the Board an update on the fund
17 release that we distributed last February. Out of the
18 81 million and 31 projects, only one project was rescinded
19 and so that's actually great news and there's a few other
20 projects that were Charter and they actually received a new
21 date in line because they were design --

22 And then we also wanted to provide the Board an
23 update, on August 5th, the Office of State Audits and
24 Evaluations, which is the Department of Finance auditors,
25 they released their report of the program -- audit report of

1 the program and so there actually are recommendations for
2 changes in the current School Facilities Program.

3 So there's the link on our website and also their
4 report.

5 And the last item is we wanted to share that we
6 won't have a meeting in September. That will be suspended
7 and we actually will have a meeting in October, so
8 October 17th.

9 CHAIRPERSON ORTEGA: Okay. Any questions from the
10 Board members?

11 SENATOR LIU: Well, I just -- I'm curious about
12 the -- because I did get a copy of the Department of Finance
13 audit of the Prop. 1D funds and I'm curious about the
14 response from your office and pushing off doing the
15 recommendations until the new bond issue is passed and what
16 happens if the bond issue fails.

17 MS. SILVERMAN: Well, there's a number of
18 different recommendations that they did have and some of
19 them are issues that we actually can tackle internally right
20 now and some of those issues are related to posting some of
21 the recommendations or findings related to districts'
22 audits.

23 We're posting that to our website, and so we
24 should have that taken care of in a matter of weeks.

25 And there's also other recommendations related to

1 having a better efficient way of tracking things and so
2 we're working on that internally.

3 The larger program changes are items that we
4 are -- we would have to have to tackle some time in
5 November. If the bond does not pass, then we obviously have
6 a lot to converse about.

7 SENATOR LIU: That's right. Okay. All right.
8 Thank you.

9 CHAIRPERSON ORTEGA: Thank you. All right. We
10 will move onto the **Consent Calendar**.

11 Before we take up the Consent Calendar, I'd like
12 to propose that we move Item 6, the Facility Hardship
13 proposed regulations for historic buildings with Attachments
14 B, C, and D to the Consent Calendar, if there isn't any
15 objection from the Board.

16 Okay. Is there any public comment on the Consent
17 Calendar or the Item 6 that's been added to the Consent
18 Calendar?

19 All right. Seeing none, is there a motion?

20 ASSEMBLYMEMBER CHAVEZ: Move the Consent Calendar.

21 CHAIRPERSON ORTEGA: All right. Moved by
22 Mr. Chavez.

23 MR. DIAZ: Second.

24 CHAIRPERSON ORTEGA: Second by Mr. Diaz. Please
25 call the roll.

1 MS. JONES: Senator Liu.

2 SENATOR LIU: Aye.

3 MS. JONES: Senator Huff.

4 SENATOR HUFF: Aye.

5 MS. JONES: Assemblymember Chavez.

6 ASSEMBLYMEMBER CHAVEZ: Aye.

7 MS. JONES: Nick Schweizer.

8 MR. SCHWEIZER: Aye.

9 MS. JONES: Cesar Diaz.

10 MR. DIAZ: Aye.

11 MS. JONES: Jeffrey McGuire.

12 MR. MCGUIRE: Aye.

13 MS. JONES: Eraina Ortega.

14 CHAIRPERSON ORTEGA: Aye.

15 MS. JONES: Motion carries.

16 CHAIRPERSON ORTEGA: Okay. Thank you. We'll move
17 to the **Financials**.

18 MS. SILVERMAN: Yeah. On Tab 4 which is page 82,
19 quickly, we had disbursements in the month of July and
20 that's actually cash being disbursed to projects, June and
21 July.

22 So that represents 11.6 million that was disbursed
23 in June and no activity in July. That's on page 82.

24 And Tab 5 which is the global report, page 86,
25 relating to the action of consent on the priorities in

1 funding, that's listed in there and we also -- the Board did
2 approve \$11.3 million in projects and that represents six
3 projects.

4 We also had activity related to the Emergency
5 Repair Program and those projects were dispensed in the
6 Consent Agenda as well.

7 So \$8.5 million went for additional projects in
8 the Emergency Repair Program.

9 CHAIRPERSON ORTEGA: Okay. All right. Any
10 questions on any of that?

11 Any public comment on any those items? Okay. And
12 we dispensed with Item 6. So the **three-month workload** is
13 under Item 7.

14 MS. SILVERMAN: Not sure if any comments on --

15 CHAIRPERSON ORTEGA: Any comments or questions on
16 the three-month workload?

17 Okay. Then I think that's all we have for open
18 session.

19 So is there any public comment on anything not on
20 the agenda before we move into closed session?

21 Okay. Seeing none, I would ask that all the
22 members of the public please clear the room.

23 Did anyone have any comments on the items that are
24 listed as the closed session?

25 Seeing none, the Board will now meet in closed

1 session pursuant to Government Code Section 11126(e)(1) for
2 the purpose of conferring with and receiving advice from
3 legal counsel regarding pending litigation and we'll
4 reconvene in 20 minutes or less.

5 (Whereupon at 4:12 p.m., the open meeting was recessed
6 for the closed session and resumed as follows at 4:30 p.m.)

7 CHAIRPERSON ORTEGA: Thank you, everyone. We will
8 reconvene into open session.

9 Is there any additional public comment to come
10 before the Board? Any comments from Board members?

11 Okay. Seeing none, we'll be adjourned.

12 ASSEMBLYMEMBER NAZARIAN: Before that, I'd like to
13 add on.

14 CHAIRPERSON ORTEGA: Okay.

15 ASSEMBLYMEMBER NAZARIAN: Consent item.

16 CHAIRPERSON ORTEGA: Consent item. Let's do a
17 quick return to the **Consent Calendar** and call the absent
18 members.

19 MS. JONES: Senator Hancock, how do you vote on
20 the Consent --

21 SENATOR HANCOCK: Aye.

22 MS. JONES: Thank you. And Assemblymember
23 Nazarian, how do you vote?

24 ASSEMBLYMEMBER NAZARIAN: Aye.

25 MS. JONES: And also Assemblymember Bonilla?

1 ASSEMBLYMEMBER BONILLA: Aye.

2 MS. JONES: Thank you very much.

3 CHAIRPERSON ORTEGA: Okay. Now we are adjourned.

4 Thank you.

5 (Whereupon, at 4:31 p.m. the proceedings were

6 adjourned.)

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

REPORTER'S CERTIFICATE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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 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 August 19, 2016.

Mary C. Clark
AAERT CERT*D-214
Certified Electronic Court
Reporter and Transcriber