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CALIFORNIA STATE ALLOCATION BOARD

PUBLIC MEETING

STATE CAPITOL
ROOM 447
SACRAMENTO, CALIFORNIA 95814

DATE: WEDNESDAY, SEPTEMBER 6, 2017

TIME: 4:01 P.M.

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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

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

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

SENATOR BENJAMIN ALLEN

SENATOR JANET NGUYEN

SENATOR RICHARD PAN

ASSEMBLYMEMBER ADRIN NAZARIAN

ASSEMBLYMEMBER ROCKY CHAVEZ

ASSEMBLYMEMBER PATRICK O'DONNELL

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: All right. Good afternoon, everyone. I will call to order the September 6th meeting of the State Allocation Board. Please call the roll.

MS. JONES: Senator Allen.

Senator Nguyen.

Senator Pan.

Assemblymember Nazarian.

Assemblymember Chavez.

ASSEMBLYMEMBER CHAVEZ: Here.

MS. JONES: Assemblymember O'Donnell.

ASSEMBLYMEMBER O'DONNELL: Here.

MS. JONES: Juan Mireles.

MR. MIRELES: Here.

MS. JONES: Cesar Diaz.

MR. DIAZ: Here.

MS. JONES: Jeffrey McGuire.

MR. MCGUIRE: Here.

MS. JONES: Eraina Ortega.

CHAIRPERSON ORTEGA: Here.

MS. JONES: And Senator Pan.

SENATOR PAN: Here.

MS. JONES: Thank you. We have a quorum.

CHAIRPERSON ORTEGA: We have a quorum. Thank you

1 very much. We just have one item today under the **Consent**
2 **Agenda.** Lisa.

3 MS. SILVERMAN: The consent items are ready for
4 your approval and to take action on the bond sale.

5 CHAIRPERSON ORTEGA: Great. Thank you. Any
6 public comment on the consent items? All right.

7 SENATOR PAN: Actually --

8 CHAIRPERSON ORTEGA: Yes. Please, Senator.

9 SENATOR PAN: I actually, unfortunately, was not
10 briefed on exactly what's on the consent items, so --

11 CHAIRPERSON ORTEGA: Oh, okay. Sure. Sure.

12 SENATOR PAN: -- I cannot give consent until I
13 know what it is.

14 CHAIRPERSON ORTEGA: Absolutely. We'll ask Lisa
15 to give a summary of what the items are for.

16 MS. SILVERMAN: Yeah. We were activating the
17 projects as a result of the bond sale and so there was
18 \$446 million in projects that submitted certifications and
19 we combined that together with other projects that were part
20 of the prior certifications and we're also bringing some
21 consent items that result in project funding for several
22 projects moving forward for Proposition 51. And so those
23 are the items that are a part of the Consent Agenda.

24 There is a slight modification to the item as a
25 result of the activation of the cash for the bond sale.

1 There were a handful of projects that didn't have the
2 Division of State Architect approvals in place. So we're
3 working with the districts so that way they can ensure
4 accessing the cash.

5 They will have their ability to come back once
6 they have the Division of State Architect approval in place.
7 So with that, that's a slight modification that we made last
8 night.

9 CHAIRPERSON ORTEGA: And, Lisa, maybe since we
10 have many new Board members since these projects were on the
11 list, you could talk a little bit -- these are -- we are
12 funding the projects that have been before the Board in the
13 past for a reservation of funds, correct?

14 MS. SILVERMAN: Right. The Board took action on
15 these projects on June 5th. So it was just a matter of
16 those folks coming in and submitting certifications during
17 that filing round and then we were able to match up those
18 projects for funding as a result of the bond sale.

19 CHAIRPERSON ORTEGA: And so proceed -- the
20 tradition of the Board has kind of been to have this consent
21 only, kind of quick approval after the bond sale, but I do
22 want to make clear that there has been a more thorough item
23 before the Board previously on the projects.

24 I'll let Senator Pan finish and then we'll go to
25 Mr. O'Donnell.

1 SENATOR PAN: No, I appreciate that. One of the
2 things that I'm hoping -- you know, obviously there's a lot
3 of different projects here and we want to help expedite
4 moving forward. But I know I talked to staff before about
5 on an ongoing basis doing at least, I would say sort of an
6 aggregate profile of where the money is going.

7 So what I mean by that is obviously we have very
8 specific projects, but like what percentage is going to
9 which regions, to which districts, being sure so that we
10 can -- and how that compares to, you know, the baseline.

11 I think that gives us a sense of, you know, being
12 able to monitor aside from, you know, project by project,
13 that if there's distribution, you know, all the money seems
14 to be going to big districts and not the smaller -- that we
15 can -- we're able to make note of that.

16 So while obviously we're looking at each -- people
17 are reviewing each individual project and looking at each
18 one, we also need to step back and look at the forest as
19 well as the trees.

20 So I -- so I mean I think as we are doing these
21 and obviously we have many projects, I think it's good to be
22 able to have sort of a, you know, overview of, okay, now
23 we've approved -- you know, I don't -- how many are in here?
24 400 or something?

25 MS. SILVERMAN: There's about 442 million.

1 SENATOR PAN: Yeah. Right. So 442, so, you know,
2 let's do an analysis of those 442 and how that fits -- you
3 know, how that -- so we're going through these
4 characteristics, you know, sort of like -- kind of like an
5 overview, okay, 442 projects which represents what
6 percentage went where, et cetera.

7 So I mean we have a list of very individual ones,
8 but I think it's always helpful to be able to say, you know,
9 over the past year, this is how we distributed the money in
10 terms of different groups and so forth.

11 MS. SILVERMAN: And I apologize that we didn't
12 have the opportunity to brief you, but we'll definitely
13 consider that. I apologize.

14 CHAIRPERSON ORTEGA: Yeah. It seems like a
15 reasonable thing for the staff to present within a future
16 item. So we'll work on that. Mr. O'Donnell.

17 ASSEMBLYMEMBER O'DONNELL: Just a quick question.
18 Are these funded at the 2017 models?

19 MS. SILVERMAN: No. Some of the projects --

20 ASSEMBLYMEMBER O'DONNELL: Help me understand
21 why/why not -- I mean why they would be/why they wouldn't
22 be. Just educate me, please.

23 MS. SILVERMAN: Well, the projects that were
24 approved on June 5th were taking action on the projects that
25 were -- had prior approval. So those are the projects that

1 submitted prior to the regulation change. So the
2 applications for funding may have come in before the
3 November 1st, 2012.

4 So once those applications were introduced and
5 approved by the Board, even though we didn't have bond
6 authority, they were approved at the project approvals at
7 that point in time. So they didn't factor in an adjustment.

8 ASSEMBLYMEMBER O'DONNELL: Okay. Thank you.

9 CHAIRPERSON ORTEGA: Okay. Any other questions or
10 comments from the Board members? Any public comment on this
11 item? All right. Seeing none, is there a motion to approve
12 the Consent Agenda?

13 MR. DIAZ: So moved.

14 CHAIRPERSON ORTEGA: Okay.

15 ASSEMBLYMEMBER O'DONNELL: Second.

16 CHAIRPERSON ORTEGA: Moved by Mr. Diaz, seconded
17 by Mr. O'Donnell. All in favor of the Consent Agenda before
18 us please say aye.

19 (Ayes)

20 CHAIRPERSON ORTEGA: And that passes. And please
21 note that -- I think Senator Nguyen and Assemblymember
22 Nazarian joined the meeting, so they are aye votes on that
23 as well.

24 MS. JONES: So noted.

25 CHAIRPERSON ORTEGA: And that is all that is to

1 come before us. Any public comment on items not on the
2 agenda? Okay. Seeing none, I'm going to give Senator Allen
3 a few minutes to come and add on. Okay. Thanks, everyone.

4 (Off record)

5 CHAIRPERSON ORTEGA: Thank you, Senator Allen, for
6 an aye --

7 (Whereupon, at 4:09 p.m. the proceedings were
8 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.

IN WITNESS WHEREOF, I have subscribed my name on September 7, 2017.

Mary C. Clark
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