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 KIM, Director, Department of General Services

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

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

SENATOR RICHARD PAN

SENATOR JANET NGUYEN

ASSEMBLYMEMBER ADRIN NAZARIAN

ASSEMBLYMEMBER PATRICK O'DONNELL

REPRESENTATIVE 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
PROCEEDINGS

CHAIRPERSON ORTEGA: Good afternoon, everyone. I would like to call to order the April 24th meeting of the State Allocation Board. Lisa, if you could call the roll, please.

Senator Nguyen
SENATOR NGUYEN: Here.

MS. JONES: Senator Pan.
Assemblymember Nazarian.

Assemblymember Chavez.

Assemblymember O'Donnell.

ASSEMBLYMEMBER O'DONNELL: Here.

MS. JONES: Juan Mireles.

MR. MIRELES: Here.

MS. JONES: Daniel Kim.

MR. Kim: 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 we have is the Minutes from the January
25th meeting.

Do we have any comments, any corrections to the Minutes? Okay, is there a motion?

MR. DIAZ: Moved.

ASSEMBLYMEMBER O’DONNELL: Seconded.

CHAIRPERSON ORTEGA: Moved by Mr. Diaz, seconded by Mr. O’Donnell. All in favor of approval of the Minutes please say aye.

(AYES)

CHAIRPERSON ORTEGA: Approved unanimously.

SENATOR NGUYEN: I just have a question.

CHAIRPERSON ORTEGA: Yes, please.

SENATOR NGUYEN: Since I wasn’t here, do you -- do you -- is it okay that I vote? Does it matter?

CHAIRPERSON ORTEGA: I think you can but --

MS. BANZON: You can vote on it, the Minutes.

CHAIRPERSON ORTEGA: All right, Lisa.

MS. SILVERMAN: The Executive Officer's Statement. We wanted to share with the Board three items tonight as part of the agenda. In the consent agenda we actually have 17 projects for $63 million and that’s the result of the spring bond sale. And those districts need to submit the -- excuse me -- need to submit certification by July 24th. And so those items will be approved tonight.
And so we’ll be reaching out to the districts as we start getting close to the deadlines. So we wanted to share that with the Board tonight.

The second item is to announce that the priority funding round certification will be opening up on May 10\textsuperscript{th} and it will close on June 8\textsuperscript{th}. So any projects that received an unfunded approval prior to those deadlines will be eligible to submit a certification.

And then the last item is to share with the Board, we had announced back in January that there was a charter round opening and so we have had a lot of folks interested in some attendance at numerous outreaches. And so that round closes up on June 5\textsuperscript{th}. So we’ll be sending out reminders as well for those charters that are interested in the project, and that’s it.

CHAIRPERSON ORTEGA: Okay. Any questions on those items?

Seeing none, we’ll move to the Consent Agenda.

MS. SILVERMAN: The consent agenda is ready for your approval.

CHAIRPERSON ORTEGA: Okay. Any questions or comments from Board members on the Consent Calendar?

Is there any public comment on any of the items on consent?

Okay, seeing none, is there a motion?
MR. KIM: Motion to approve.

MR. O’DONNELL: I’ll second.

CHAIRPERSON ORTEGA: Okay. It’s been moved and seconded. All in favor of the Consent Calendar please say aye.

(Ayes)

CHAIRPERSON ORTEGA: I believe that’s unanimous. We’ll move to item five - pardon me. Sorry. Let’s - actually, you know what, let’s hold the roll open on the consent and we’ll call the absent members, in case Mr. Nazarian joins us, as well, but let’s just hold that open. I don’t think there’s any objection to consent items.

So, Status of Funds.

MS. SILVERMAN: So, the financials on page 74. We just wanted to highlight the funds that we’ve released as a result of the priority funding apportionment that went out in December, and so we had 1.7 million that was released in January and nothing to report in the months of February and March. So that’s on page 74. And as far as status of funds, on page 76, again, the activity we wanted to highlight for the Board in the agenda, all the propositions outside of Proposition 51, we had over $20 million -- excuse me -- 20 projects for over $64 million that was approved as part of the unfunded approvals this month. And also as far as rescissions and closeouts, we
actually had $66 million and 35 projects that were -- either
came through or were rescinded.

And on page 76, we wanted to highlight with the
Board the Emergency Repair Program projects that were
approved as well. We did receive almost $6 million and that
resulted in savings that came back to the program from the
Emergency Repair Program. And we actually did provide some
-- actually apportionments or additional grants to districts
close to $5 million and that’s 54 projects.

So with that, that was the report.

CHAIRPERSON ORTEGA: Okay. Any questions or
comments on those?

Welcome Senator Pan.

SENATOR PAN: Thank you.

CHAIRPERSON ORTEGA: Any comments?

Seeing none, we will move to the item under Tab 6,
which is an Appeal Item.

MR. LAPASK: Good evening. Brian LaPask with
OPSC. The Beverly Hills Unified School District has a
seismic mitigation repair project they’re requesting
replacement funds for. Last year, the Board saw quite a few
projects that had qualified historic buildings where they
were doing rehabilitation rather than replacement when they
actually qualified for replacement funding. The statutes do
not prohibit -- or don’t, don’t say that if you qualify for
replacement funding, you have to actually replace the
building. So the Board has been able to have the
flexibility to allow folks to -- excuse me -- rehabilitate
facilities with replacement funds. The Board asked staff to
create regulations that would allow for these types of
projects when there is a qualified historic building to move
forward without having to come through an appeal. We
brought those required, and they were approved by the Board
in October. However, they’re not active yet. So this is a
textbook project that would fit directly into those
regulations. If they approved, you wouldn’t have the appeal
before you today. So staff recommending the approval of the
item as requested, replacement funds for the rehabilitation
of the building pursuant to the regulations that are still
going through the rulemaking process, and I can answer any
questions that you have.

CHAIRPERSON ORTEGA: Thank you.

Any questions from Board members?

Is there any public comment on this item?

No. I don’t think there’s any objection to moving
this appeal forward.

Is there a motion?

MR. DIAZ: Motion to approve.

MR. KIM: Second.

CHAIRPERSON ORTEGA: Moved and seconded.
All in favor of the motion please say aye.

(Ayes)

CHAIRPERSON ORTEGA: Okay. It’s approved, and we will move to Item Seven.

I do have many speaker cards on Item Seven. If you haven’t filled one out that would be helpful just to keep the comments orderly and the items under Tab 7. So if you could grab a speaker card and get your name on the list, that would be helpful. But we will start with a staff presentation on the regulatory agreement proposed under Tab 7.

MS. SILVERMAN: Actually, grab your attention to Tab 7, which is on stamped page 113. So we wanted to highlight, in January, we came and presented an overview of the Office of State Audits and Evaluation audit of the program. And we shared with the Board that we had some concerns about some of the issues that were being raised in the audit that were performed by the Department of Finance. We also highlighted to the Board there’s Executive Order S-02-07, that actually provides a lot of oversight and responsibility to departments and Board to ensure that bond funds are spent effectively and efficiently. And with that, we introduced grant agreements as part of enhancing accountability in this program. So with that, we got Board direction at the January meeting to go back and develop
grant agreements for corresponding regulations. So on March 24th, staff presented, sent out publically, the draft grant agreement. And we actually held a meeting on March 30th. And we had quite a bit of members -- excuse me -- members of the public that was interested in that meeting, so a full house, about 30 to 50 participants. We also had about 900 people that actually watched the webcast. So that widely had some interest in that. We also had a -- solicited some feedback from stakeholders as well. We sent out an email blast and was hoping to get some feedback as far as technical amendments that we could make forward and the grant agreements and so we had a deadline of April 10th. We did receive some letters. And so with that, we had the ability to make some -- some changes that were reflected in that draft grant agreement and we also had a sit-down meeting with some folks as well to get some more input on the grant agreements itself. And that was on April 12th.

So what staff is proposing today is having the grant agreements apply to projects that are on the true Unfunded List, that’s $370 million of projects that have been processed by the Board and also apply it to the Acknowledged List. And those are the projects, that’s over two -- close to two and a half billion dollars, the projects that we received but haven’t been processed by staff. So that’s what we’re proposing today.
And then on page 115, we wanted to clarify really what the grant agreement is doing. It’s actually -- improves oversight and accountability and also, we also feel it addresses OSAE’s findings as well. We find it’s a useful tool, not only for districts, but it clearly lays out the items that they’re required to do for each of the programs. It also provides very clear guidelines for eligible and ineligible expenditures that really aren’t very transparent for some of our program grants. So we definitely think it’s a useful tool. It also provides the oversight responsibility for the Office of Public School Construction. It also provides the oversight responsibility of the closeout audits being accompanied for their local audits to be performed once the project is completed. And that correlates with the trailer bill language as well. It also gets in the process of, if you are a local audit, then -- again, that would go through the Educational Audit and Appeal process. And so we actually have some exhibits associated with that.

We think it’s a useful tool, and it very clearly outlines what the requirements are for the program. We wanted to highlight on -- excuse me -- the feedback we received on page 116. We did have some letters that did come in from districts and also some stakeholders. And so we wanted to highlight to the Board in a very transparent
process that this is the feedback we did receive, notably (indiscernible). Some of the concerns were we’re changing the program, and what we wanted to address to the Board is we actually are putting forward a grant agreement that, obviously, outlines the existing program as far as the regulations and statutes, but how it exists today.

So there is a slight change in the item that addresses the technology purchases, and so that is a slight deviation from the existing program.

We move forward to page 117. So we clearly believe that the grant agreements, as we drafted the, it encompasses all the programs that we administer, not only the new construction, modernization, charters, and career tech that would be part of Proposition 51, but it also outlines for seismic, which is part of the prior bond program and facility hardship, which is health and safety projects that we bring forward to the Board today.

So we believe it’s a useful tool, and at this time, we’re asking the Board to adopt the grant agreement in Attachment E -- excuse me -- Attachment D and the corresponding regulations in Attachment E and also we’re asking that we file these -- the Board adopt the grant agreements and regulations and file this on an emergency basis.

CHAIRPERSON ORTEGA: Okay. Thank you.
Before I open it up to questions from the Board members, I do want to take a moment to thank Lisa and Barbara, in particular, and the other OPSC staff who worked on this. I think the hours it took to compile all of the code section and regulatory section items into one single document, I think it’s the first time that it’s been done for the program. The grant agreement is comprehensive. I know that there are concerns about complexity, but the program is quite complex as it exists today. And the document, I think, is probably the clearest effort we have ever seen to try to make sense of it in one place. And so I really do want to thank you for your work, and I know that it took a tremendous amount of time, and I think it’s a very high quality product that you produced. So I do want to acknowledge that.

And then I think we’ll start with comments or questions from Board members, and then we’ll take public comment on the item.

Go ahead Mr. O’Donnell.

ASSEMBLYMEMBER O’DONNELL: Yes. Thank you.

Thank you for the presentation and your hard work. I know this was, kind of, herculean, and I think the mantra was that we get it done quickly but also be very thorough and make sure that projects could get up and running. So thank you again.
So, I have several concerns, and I’ll, kind of, lay them out and they’re under our proposal today. I’ll just, kind of, number them off, and they’re kind of, scattered because it’s been a scattered day, so please be patient with me.

Under current law, districts are allowed to set up a payment plan when it’s found that they have had ineligible expenditures, and it looks like there’s some changes with regard to that. Is that accurate?

So in other words, if they do -- okay. If they’re found to have ineligible expenditures, this proposal has it coming out of the their base allocation; is that correct?

MS. SILVERMAN: That’s, that’s part of the -- that accompanies the trailer bill language that’s the draft for the bill language.

ASSEMBLYMEMBER O’DONNELL: Right. So -- and that’s the other complexity we’re referencing is a trailer bill that has not yet passed, but that’s down the road here. So do we really want to do that? What if the local district has some other sources of funding? Their own bond funding, developer fees, et cetera? Why wouldn’t we just say it comes out of your base allocation?

CHAIRPERSON ORTEGA: Let me -- let me respond to that.

Assemblymember O’Donnell, I think that’s a, a
legitimate point, and I think it’s something that folks are considering. I don’t think it’s something that was proposed by Lisa or her staff. So I’m not sure that they

ASSEMBLYMEMBER O’DONNELL: Is it in here?

CHAIRPERSON ORTEGA: It’s in the trailer bill. So that --

ASSEMBLYMEMBER O’DONNELL: Oh, okay. But

references that trailer bill.

CHAIRPERSON ORTEGA: Yeah. Certainly, the grant agreement is supposed to be a companion document to the trailer bill, but the mechanism for paying back something --

ASSEMBLYMEMBER O’DONNELL: Which comes first?

CHAIRPERSON ORTEGA: I guess we’ll find out.

ASSEMBLYMEMBER O’DONNELL: Yeah. So -- okay. Well, why don’t I --

CHAIRPERSON ORTEGA: I just don’t want to put Lisa and her team on the spot for making that choice when that’s in the budget trailer bill.

ASSEMBLYMEMBER O’DONNELL: Okay. Well, who did then? I mean, help me understand it.

CHAIRPERSON ORTEGA: It’s been proposed as part of the Governor’s budget in the budget trailer bill. So you can put me on the spot on that question.

ASSEMBLYMEMBER O’DONNELL: Okay, Well, then
if you want to --

CHAIRPERSON ORTEGA: As I said, it’s something that has been raised and, and folks are certainly considering what other options. We proposed what we thought was the simplest way to create a mechanism for repayment. If there’s a better option, I think that can certainly be discussed as part of the budget.

ASSEMBLYMEMBER O’DONNELL: Well, I guess, then what’s, what’s -- what is -- what’s, what’s wrong with the current practice?

CHAIRPERSON ORTEGA: Well, I think, currently, there isn’t a practice at all. There is no -- there is no mechanism today to pay back something that’s found because there is, in fact, no complete financial audit today.

ASSEMBLYMEMBER O’DONNELL: So I guess where I I’m coming from is there ought to be other mechanisms, and I think it ought to not come out -- straight out of the base allocation. I know that’s swift and efficient.

CHAIRPERSON ORTEGA: Sure.

ASSEMBLYMEMBER O’DONNELL: But again, there may be a more appropriate places and I don’t think that serves the best needs of our students.

CHAIRPERSON ORTEGA: And I think we’re open to that --
ASSEMBLYMEMBER O’DONNELL: Point made. Okay.
And then ultimately where will those funds go? Will they
go back to the state general fund? Or do they go back in
Prop 98?
CHAIRPERSON ORTEGA: I think, as it’s
proposed, it will go back into Prop 98, because it will come
out of the allocation of the district and it would go right
back in the same fund.

ASSEMBLYMEMBER O’DONNELL: My understanding
was possibly the general fund, the diversion was to the
general fund, but you don’t believe that to be the case.

CHAIRPERSON ORTEGA: I don’t believe that’s
the proposal, but we can certainly have that conversation.

ASSEMBLYMEMBER O’DONNELL: Okay. More to
talk about.

With regard to expenditures, we have eligible and
ineligible. I have heard that maybe an ineligible list
might be better to operate from as opposed to having an
eligible list versus an ineligible list because something
might come up in the course of the project that might not be
on the list, kind of, a practical consideration.

MS. SILVERMAN: And we actually have the
ability, I mean, if there are items that are not listed in
here, I mean, even with the trailer bill language, I mean,
there’s always an opportunity to come back and have some
changes brought forward.

ASSEMBLYMEMBER O’DONNELL: If we have had an
-- if we had an eligible list only, wouldn’t that just be a
better practice?

MS. SILVERMAN: Well, I mean, sometimes, we
also have new -- changeover in staff, not only at our staff,
our office, but we also have changes in staff with the
districts. And so it’s -- sometimes, it’s useful to have a
comprehensive document that really clearly identifies what’s
allowable, what’s not allowable. So I would expect if I saw
I opened up a package and saw just a list of ineligibles
then I also would want to see what the companion eligible
expenditures are.

ASSEMBLYMEMBER O’DONNELL: Okay.

Understood. Again, I just think the ineligible,
from what I’m hearing on the ground, is a more workable
practice.

Also, -- let’s see. What else. Again, the
trailer bill language, you know, which comes first here?
That’s a question we need to contemplate as a body. We’re
referencing a trailer bill that has not passed in this
document. And again, should -- I don’t want to wait until
July because I know there’s things going on but again,
consideration taken.

And then with regard to the Unfunded List, would
it apply to the Unfunded List or not?

MS. SILVERMAN: As it is proposed today, it would apply to projects on the

ASSEMBLYMEMBER O’DONNELL: What would the practical impact be of that on the ground?

MS. SILVERMAN: Well, I mean, they would still have to -- these are still the same rules and regulations in place as you would have been approved last year, two years ago. So I mean, we are not structurally, structurally changing the rules as far as how the program, those allowances are -- other than outside the computer allowances. So I would expect that districts that got, received a grant moving forward even those projects were completed. They would still be abiding by the same rules and so the same rules that we’re also outlining in the grant agreement as well.

ASSEMBLYMEMBER O’DONNELL: Well, I hope we’ll hear what some people come up and comment about that.

And with that, I’ll just leave it at that. To me, today, I’m not ready to approve this today. I would say just bounce this over to May so that we can really get it right. That’s where I site today. So thank you.

CHAIRPERSON ORTEGA: Senator Nguyen.

SENATOR NGUYEN: I’m new on the Board. I’m -- just, trailer bill versus this, which one goes first?
What is the normal practice? Shouldn’t the trailer bill, because it’s put in statute, shouldn’t that go first before we go?

MS. SILVERMAN: Well, the Board has the ability to adopt regulations and also adopt the grant agreement, and if there’s any differences that result as the trailer bill being enacted, then we also have the ability to modify in the future what those changes are.

SENATOR NGUYEN: Could there be -- could the trailer bill add things in there that will be drastic that could change what we’re doing today? I mean, because that’s the thing, I’m just thinking, why go before the trailer bill, because my understanding is, I mean, it’s statute, it’s the law. And it’s easier just to follow it than having to chase it or to amend and amend and amend.

CHAIRPERSON ORTEGA: I think that could happen, Senator Nguyen. I think there could be something in the trailer bill that requires us to come back and modify the grant agreement. I think that the two items are on different tracks because they address different pieces of an accountability program. The trailer bill addresses the audit requirements on the back end. The grant agreement is a regulatory agreement about receiving funds. The attempt was made to make the grant agreement address the program as it is today, which, which the bonds really locked into place
in terms of ineligible, eligible expenditures. I think what
could likely change in the trailer bill is more on the
process side rather than what’s eligible or not eligible
because I don’t think that’s part of the trailer bill
discussions. But I think it is possible we could approve a
grant agreement today. The trailer bill could make a change
that would require us to come back and modify it. But
approving a grant agreement today is not something that
would be difficult to revise it at another meeting. So
that’s why we felt it made sense. There was a lot of
interest from the stakeholder community of getting these
items on the agenda as soon as possible, so that’s why we
have them here today.

SENATOR NGUYEN: What, what, what we heard or
as some of the folks that came and met with us is that your
-- one, yes, they want this to move fast but what their
concern was that the -- you know, the public hearing and the
public information, it was a lot of information and a lot of
things they have to look through. And so they didn’t --
they weren’t able to get all their input in. And so they
just don’t want to look and -- they want to make sure that
we’re doing it right, but at the end of the day, we want the
money out as soon as possible, get these projects going, but
that’s where the unfunded, the funded, the unidentified, et
cetera. You know, I think they just want to, kind of,
pause. But I mean, hopefully, some of the folks, if they’re here today, can make those comments because I just wanted us to make sure that we’re working hand in hand with the Governor’s office and getting him to release the funding as soon as possible. But I don’t want us to have to come back and do a special hearing just so that we now -- oops, we forgot this, or oops, they just added this, because I don’t want any delay as we go forward, because I don’t want people to have hope. I mean, you tell them we do all the regulations and then we were stopped. That’s all. I mean, that’s just my, my comments. So, you know -- but that’s the reason why I’m asking the question.

CHAIRPERSON ORTGEA: Mr. Diaz.

MR. DIAZ: Thank you Madam Chair. So I also want to thank the staff. I think they put a lot of work into this proposal. I think, in the end, it really just focuses on accountability and clarify in the program in the front end. And I think -- I thank the Senator for her comments because it is about accountability. It is about clarity, trying to make sure we address all the problems in the front end so we’re not seeing many appeals later down the road. And sitting on this Board for several years, I have seen how, you know, districts can, in fact, look at some things that could be ambiguous. Perhaps, they had a different interpretation and different things. And so when
they come with those appeal, I think what staff is trying to
do with this proposal is to actually look at the program
that we have heard and many, many times, that many of the
stakeholders here have been very supportive of. In fact,
wearing my other hat, I’ve sat in different committee
hearings, where we’ve seen time and time again, like the
program, we believe in the program, how it exists, in fact
the voters approved the program, and cemented it for this
new round of funding sources. So I think, to the extent
possible, that we can address those issues by looking at
these grant agreements and knowing what the rules are, that
provides accountability for the limited resources that the
State is actually providing -- for these projects. So I
want to thank you for your hard work on that.

MR. KIM: I want to echo the sentiments of
the Chair and Mr. Diaz. I think the work that Lisa and
Barbara and OPSC staff has put together is outstanding. I
say this having worked 14 years in local government, and I
used to receive a lot of state funding. And the one issue
that I really had was what are the rules for using the
funds? I want to know those up front. I don’t want to know
those on the back end when I’m getting audited. And what
you have been able to do is provide this road map to be very
clear up front, very transparent, this is what’s allowable
and this isn’t what’s allowable. And that’s really
important in this day because there’s so much attrition and
turnover at the school level, at the county levels, at the
state levels. So for all of us to be on the same page is
really, really important. So I commend you for putting that
together. My understanding of the process is that -- at
least the intent is to the extent that we have the grant
agreement now, we want to make sure that it reconciles with
the trailer bill language. Is that true?

   MS. SILVERMAN: Correct.

   MR. KIM: And so to the extent it doesn’t
reconcile that you will come back to us and make changes
consistent with what the trailer bill says.

   MS. SILVERMAN: That’s correct.

   MR. KIM: And this process is just to make
sure to let’s get this out there sooner rather than later,
so folks know what the rules are up front.

   MS. SILVERMAN: Right, before they receive an
award.

   MR. KIM: Right, and, if anything, this is
expediting the process and getting the funding out.

   MS. SILVERMAN: It could. Yes, definitely.

   CHAIRPERSON ORTEGA: Okay. Yeah.

   MR. MIRELES: First of all, I want to echo
the comments regarding staff and their work. I know
firsthand that this is no easy task to put this together.
There’s a lot of work that has to happen to get these items ready. So thank you guys, and thank the rest of the folks at OPSC.

Second, I do want to state that the state’s superintendent has been a strong supporter of the state bond program and now that the bond program is approved, we are very anxious in getting the money out to the districts, and having these grant agreements in place will help us get the money out. That being said, there are some, some questions and concerns that we have. We do share these same comments with Assemblymember O’Donnell regarding the trailer bill language. We believe that capital funds should be an option but we understand that’s going to be discussed in the budget process in terms of paying back ineligible expenditures.

There’s a couple of other comments that we had that, maybe, we can clarify, one of them being for projects that are on the acknowledged list and that have been built. And the grant agreements require that those projects be subject to the laws in effect at the time of the agreement. So I just want to clarify that if the school has been built and the agreements are signed two, three years later, that that will not be problematic to comply with new laws when the district signs it, because it could be a couple years out. Is that something that districts are going to be subject to in terms of new laws for a school that’s already
been built?

MS. KAMPMEINERT: The intent is for the laws that apply to the project to be the laws the district followed. The law was triggered by a contract date then the law would tie to that particular contract date. So it’s not an attempt to subject a project to any new law that may be coming in the future.

MR. MIRELES: Great. Thank you for clarifying. Another -- and this is a suggestion. Assemblymember O’Donnell raised this issue in terms of the ineligible and eligible costs. We do have language in regards to the eligible cost -- or ineligible cost I should say -- that it is not an exhaustive listing. We don’t have that same language for the eligible costs. And that might be a way to include the common types of eligible expenditures, but could we use that same type of language to mention that it’s not an exhaustive list? That might be a way to address your comments, Assemblymember, in terms of having a list of common eligible expenditures but referencing that it is not an exhaustive list, similar to what we have for the ineligible costs.

MR. KIM: If I may, having experience at the local level, trying to figure those things out, I think it is always helpful to know, up front, what the eligible costs are. If we keep it open ended, that, that creates more
uncertainty. And to my, my understanding is that we’ve gone ahead and asked our stakeholders, are there any other eligible costs that we haven’t identified in here. And that answer, to date, has been, this is pretty comprehensive?

MS. SILVERMAN: We received feedback -- some feedback from our stakeholders but as far as -- I think there was some questions related to items that would normally fall under a Career Tech project, you know, whether or not there would be allowances for kitchen appliances. Of course, if it lines up with a culinary type of path, those items would be eligible. But there would be other items that, obviously, wouldn’t fit that eligibility component, which could be, you know, supplies, and operational items that wouldn’t fall within the program grants.

MR. KIM: I see. So let me see if I’m phrasing this correctly. So it sounds like you’ve identified to your best knowledge all the allowable eligible costs. With that said, there may be some that you haven’t thought of, in which case, you would work with the school district and those items to determine whether they would be eligible or not.

MS. SILVERMAN: Yeah. And I’m not sure do we receive a short list of additional ones?

MS. KAMPMEINERT: We didn’t actually receive very many comments on specific eligible, ineligible
expenditures. There was an ineligible expenditure that we have identified that was brought to our attention but that wasn’t consistent with the program. We did remove that from the ineligible expenditure list. So we’ve only got a few comments on that. If we received additional items in the future or if we find them as we’re going through the other projects that we’re currently auditing that we need to add to this list, that is something that we could add in the future to the grant agreement template. But as of right now, the feedback didn’t have anything more specific other than that Career Tech piece and the items that we did address already.

ASSEMBLYMEMBER O’DONNELL: Just a comment on that, I think it’s the unknown that people are concerned about, not the known necessarily. That’s where I think the concern comes from, what we don’t know in this room today that might come up through the process.

But I want to go back to a question Mr. Mireles asked, and I think was it the acknowledged list you spoke to with regard to the grant agreement?

MR. MIRELES: Yes.

ASSEMBLYMEMBER O’DONNELL: Yes. So, so if the grant agreement is applied to the acknowledged list, you’re saying that’s not going to create anything cumbersome because that is past practice?
MS. KAMPMEINERT: The grant agreement, for both the Unfunded List and the acknowledged list.

ASSEMBLYMEMBER O’DONNELL: Uh-huh.

MS. KAMPMEINERT: With the exception, as Lisa mentioned, of the technology component, it’s --

ASSEMBLYMEMBER O’DONNELL: It’s the same.

MS. KAMPMEINERT: It’s the same requirements in the one document, trying to make it more clear. And we did ask at a couple of the stakeholder opportunities, what would make it so that a district would not be able to sign this document in the event that the project was already completed -- and we heard the technology piece for some folks that had gone forward and they would need to consider whether they had been considering claiming technology as an eligible expenditure and then -- that was actually the main one. Other than that, I didn’t hear any specific comments.

So the laws that are referenced in this grant agreement, the regulations that are referenced in this grant agreement, they’re similar -- or tied to the certifications the districts have to enter into when they’re completing the funding requests as well. So we’re not seeing that this is going to be a major issue for projects that have already completed or signed contracts because it’s not adding new requirements that they otherwise would not have been doing under the program. An example, we did have a certification
that was on the form for many, many years that came up and 
when we put it into this grant agreement format, we got a 
question about whether districts were subject to it or not, 
and that was a surprise because it was a certification 
that’s been around for a long time. So actually seeing that 
in the first week of this document being out was a sign that 
actually this format might help people see the 
certifications that they otherwise might not be reading 
over. But the certifications and the laws did not change. 
So we think there will be minimal impact to those that 
already completed their project.

ASSEMBLYMEMBER O’DONNELL: Thank you.

CHAIRPERSON ORTEGA: Any other Board member 
comments?

All right. Let’s move to public comment. We’ll 
start with Don Ulrich -- and please come on up.

MR. ULRICH: Madam Chair, here?

CHAIRPERSON ORTEGA: You can sit there or 
stand, your choice.

MR. ULRICH: Okay, if I have a choice, I’ll 
sit. Thank you.

Madam Chair, members of the State Allocation 
Board, thank you for having us today. We appreciate the 
opportunity to comment. My name is Don Ulrich. I’m the 
chair of the Coalition for Adequate School Housing or CASH,
and the purpose really today is to comment and make recommendations on, you know, really three items, the up front agreement. We talked about audits, that it’s related. The list, if that’s appropriate, you know, the acknowledged list and the Unfunded List. And then there’s some related issues. So I’ll try to summarize the CASH position on these issues in advance and therefore -- thereafter, offer some detailed comments.

First of all, I think it’s really important to understand, CASH has said this before and we want to continue to make everybody understand this, that we support, you know, the concept of a plainly and clearly written and agreed upon master document to serve as a guide and template for expenditures of state bond funds to be used in decision making. You know, as far as the delay of, you know, funds getting out, you know, we agree that we don’t want that to happen like a couple of our legislators have stated. But we don’t want that to happen at the expense of an agreement that we feel adds some complexities to the program and also causes some issues for school districts.

We also support the idea and the concept of changing the K-12 audit guide, establishing the goal of district responsibility for auditing the expenditures of state bond funds. However, we do not agree with the approach taken in each matter as these are not consistent
with existing statutes contained in Chapter 12.5 of the Education Code.

As for the two lists, the true Unfunded and acknowledged list, CASH opposes -- and I think this is important -- any prejudice as to the treatment of either list. CASH believes that the projects on each list were submitted according to the existing statute and ask that each project on each list be prepared for future apportionment as the Board has submitted in date order. The district seeking state bond funding from before 2008 through the current date in 2017 have done so relying upon statute and regulation that remained unchanged and, by the way, have been passed by the voters with Prop 51. Regarding the up front agreement again, the agreement before CASH intends to be a -- excuse me -- before the Board, intends to be retroactive as we talked about, requiring districts to agree to the terms presented for projects that have been built, could be occupied, or are under construction. You know, we just find this unreasonable. It is contrary to existing statute and regulation relied upon by school districts that have applied for funding to date. The Board approved projects on the Unfunded List -- excuse me -- and acknowledged list should not be subject to new conditions or new, new rules because there are some changes as contemplated in the agreement. The agreement, as written,
creates more complexity within the School Facility Program rather than simplifying the process. That has been a goal of the administration. All the certifications in the agreement -- or at least most of them -- have already been made by the district in the application process. So the agreement due to size and complexity really will add to legal costs, legal review costs for our school districts. The school agency parties to the proposed agreement and independent auditors will be responsible for ensuring compliance by schools have been limited in their inclusion in the creation of the -- of the agreement. Representatives of the K-12 audit profession have significant concern -- significant concern as to the work they are to perform and their ability to produce the work intended. The auditors have told us that their procedures are significantly different than those used by OPSC auditors.

Much more and different work will be needed -- need to be done at the local level for these auditors. It will be a different process. The K-12 auditors predict that only a few audit items will actually be prepared -- a few audit firms -- excuse me -- will actually be prepared to do the work.

And as far as the list, both lists, we feel, should be processed to the Board in date order on a month-to-month basis as has been the practice prior to the
implementation of the project and funding method which commenced in May of 2009, you know, during our great recession. And establishment of the practice of biannual funding implemented by the Board has begun to apportion, you know, small small -- a small amount of projects for stalling the complete diminishment of the school bond authority from 2012 to the present date.

So the true Unfunded List, we really feel you should move that, as you have considered, to the full, full apportionment immediately and in anticipation of a fall bond sale. Regarding the acknowledged list, process to the Board immediately for action as an unfunded apportionment so that you can be prepared for the bond sale in the spring. If anything would do what some of us have asked for is get the money out soon and sooner to schools, this item would do that.

So, kind of, a summary of our recommendations, we ask that the Board, that has been recommend by Senator O’Donnell, defer the adoption of the agreement as proposed and we further ask that the Board direct its staff to call together a small yet representative body of school districts and K-12 audit practitioners to engage OPSC and Department of Finance in the negotiation of a simply and clearly written agreement. If the Department of Finance is interested in directing expenditure decisions made by
districts with an emphasis on the avoidance of technology or computer purchases, they could simply compile a master list of unacceptable expenditures as has been recommended today and get agreement from CASH and the schools. The DOF and OPSC can then propose that an LEA acknowledge that it has read and agreed not to purchase unacceptable furniture and equipment. CASH will support such a clear and simple agreement if it is prospective and not reactionary. We suggest that the requirement commence for any project for which a contract is signed on or after July 1st, 2017 consistent with the beginning of the state budget. We ask that the Board recognize that the voters of California approve Proposition 51 to fund projects according to Education Code, Chapter 12.5 in implementing regulations as they existed in January 1st, 2015. We ask that the Board also recognize that projects on both lists are there because district governing boards took action to expenditures -- to the expenditure of billions of dollars of local funds as required by statute as the local funding share to plan projects received DSA approval and apply for state bond funding that’s relying on the School Facility Program.

So we ask that you approve the true funded list to move forward immediately as you’ve discussed. And, again, we ask that you approve the acknowledged list you move forward intact in date order to the unfunded category.
Again, thank you for attention to these matters. We know that the discussion will be robust, and we appreciate the opportunity to comment, and we also would add that we appreciate the work we’ve done with OPSC. You know, the meeting on April 12 was very productive. The OPSC staff and Lisa did a great job leading them to listen to try to understand what our issues are. We know that if we continue to work together with them in that fashion, we can come to an agreement that meets the conditions we have asked for today. Thank you.

CHAIRPERSON ORTEGA: Thank you.

I’ll call Lettie Boggs.

MS. BOGGS: I’ll just stand. Thank you.

I just wanted to mention that in the audit requirements -- and I understand part of the audit requirements are in the trailer bill part -- are in the -- in the lists that are given. It is helpful to have lists of what’s ineligible and what’s eligible. However, the nature of those kinds of lists is that as soon as you begin listing it, people have -- people have -- “Oh, what about this?” And “What about this” and it becomes very difficult. It’s, typically, easier to work with principles. So one of the principles that we’ve always applied to the capitalization of school projects, things that if it’s routinely purchased on the supply budget, it doesn’t become accounted for in the
capitalization of the project. But if it is something that is needed to equip the school for functioning the first time it is built, the rules are different than strictly supply later.

So for instance, the first time you build this room, you could put light fixture in it but if you were only buying -- well, these are expensive -- but if you were only buying one school light fixture, it wouldn’t meet the threshold, and those are part of the system. But there are a log of things in the room that are not part of a system that are needed to make the school a going concern that you could walk in first day. And so this has been an area where we’ve worked with clients for many years that the first time you purchase it to make the school a going, functioning facility, it is allowable in capitalization. You use those capitalization numbers for insurance purposes. If the building was to burn down, you would need all that stuff in there. You’d have to make it a going concern again absent what was usually purchased under a supply budget. So for instance, you could buy the copier machine under the capitalization, but you couldn’t buy paper because paper is routinely purchased.

So I think there could be some principles that might assist us better in defining what’s appropriate to put within a capitalization of a project. We just ask to be
included in those conversations going forward because the stakeholders deal with this conversation between fiscal and facilities all the time. We get a lot of these calls from our clients. Thank you.

CHAIRPERSON ORTEGA: Okay, Thank you. Next, we have Darrin Watters.

MR. WATTERS: Good afternoon. Thank you. My name is Darrin Watters. I’m the Deputy Superintendent for Val Verde Unified School District. First, I’d like to thank Ms. Silverman and her staff at OPSC. There was a great dialog and opportunities we have been provided to provide input. And thank Member O’Donnell and Nguyen certainly for some of your comments there. I think you hit the nail right on the head with the ineligible list and the apportionments coming out of the -- or excuse me -- the ineligible expenditures coming out of my apportionments for district. The optics on that, I’m trying to get my bond dollars into the general fund to back that are horrible. I don’t know how I go to my COC and tell them I have taken local bond dollars and moved them into my general fund to back fill that. So the opportunity to pay that is right on.

A little story, you know, I’m building a high school right now. It’s a high priority in our community. I’m having to do it in phases because we haven’t had state participation. We’re doing it totally locally right now.
We’re praying for state participation so we can finish this thing out. Highly inefficient way to do it, but we understand these are the times. I’ve got ninth -- we opened it up with ninth and tenth graders this year, and we’re bringing 11th graders next year. The fact that this agreement is going to be retroactive -- I guess it’s going to be very difficult to me to sign a document when I know there are -- you know, and Ms. Silverman’s own words in the staff report as well, vastly -- a vast majority is the same. But there are nuance differences and that’s going to really hurt my district because we did -- computers have been used in the past and we did buy computers with that -- with the anticipation we would get the match from the state. So now that I have done that in good faith because that’s the way we have done it in the past program, now back to Member O’Donnell’s comment now on my Prop 98 principle apportionment, I’m going to be hit. I don’t even have an opportunity to pay for it out of capital facility funds. So I really ask that you take a hard, hard look at the retroactivity of this agreement. It’s, kind of, hard to go back and penalize those of us that had been following the rules as we have always done and have been published and discussed around the community. So thank you.

CHAIRPERSON ORTEGA: Thank you, Mr. Watters.

Eric Bakke.
MR. BAKKE: Thank you very much. Eric Bakke, Los Angeles Unified School District. Pleased to be here to present our, our concerns. We also want to apologize for our late letter that most of you have received this afternoon, one of the requests was to provide specifics about what are some of the concerns we actually see in the agreement, and we provided an annotated document that identifies 20, 30, 40 areas of concern as it relates to conflict with the existing regulations that relates to conflict with the existing statutes of 12.5 and how that would all apply to the TBL as well as this grant agreement.

I want to align some of our comments with Ms. Boggs. I think she hit it on the head for one of our biggest issues. We don’t know what we don’t know. And I think by Section G of the grant agreement, by clarifying or stating specifically what is eligible, we lose sight of what could also be eligible but we’re limited to what’s in that list. When the auditors are looking at this, it’s intended to be a very clear document so they know what to allow and what not to allow. But if there’s sometimes, comes something that maybe wasn’t foreseen, that’s going to be a project where our cost is going to be deemed ineligible.

I’ll give you an example, savings, the use of savings. The use of savings is limited to what’s in G, by what’s in G says, for example, sidewalks. The construction
of site development for sidewalks is an eligible expenditure, but you’re only limited to two sides. It specifically says that in the -- in the grant agreement. But if I wanted to use savings from another project to apply to pay for my local cost for the other sides, I’m not allowed to do that anymore because we’re so specific in what is eligible. So savings would be deemed an ineligible expenditure for the construction of sidewalks in a future project. I don’t think that’s the intent, but that’s what the words in the grant agreement say. There are a lot of these types of scenarios that we’re finding that I think we have to hit the pause button, make sure we’re catching these things. I know it’s great that we’re rushing through because we want to address getting the money out. We don’t want to look like we’re holding, and we appreciate that. But there are a lot of unforeseen things that we are going to have to deal with, and I’m not sure the mechanisms are in place to deal with this right now.

So we would just ask and if -- we support Assemblymember O’Donnell’s recommendation to hold this item, look at it a little bit more carefully, understand -- I think we still have time. I know I missed the earlier conversation about the budget trailer bill language and having to go through the legislative process, but I feel like there’s still probably another five or six weeks here
before we actually have to take action, and we just ask that
the time be used to evaluate the scenarios that do exist for
the one I described. Thank you.

CHAIRPERSON ORTEGA: All right. I have other
speakers cards, but they’re specific to the unfunded and
acknowledged list items, so I’ll ask if there’s any other
public comment on the regulatory agreement.

Okay. Seeing none, pleasure of the Board. Do you
want to hear the next two items or consider this item?

MR. KIM: I just have some questions. Maybe
staff can answer or some of the representatives. Mr. Ulrich
mentioned complexity of the agreement. My understanding
based on the presentation was all the staff did was
aggregate all of the requirements that we currently have,
put it in one package so that it’s much more transparent and
accessible for new people who may not be familiar with the
process. Did you change anything other than what’s -- I
mean, what, what additional things that -- might you have
added that are increasing the complexity of the current
process?

MS. SILVERMAN: Most of the items that we
highlighted are included in the grant documentation, the
grant agreement was just to -- from the certifications some
of the problem areas that we wanted to just highlight for
districts to make it more simple as opposed to muddling
through a number of different certifications that we do have for the program. So again, it brings clarity as far as, “How do I access the funds through the fund release,” you know, “What time stage do I have my substantial progress check,” “At what time stage should I be submitting my expenditure report before that final audit closeout.” And, you know, what we didn’t have before is that, again, the list of the eligible and ineligible —

MR. KIM: So what I’m hearing is it’s not complexity, it may be clarity. You’re adding clarity to a process so — if the process is not appropriate or complex, that has nothing to do with the new grant agreement. That has to do with the existing process.

MS. SILVERMAN: Correct.

MR. KIM: Okay. The other question I have and I agree with Ms. Boggs that it’s really good to have guiding principles that, kind of, underly or that are foundational and then you have more specifics I guess my question is why can’t you have both? Like, the larger principles along with -- and these are how we’re applying them in these specific cases with the understanding that if something is not identified clearly as eligible or as ineligible, that that could be taken up with OPSC staff. I asked that because in my prior life as a -- at the local government level, if I had an issue, I didn’t know if it was
an allowable expense I would contact the state. The state
would give me an answer, I’d put a letter to file, and I
make sure that that was in my file so that if an auditor
came on board, they would be able to see, hey I got
clearance from the state on this process. So I would think
from an auditor’s standpoint, they would want as much
information as possible up front, the guiding principles
along with the detail of what is allowable and what’s not
allowable and then any, kind of, documentation about
something that is, kind of, gray.

MS. SILVERMAN: Yes. And in the current
program as it exists, if we have any issues or items that
districts want to raise as far as it’s not really clear,
then yes, we’ll sit down. We’ll discuss those items and
whether or not -- we’ll -- yeah. At which time we do put
things in writing. So that way, everyone has a clear trail
about, yes, we gave you our opinion on this item and yes, we
made a determination about whether that’s eligible, and then
likewise, the district would have a copy of that document.

CHAIRPERSON ORTEGA: And to you anticipate
that continuing?

MS. SILVERMAN: Yes, I mean, that’s part of
our outreach and education forum, too, is you know, like you
said, we’re hoping that we’d be able to come together with
the comprehensive list, but there’s also those anomalies,
and we’d be happy to sit down when we have those anomalies
to have those discussions with the districts, and it
becomes, you know, kind of, a reoccurring theme, then yes,
we should be talking about modifying the grant agreement to
incorporate what those items that we are missing.

CHAIRPERSON ORTEGA: Okay. Mr. O’Donnell --
sorry, Mr. Kim.

MR. KIM: I’m finished.

ASSEMBLYMEMBER O’DONNELL: You know, where I
still sit is I think it’s important that we do it right
rather than do it now, and I’ll take a little blame because
I was one of the people saying, “Hey, let’s get on this,“
and I still think it’s good that we’re here today, having
this conversation because in my opinion it can help get us
to the promise land. So that’s still where I sit.

So do we need a motion on this?

CHAIRPERSON ORTEGA: We would need a motion
to approve the grant agreement. If we’re not going to take
action on the grant agreement, I’m not certain that we would
need a motion. I will say, that I, I, I have been
comfortable with approving the grant agreement today, but it
does not appear as though there’s enough support to do that,
but I will say that if we’re not going to move forward with
the grant agreement, I could not support moving forward with
approving the funding proposals in the next items because I
think -- we’ve been very clear as an administration that funding the projects goes hand-in-hand with the accountability program, which is the grant agreement and the trailer bill language.

ASSEMBLYMEMBER O’DONNELL: Okay.

CHAIRPERSON ORTEGA: So if we are going to -- if there’s a motion to defer action, I would support a motion to defer action on all three items under tab seven. So the grant agreement, the acknowledged list and the Unfunded List.

MR. MIRELES: And --

CHAIRPERSON ORTEGA: Yes.

MR. MIRELES: Madam Chair, can I clarify, if the Unfunded List is not approved today, then they are not -- they would have to be approved in May to be eligible for cash between July and December to be able to participate in priorities for funding. I just want to make sure that that’s clarified. The Board has to take action on the Unfunded List before June 10th.

MS. SILVERMAN: June 6th.

MR. MIRELES: June 6th.

MS. SILVERMAN: June 10th. I apologize. It is June 10th.

ASSEMBLYMEMBER O’DONNELL: Do we know when our next scheduled meeting is?
CHAIRPERSON ORTEGA: The end of May; it’s the 24th.

Yes, Mr. Diaz.

MR. DIAZ: You know, I, too, agree with that. I would have a lot of hesitation with moving forward without all this being in the vast part of the package. Given some of the testimony, I think they have raised some really excellent points, but I also hear like we’re very, very close to clarifying some things, right. I hear that the use of technology is, kind of the main driver that we’re talking about here. I think with some time Mr. O’Donnell’s concerns and I think the proponents concerns, opponents could be addressed, but I think do think that the main purpose of the grant agreement is to actually be accountable for the existing program. And what I have heard from staff is that they continue to assist districts that have questions. They’ll continue to provide as much information in the front end to make sure that if there’s a question, that they’re also available to address any ambiguities as they do so now. So I would be very comfortable with actually deferring but also deferring all the items to the next meeting. So if you need a motion, I would make that motion now.

CHAIRPERSON ORTEGA: Okay. There’s a motion.

ASSEMBLYMEMBER NAZARIAN: Second.
CHAIRPERSON ORTEGA: And a second by Mr. Nazarian. I have public comment cards on the two lists, so I’m going to go ahead and see if those folks would still like to speak on those items. I’ll call Mr. Watters. No?

MR. WATTERS: Based on what you just said, I’ll --

CHAIRPERSON ORTEGA: Sure. Corinne Loskot --

MS. LOSKOT: No.

CHAIRPERSON ORTEGA: And Julie Arthur?

MAN IN AUDIENCE: No, she had to leave.

CHAIRPERSON ORTEGA: And Allen Rising.

AUDIENCE: He’s just leaving.

CHAIRPERSON ORTEGA: Okay. Alright, okay.

Any other public comment on the items under tab seven?

Okay. Seeing none, all in favor of the motion to defer action?

MR. MIRELES: Just to clarify Madam Chair, bring it back in May for discussion?

CHAIRPERSON ORTEGA: I think if --


CHAIRPERSON ORTEGA: Yes. Yes.

MR. MIRELES: So bring it back in May for action?

CHAIRPERSON ORTEGA: Yes. I think we can -- strive to do that.
I will say, if we come back in May, we are still
going to have the chicken and egg question on the trailer
bill, so we I think, should acknowledge that.

ASSEMBLYMEMBER O’DONNELL: Understood.
CHAIRPERSON ORTEGA: Okay. All in favor of
that motion say aye.

(Ayes)
CHAIRPERSON ORTEGA: Okay. That motion
passes.

Lisa Jones, if you could return to the Consent
Calendar, we had two members to call I think.

MS. JONES: Yes.
Assemblymember Nazarian, how do you vote on the Consent
Calendar?

ASSEMBLYMEMBER NAZARIAN: Aye.

MS. JONES: And the minutes?

ASSEMBLYMEMBER NAZARIAN: Aye.

CHAIRPERSON ORTEGA: Okay. And then we
have -

MS. JONES: Senator Nguyen - oh, you were
here for the minutes and the Consent Calendar.

SENATOR NGUYEN: I was here. I think it was
aye, too. I was here, just standing right beside -- I’m
sorry.

MS. JONES: Very good.
CHAIRPERSON ORTEGA: And then Lisa Silverman, anything else under Item Eight?

MS. SILVERMAN: We just have the workload report over the next few months.

CHAIRPERSON ORTEGA: Thank you. Is there any other public comment?

All right. Seeing none, we’ll be adjourned.

(Whereupon, the proceedings adjourned at 5:00 p.m.)

--o00o--
I, Brittany Flores, a Certified Shorthand Reporter of
the State of California, duly authorized to administer
oaths, do hereby certify:

That the foregoing proceedings were taken before me
at the time and place herein set forth; that a record of
the proceedings was made by me using machine shorthand
which was thereafter transcribed under my direction;
that the foregoing transcript is a true record of the
testimony given.

I further certify I am neither financially interested
in the action nor a relative or employee of any attorney
of party to this action.

IN WITNESS WHEREOF, I have this date
subscribed my name.

Dated: April 26, 2017

[Signature]

Brittany Flores CSR 13460