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CALIFORNIA STATE ALLOCATION BOARD

PUBLIC MEETING

STATE TREASURER'S OFFICE  
915 CAPITOL MALL, ROOM 587  
SACRAMENTO, CALIFORNIA 95814

DATE: WEDNESDAY, JUNE 27, 2018

TIME: 4:03 P.M.

Reported By: Mary C. Clark  
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1 APPEARANCES:

2 MEMBERS OF THE BOARD PRESENT:

3 JACQUELINE WONG-HERNANDEZ, Chief Deputy Director, Policy,  
4 Department of Finance, designated representative for Michael  
Cohen, Director, Department of Finance

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

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

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

11 SENATOR BENJAMIN ALLEN

12 SENATOR JANET NGUYEN

13 ASSEMBLYMEMBER ADRIN NAZARIAN

14 ASSEMBLYMEMBER ROCKY CHAVEZ

15 ASSEMBLYMEMBER PATRICK O'DONNELL

16 REPRESENTATIVES OF THE STATE ALLOCATION BOARD PRESENT:

17 LISA SILVERMAN, Executive Officer

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

20 LISA SILVERMAN, Executive Officer  
BARBARA KAMPMEINERT, Deputy Executive Officer

21 REPRESENTATIVE OF THE DEPARTMENT OF GENERAL SERVICES,  
22 OFFICE OF LEGAL SERVICES PRESENT:

23 TOM PATTON, Assistant Chief Counsel

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P R O C E E D I N G S

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CHAIRPERSON WONG-HERNANDEZ: Okay. So it being about 4:05, I'd like to call the meeting of the State Allocation Board to order. Ms. Jones, will you please call the roll.

MS. JONES: Yes. 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: Jacqueline Wong-Hernandez.

CHAIRPERSON WONG-HERNANDEZ: Here.

MS. JONES: Great. We have a quorum.

CHAIRPERSON WONG-HERNANDEZ: Thank you. Thank you all for being here. I want to address the Board and the

1 audience briefly with regard to the action item in Tab 7  
2 where I've got a lot of speaker cards, the **proposed**  
3 **regulatory amendments for acceptance of applications when**  
4 **funding is unavailable.**

5 I had received and I think we have all received on  
6 this Board a number of letters on this item. Some of those  
7 letters ask that the Board defer action on this item to  
8 allow for further vetting. Some oppose the staff  
9 recommendation and took issue with the staff report.

10 I have read every single one of them, even the  
11 mean ones. By the way, I wanted to say a brief thank you to  
12 the office of the Riverside County Superintendent. I don't  
13 know if you all are here, but for your very thoughtful and  
14 eloquent letter, recognizing the need for a robust  
15 discussion on program improvement while requesting more time  
16 and input on this particular decision. It was a really  
17 great letter.

18 I have also had requests from Board members to  
19 move the item to a future meeting due to scheduling  
20 conflicts. As you see, folks are kind of coming in and out.  
21 There are hearings going on at the same time. It's a pretty  
22 busy time -- or folks who wanted to seek out more  
23 information before voting.

24 I feel personally very comfortable with the item  
25 and with the staff report on the item. I think that the

1 staff did an excellent job of raising real policy concerns  
2 to this Board and I think that's what we want them to do,  
3 but I want every Board member here to feel comfortable that  
4 they have all of the information that they need to make  
5 their decisions and I don't think that we're there.

6           So unless there's objection from other members of  
7 this Board, I'd like to move the entire item of Item 7 to  
8 the August meeting. That will make for a very big August  
9 meeting, but I have heard the requests for a deferral of  
10 action from the public, from districts, but also members  
11 asking to either be here themselves to participate in the  
12 discussion or to seek out more input before then.

13           So I don't know if there is objection from Board  
14 members. Go ahead, Mr. O'Donnell.

15           ASSEMBLYMEMBER O'DONNELL: Yes. I don't object.  
16 I just do want to share a thought here. Listen, I think if  
17 we are even going to engage in this discussion or even  
18 agendize that action, I think there needs to be much more  
19 broader discussion. I think stakeholders need to be brought  
20 in.

21           I understand historically when there have been  
22 changes made, we've had subcommittee meetings. There's been  
23 a stakeholder process. I know for the CTE grants, we've got  
24 stakeholder meetings for that proposal and I think there's  
25 so much concern about this -- this kind of thing put on the

1 agenda is that people want to have a vote and I want to be  
2 educated fully as to what the proposal does and I want to  
3 hear stakeholder input too.

4           So I hope we will just -- we can put it on the  
5 agenda -- I hope we go through some, you know, extensive  
6 again stakeholder process where we can hear the concerns  
7 from across the state.

8           CHAIRPERSON WONG-HERNANDEZ: Thank you. I think  
9 that having that staff report out there has certainly  
10 started that conversation and I'm hoping that staff will  
11 continue that and let --

12           ASSEMBLYMEMBER O'DONNELL: I just don't want that  
13 to complete --

14           CHAIRPERSON WONG-HERNANDEZ: Sure. No.  
15 Absolutely. So we've got two months to dig in and also I  
16 know that there's no shortage of things on the 90-day  
17 workload, but I think this just may become one of them.

18           Okay. Nothing -- other objections? Do I need to  
19 take a vote to move that or can we just --

20           MS. JONES: Direction.

21           CHAIRPERSON WONG-HERNANDEZ: Excuse me?

22           MS. JONES: Direction.

23           CHAIRPERSON WONG-HERNANDEZ: Direction. Okay. So  
24 direction from the Board will be to move the item to August  
25 and to engage with stakeholders and Board members -- go

1 ahead.

2 ASSEMBLYMEMBER O'DONNELL: Question: Should the  
3 motion be to move it to August or just have --

4 CHAIRPERSON WONG-HERNANDEZ: To a future meeting.

5 ASSEMBLYMEMBER O'DONNELL: -- the staff re-  
6 agendize it at a time when they feel there's been, you know,  
7 a considerable amount of stakeholder input?

8 CHAIRPERSON WONG-HERNANDEZ: I don't know the  
9 answer to that. I think for now can we -- how specific does  
10 the motion have to be? I'm looking for a parliamentarian  
11 here.

12 MS. JONES: Generally speaking, it's really up to  
13 the Chair and the Board to decide when they want to defer  
14 it. It doesn't really have to be a motion. It's just based  
15 on direction.

16 CHAIRPERSON WONG-HERNANDEZ: Okay.

17 MS. JONES: But if you wish to have it to be a  
18 motion, we can start something brand new if you'd like.

19 CHAIRPERSON WONG-HERNANDEZ: I don't need to start  
20 something brand new. Okay. So the direction then is to  
21 defer this item to a future meeting. I would like to plan  
22 to have it in August, assuming that we're feeling  
23 comfortable that there has been the appropriate engagement  
24 and that Board members feel like they've been appropriately  
25 educated, to steal Mr. O'Donnell's word, or consulted.

1 Okay.

2           Then we are going to move on. The next thing that  
3 I have is in Tab 2 and that's the **Minutes** from the May 23rd,  
4 2018, Board meeting.

5           I'm sorry. I'm going to interrupt myself for a  
6 second. For those of you who have signed up to speak on the  
7 item in Tab 7, you will, should you want the opportunity to  
8 speak, still have the opportunity to speak at the end of the  
9 meeting during public comment.

10           I know that folks came from different places and  
11 you do have the opportunity to speak because it is a matter  
12 under the purview of the Board. So when that general  
13 comment happens, we'll ask you to come forward and if you  
14 don't want to and you want to save it for the next meeting,  
15 that's fine too.

16           Okay. Going back to the **Minutes**. Hopefully  
17 everyone's had the opportunity to review. Questions or  
18 comments?

19           ASSEMBLYMEMBER CHAVEZ: Move approval.

20           MR. DIAZ: Second.

21           CHAIRPERSON WONG-HERNANDEZ: Motion and a second.

22 Any public comment on the Minutes of the May 23rd meeting?

23 Okay. You can take roll, seeing none.

24           MS. JONES: Okay. Assemblymember Nazarian.

25           ASSEMBLYMEMBER NAZARIAN: Aye.

1 MS. JONES: Assemblymember Chavez.

2 ASSEMBLYMEMBER CHAVEZ: Aye.

3 MS. JONES: Assemblymember O'Donnell.

4 ASSEMBLYMEMBER O'DONNELL: Aye.

5 MS. JONES: Juan Mireles.

6 MR. MIRELES: Aye.

7 MS. JONES: Cesar Diaz.

8 MR. DIAZ: Aye.

9 MS. JONES: Jeffrey McGuire.

10 MR. MCGUIRE: Aye.

11 MS. JONES: Jacqueline Wong-Hernandez.

12 CHAIRPERSON WONG-HERNANDEZ: Aye.

13 MS. JONES: Senator Allen, how do you vote on the  
14 Minutes.

15 SENATOR ALLEN: Aye.

16 MS. JONES: Motion carries.

17 CHAIRPERSON WONG-HERNANDEZ: Thank you. Okay.

18 We'll move on to Tab 3, which is the **Executive Officer's**  
19 **Statement.**

20 MS. SILVERMAN: Yes. Hi. We have a few items to  
21 announce tonight. So the Board in March took action as a  
22 result of the spring bond sale and we had the ability to  
23 fund \$191 million to projects and we had a deadline of  
24 90 days in order for districts to submit the appropriate  
25 documentation to access the program cash.

1           So the deadline came on June 19th and we wanted to  
2 share with the Board we have dispensed close to  
3 \$177 million. So a significant amount of program funds did  
4 get released.

5           There was a few projects that unfortunately didn't  
6 meet the timelines and so that would be their second  
7 occurrence. So they automatically will rescind and lose  
8 their program grant.

9           There is one item that is up for an appeal at a  
10 future date, so they're not at jeopardy at this point in  
11 time.

12           We also wanted to share there was a recent  
13 priority filing round that opened and closed in May and --  
14 closed up in June -- sorry -- and there was over  
15 \$451 million in requests. So those certifications are valid  
16 and they'll be valid from July 1st through December 31st.  
17 So they'll be eligible for program grant funds once there is  
18 a fall bond sale.

19           We also wanted to highlight as well, there's a  
20 Career Tech Education -- we'll have a stakeholder meeting  
21 shortly in July and we'll be able to address the tie-breaker  
22 and we want to create some tie-breaker criteria for the  
23 program since we did encounter some tie-breaker issues and  
24 luckily we didn't have any issues that were outside the  
25 regulations. So we just want to make sure we provide

1 guidance and adopt -- and bring forward some regulations for  
2 the Board to adopt.

3           We also wanted to share, there are some joint  
4 agency workshops we're hosting. I know we had announced  
5 that we had one in Imperial at the end of July, but  
6 unfortunately, probably timing -- not the right time of year  
7 for folks. So we're going to reconvene the meeting at a  
8 future date.

9           So the Imperial agency workshop will be canceled  
10 at this point in time. We will have one in San Diego County  
11 on July 27th. So we're looking forward to participation in  
12 that with the Department of Education and the Division of  
13 State Architect.

14           We have an open filing round for Career Tech  
15 Education that still is an active round and filing  
16 applications are due to the Department of Education on  
17 October 19th.

18           We also have another announcement before I close.  
19 The Governor signed the trailer bill or the state budget  
20 today and we wanted to announce there's \$100 million for  
21 full-day kindergarten facilities grant program. So we're  
22 excited about that opportunity and so we'll be holding some  
23 stakeholder meetings in the near future to provide some  
24 input. So we're looking forward to that full-day  
25 kindergarten program to be enacted and moving forward. So

1 looking forward to that opportunity of having those meetings  
2 and introduce a full topic to the Board in the future.

3 And the next meeting is August 15th. There is no  
4 July meeting.

5 CHAIRPERSON WONG-HERNANDEZ: And that will be at a  
6 different time, right?

7 MS. SILVERMAN: Yeah. I think we have it  
8 scheduled at 2:00.

9 CHAIRPERSON WONG-HERNANDEZ: At 2:00? Okay.  
10 We'll have to note that notice.

11 SENATOR ALLEN: We have an --

12 CHAIRPERSON WONG-HERNANDEZ: Oh, we have --

13 SENATOR ALLEN: We have, okay.

14 CHAIRPERSON WONG-HERNANDEZ: -- scheduled it for  
15 August 15th, but I was confirming the time. I believe it's  
16 at 2:00. We're expecting a long meeting.

17 Okay. Is there any Board questions or comments on  
18 the Executive Officer's report? Okay. Any public comment  
19 on this item? Okay.

20 Let's move to the **Consent Agenda** then. Any  
21 comments or questions from the Board on consent items? Any  
22 public comment on the Consent Agenda? Okay. I would  
23 entertain a motion then.

24 ASSEMBLYMEMBER CHAVEZ: Move the consent.

25 ASSEMBLYMEMBER O'DONNELL: Second.

1 CHAIRPERSON WONG-HERNANDEZ: Okay.

2 MS. JONES: Senator Allen.

3 SENATOR ALLEN: Aye.

4 MS. JONES: Assemblymember Nazarian.

5 ASSEMBLYMEMBER NAZARIAN: Aye.

6 MS. JONES: Assemblymember Chavez.

7 ASSEMBLYMEMBER CHAVEZ: Aye.

8 MS. JONES: Assemblymember O'Donnell.

9 ASSEMBLYMEMBER O'DONNELL: Aye.

10 MS. JONES: Juan Mireles.

11 MR. MIRELES: Aye.

12 MS. JONES: Cesar Diaz.

13 MR. DIAZ: Aye.

14 MS. JONES: Jeffrey McGuire.

15 MR. MCGUIRE: Aye.

16 MS. JONES: Jacqueline Wong-Hernandez.

17 CHAIRPERSON WONG-HERNANDEZ: Aye.

18 MS. JONES: And that motion carries.

19 CHAIRPERSON WONG-HERNANDEZ: Thank you. Okay.

20 MS. SILVERMAN: So on **Financials**, direct your

21 attention to page 59. We often give you reports about the

22 funds that have been released and as I shared with you

23 earlier, a significant amount of funds have been disbursed

24 to school districts as a result of the spring apportionment.

25 So in May, we had over \$60.7 million disbursed and

1 we want to share that activity. As far as the **Status of**  
2 **Funds**, I know folks had a brief time frame to prepare, but  
3 we actually had \$18.7 million in -- that was tucked away in  
4 the Consent Agenda that represents 16 new projects that will  
5 have a new program grant.

6 And we also wanted to share with the Board that  
7 there was nearly \$921,000 also as a result of the  
8 rescissions and recoveries that also posted to the program.

9 And in short, we had the emergency regulations --  
10 excuse me -- Emergency Repair Program. This will be the  
11 last disbursement of program grants for those funds as the  
12 program has sunsetted.

13 We wanted to share with the Board that over  
14 \$684,000 in additional grants were being awarded tonight as  
15 well as we collected nearly \$500,000 in savings. So there  
16 has been -- this will be the last disbursements for the  
17 Emergency Repair Program and we wanted to highlight that.

18 CHAIRPERSON WONG-HERNANDEZ: Thank you. Any  
19 questions from Board members? All right. Any public  
20 comment on this item. Okay. Seeing none, let's move onto  
21 the appeal.

22 MS. SILVERMAN: So the appeal tonight is -- grab  
23 your attention -- on stamped page 79. It's **Morongo**.

24 CHAIRPERSON WONG-HERNANDEZ: Are you  
25 Mr. Baumgarten?

1 MR. BAUMGARTEN: Yes, ma'am.

2 CHAIRPERSON WONG-HERNANDEZ: Welcome.

3 MR. BAUMGARTEN: Thank you. I am Tom Baumgarten,  
4 the Superintendent for the Morongo Unified School District,  
5 and this evening, I also have Karalee Hargrove, the  
6 President of the Morongo Unified School District, that made  
7 the trip to Sacramento and also have spoken with some folks  
8 in regards to this issue, along with Hilary Slotta, another  
9 board member.

10 We appreciate the work of the Office of Public  
11 School Construction. This has been a long time in coming.  
12 It's been about five years that we've been working with this  
13 particular property.

14 A little background on our district and I know  
15 that you probably have read the information in the packet,  
16 but we are a very rural district about 54 miles in length,  
17 geographically about the size of Rhode Island, and this  
18 particular site is actually in the middle of our district.

19 So one of the things that we hope to do by  
20 retaining this site and utilizing it, it may help us defray  
21 future costs in transportation and food preparation and a  
22 variety of things.

23 We do understand that it cannot be used for any  
24 type of student use, but we do see the value in retaining  
25 this property and remitting 50 percent of the appraisal

1 price to you in the future because it would have some very  
2 meaningful advantages to our district come the future,  
3 especially when our district hopefully continues to grow.

4 We serve about 8,600 students and we bus students  
5 across those 54 miles to 16 schools in a very rural area.  
6 So we thank you for the consideration of this request and  
7 the work that's been put into this by your office staff  
8 working with Mr. Daniels and Mr. Stores (ph) and they've  
9 done an excellent job of working with us on this appeal.

10 So just wanted to come up and say how much we  
11 appreciate your work and your consideration of this request.

12 CHAIRPERSON WONG-HERNANDEZ: Thank you.

13 MS. SILVERMAN: Yeah. I'm sorry. So we wanted to  
14 present the appeal and I appreciate you coming -- so it's  
15 Morongo. They did an appeal for our office and basically,  
16 several years ago, back in February 2011, the district had  
17 an issue with a particular site where basically they were  
18 seeking abandonment and replacement.

19 And at the time, the Board did approve the site  
20 being abandoned and replacement with a new site. However,  
21 there was a condition that was attached to the action. The  
22 Board action was to request the district to sell the site  
23 and remit 50 percent of the proceeds.

24 And since that time, we were -- have been working  
25 with the district and they had submitted a new request for

1 the Board's consideration -- is to instead of selling the  
2 site, as they eloquently explained, the purpose of the site  
3 was to retain the site, but also it would not be used for  
4 educational purposes and remit 50 percent of the fair market  
5 value of that site to the state.

6 So really that's really the Board's consideration.  
7 By regulations, we're not permitted to take action on that.  
8 So we're asking the Board to consider the district's request  
9 of remitting 50 percent of the fair market value of that  
10 site to our office.

11 So in essence, we're asking -- they're asking for  
12 225,000 be remitted to the state. So that's for your  
13 consideration.

14 CHAIRPERSON WONG-HERNANDEZ: Thank you. Questions  
15 or comments from Board members?

16 MR. MIRELES: Real quick question, Madam Chair.

17 CHAIRPERSON WONG-HERNANDEZ: Um-hmm.

18 MR. MIRELES: Just to confirm, the item does state  
19 that the school will not be used for school purposes. Just  
20 to confirm, there will be no students on this campus.

21 MR. BAUMGARTEN: We understand that's part of the  
22 condition, yes, sir.

23 MR. MIRELES: Okay. Thank you.

24 CHAIRPERSON WONG-HERNANDEZ: Okay. If there are  
25 no additional comments, it sounds like you all have reached

1 a good compromise and thanks for being here and giving us  
2 your kind of story.

3 MR. BAUMGARTEN: You're welcome. Thank you for  
4 your time.

5 CHAIRPERSON WONG-HERNANDEZ: All right. Then any  
6 other public comment on this item? Seeing none, I would  
7 entertain a motion.

8 MR. DIAZ: Move.

9 ASSEMBLYMEMBER NAZARIAN: Second.

10 CHAIRPERSON WONG-HERNANDEZ: Okay. Motion and a  
11 second.

12 MS. JONES: Okay. Senator Allen.

13 SENATOR ALLEN: Aye.

14 MS. JONES: Assemblymember Nazarian.

15 ASSEMBLYMEMBER NAZARIAN: Aye.

16 MS. JONES: Assemblymember Chavez.

17 ASSEMBLYMEMBER CHAVEZ: Aye.

18 MS. JONES: Assemblymember O'Donnell.

19 ASSEMBLYMEMBER O'DONNELL: Aye.

20 MS. JONES: Juan Mireles.

21 MR. MIRELES: Aye.

22 MS. JONES: Cesar Diaz.

23 MR. DIAZ: Aye.

24 MS. JONES: Jeffrey McGuire.

25 MR. MCGUIRE: Aye.

1 MS. JONES: Jacqueline Wong-Hernandez.

2 CHAIRPERSON WONG-HERNANDEZ: Aye.

3 MS. JONES: And that motion carries.

4 CHAIRPERSON WONG-HERNANDEZ: Thank you.

5 MR. BAUMGARTEN: Thank you.

6 CHAIRPERSON WONG-HERNANDEZ: Okay. On to Tab 7.

7 Barbara, **general grant for site development.**

8 MS. KAMPMEINERT: So our next item is a regulatory  
9 amendment for the Board's consideration to extend the  
10 general site grant. We've been bringing this before the  
11 Board for a one-year extension for about the past 11 years.

12 The general site development grant is a  
13 supplemental grant that's provided as part of the  
14 construction application to assist with things such as  
15 playground equipment, sidewalks, landscaping, finishing  
16 touches on the construction project.

17 We have been extending this for a one-year time  
18 period and we do this in June so that there's time for the  
19 regulations to go through to ensure that there's no lapse in  
20 the regulations and so that all applications that apply for  
21 it can receive this grant.

22 The grant will sunset on January 1st, 2019,  
23 without additional Board action. This year we are  
24 recommending that the Board approve the extension of the  
25 grant for a period of five years, the basis being that we

1 have a number of applications that are continuing to come in  
2 and it will ensure the districts can rely on the fact that  
3 the grant will be available and there will not be a lapse in  
4 the regulations.

5 So what you will see on the regulations on page 98  
6 is an extension that the grant will continue until it is  
7 sunsetted on January 1st, 2024.

8 With that, I'd be happy to answer any questions.

9 CHAIRPERSON WONG-HERNANDEZ: Questions from Board  
10 members? Okay. So just to summarize your recommendation --  
11 the staff recommendation before I ask for a motion.

12 MS. KAMPMEINERT: So the staff recommendation is  
13 to approve the regulations which will extend the general  
14 site grant for five years.

15 MR. DIAZ: Move.

16 ASSEMBLYMEMBER CHAVEZ: Second.

17 CHAIRPERSON WONG-HERNANDEZ: Motion and a second.

18 Any public comment before we take roll on this? Okay.

19 Seeing none.

20 MS. JONES: Okay. Senator Allen.

21 SENATOR ALLEN: Aye.

22 MS. JONES: Assemblymember Nazarian.

23 ASSEMBLYMEMBER NAZARIAN: Aye.

24 MS. JONES: Assemblymember Chavez.

25 ASSEMBLYMEMBER CHAVEZ: Aye.

1 MS. JONES: Assemblymember O'Donnell.

2 ASSEMBLYMEMBER O'DONNELL: Aye.

3 MS. JONES: Juan Mireles.

4 MR. MIRELES: Aye.

5 MS. JONES: Cesar Diaz.

6 MR. DIAZ: Aye.

7 MS. JONES: Jeffrey McGuire.

8 MR. MCGUIRE: Aye.

9 MS. JONES: Jacqueline Wong-Hernandez.

10 CHAIRPERSON WONG-HERNANDEZ: Aye.

11 MS. JONES: And that motion carries.

12 CHAIRPERSON WONG-HERNANDEZ: Thank you. Okay.

13 Moving on to Tab 8.

14 MS. SILVERMAN: We have the **90-day workload**.

15 CHAIRPERSON WONG-HERNANDEZ: Does anyone have  
16 questions or comments on the 90-day workload? Any public  
17 comment on this item.

18 Okay. Then I'm going to take general public  
19 comment, but I want to start first, do Board members have  
20 any other comments you want to make because I think we're  
21 going to be here a while and I know you all -- some of you  
22 will have to leave for different things. Okay.

23 Then we'll start with **public comment**. I'm going  
24 to call -- I'm going to assume that the folks who were  
25 signed up for Tab 7 are going to want to continue to comment

1 and so I'm going to call your name, and if you don't answer,  
2 we'll move along. But I've got Lisa Kaplan. You're going  
3 to have to share a microphone. We're in a little --

4 MS. KAPLAN: Okay. It's quite all right. Good  
5 evening. Thank you so much. My name is Lisa Kaplan. I'm a  
6 trustee for the Natomas Unified School District which is  
7 here in Sacramento. If you go to the airport, that's  
8 Natomas Unified.

9 I'm here on behalf of the Sacramento -- Greater  
10 Sacramento area school board members of the California  
11 School Board Association and I'm also here as a background  
12 item. I am an attorney for 18 years and I am a former  
13 assistant executive officer of the State Allocation Board  
14 from 2009 to 2011.

15 All of you should have received a letter, but for  
16 the record, I would just want to list the names of the  
17 school board members and their districts who are in  
18 opposition to this and hope that and look forward to the  
19 State Allocation Board and OPSC getting stakeholder and  
20 expert feedback.

21 So myself with Natomas Unified. John Gordon, Galt  
22 Elementary. Darrel Woo, Sacramento City. Jackie Wong,  
23 Washington Unified. Suzanna George, Rescue Union. Michael  
24 Baker, Twin Rivers. Bobbie Singh-Allen, Elk Grove. Ed  
25 Short, Folsom-Cordova. Heidi Wieland, El Dorado County

1 Office of Education. Pam Costa, San Juan Unified. Sheldon  
2 Yip, Yolo County Board of Education.

3 We as board members deal with this daily and hope  
4 that the State Allocation Board and OPSC listen to our  
5 advice and get some of our feedback. Thank you so much.

6 CHAIRPERSON WONG-HERNANDEZ: Thank you. All  
7 right. Corinne -- is it Loskot?

8 MS. LOSKOT: Loskot.

9 CHAIRPERSON WONG-HERNANDEZ: Loskot.

10 MS. LOSKOT: Hello. Thank you. My name is  
11 Corinne Loskot with Corinne Loskot Consulting and I'm based  
12 in Orange County and we're still hearing from some of our  
13 school districts. Many of them don't get their copy of the  
14 agenda or have a chance to really look at that till Monday.  
15 That was June 25th.

16 So it was rush and this is a very significant,  
17 huge item. They need more time and I appreciate this  
18 Board's decision to delay it.

19 So I still wanted to share with you some of the  
20 concerns. Districts are concerned that not accepting  
21 applications when funds run out will disrupt planning and  
22 damage the integrity of the facilities funding program and  
23 growing districts are concerned because they require several  
24 years to plan new construction for new schools, and their  
25 upcoming projects rely on OPSC's acceptance of an

1 application prior to construction completion.

2 Small and medium declining and underserved  
3 districts' concerns center on modernization projects. Many  
4 districts recently passed bonds and rely on an acknowledged  
5 list for their applications because they may not get DSA  
6 approval in time to receive funding from Prop. 51.

7 So again, this isn't something that can be rushed.  
8 We really appreciate the action to delay this and your  
9 recognition of the need for stakeholder input. There needs  
10 to be much discussion for a solution not just a delay of  
11 this action, but a structural solution. And I thank you all  
12 very much.

13 CHAIRPERSON WONG-HERNANDEZ: Thank you. Derrick  
14 Lennox.

15 MR. LENNOX: Good afternoon, Chair and Board  
16 members. Derrick Lennox on behalf of the Small School  
17 Districts Association.

18 The first thing I want to say is thank you to the  
19 Board and to the Chair for acknowledging the concerns and  
20 deferring this action till a later time. I support -- I  
21 appreciate the suggestion by Assemblymember O'Donnell.

22 And the other thing that I wanted to mention is  
23 that the reference to small school districts in the agenda  
24 item, you know, certainly this Board is very familiar with  
25 the kind of trials and tribulations that smalls go through.

1 We're not a homogeneous group in terms of how we all  
2 operate.

3 And so I appreciate always anytime a committee  
4 analysis or a board like yourselves bring up the concerns of  
5 smalls. It's very important to us and we appreciate that.

6 So with that said, just look forward to  
7 participating in the stakeholder process and thank you very  
8 much.

9 CHAIRPERSON WONG-HERNANDEZ: Thank you. Ken  
10 Reynolds.

11 MR. REYNOLDS: Ken Reynolds, President of  
12 SchoolWorks. I work with a lot of small schools and so I  
13 was real surprised by this agenda item.

14 I do have with me -- I want to read this for the  
15 Board -- over 30 signatures from the districts I work with,  
16 a lot of them in the Central Valley, the majority of them  
17 small schools.

18 They are very concerned. In fact, one of my  
19 letters from Cathlene Anderson of Kings River-Hardwick  
20 School is not even in the country today. So she's on  
21 vacation, but she took time to look at her emails, to  
22 understand the situation, and to respond.

23 The smalls that we work with -- all the clients we  
24 work with, this whole room full of people are very  
25 interested in making this program successful. And so we are

1 more than excited to work with you to find out how to make  
2 it even better.

3 And so I appreciate the fact that you're willing  
4 to listen and that you've delayed this item. Thank you very  
5 much.

6 CHAIRPERSON WONG-HERNANDEZ: Thank you. Amy  
7 Miller.

8 MS. MILLER: Hi there. My name's Amy Miller. I'm  
9 the board President from Dublin Unified School District and  
10 I also want to thank you for delaying this to another time  
11 when we can really analyze the impact.

12 I did prepare a statement before I knew that you  
13 were going to delay it and I'd like to read it just so that  
14 it's in the record.

15 CHAIRPERSON WONG-HERNANDEZ: Absolutely.

16 MS. MILLER: Probably will bring it back, but  
17 hopefully, we'll have more information and there will be an  
18 opportunity for us to give some feedback even before the  
19 next meeting.

20 So traveled here on short notice. We just found  
21 out a couple days ago about the change and as many of you  
22 know, Dublin Unified School District is one of the most  
23 impacted school districts in the state, facing a crushing  
24 number of students from extensive new development and with  
25 significant need for new facilities.

1           We have done all in our power to maximize our  
2 developer fees. We triggered Level 3 in November.  
3 Regularly negotiate agreements with developers and have  
4 passed multiple local bond measures, but without the  
5 availability of state funding for facilities, we would face  
6 a major problem.

7           When state funding is not available, Dublin has  
8 always done all it could to get money for the next round of  
9 state funding. The proposed action is a direct threat to  
10 Dublin Unified and there's a number of reasons why the SAB's  
11 proposed action should be rejected or at minimum delayed,  
12 which you've done. Thank you.

13           One, potential violations of Ed Code. By adopting  
14 a proposed amendment, SAB will violate Ed Code  
15 Section 17070.25 which requires the Department of General  
16 Services to publish and then be prepared to receive and  
17 expeditiously act upon applications for funding on and after  
18 November 4th, 1998.

19           Further, the proposed amendments are in conflict  
20 with provisions of Ed Code Section 17070.41(d) which gives  
21 the SAB authority to seek to fund projects and make  
22 disbursements irrespective of whether there exists at the  
23 time of the disbursement an amount in the 2016 state school  
24 facility funds sufficient to permit payment in full of all  
25 apportionments previously made.

1           Item two, potential inaccurate interpretation of  
2 facts regarding small districts and financial hardship  
3 districts. The OPSC staff report for the meeting of -- this  
4 meeting states that the SFP is not designed to support and  
5 fund small districts for those with limited local capital  
6 funding resources.

7           A careful reading of the information presented by  
8 the OPSC may demonstrate the opposite conclusion. However,  
9 it is in the districts' best interest that the SAB's  
10 proposed action is delayed in order to further investigate  
11 these findings and to determine the best way to address them  
12 if they're accurate.

13           Three, inaccurate depiction of OPSC's ability to  
14 make future program enhancement. As has happened in the  
15 past, any shortfalls and inefficiencies of the SFP can be  
16 remedied after conducting proper public hearings and  
17 obtaining input and implementing program enhancements.

18           To essentially scrap the entire program as  
19 proposed by the OPSC or the way that we understand it would  
20 not do the California school system justice. The SFP has  
21 functioned successfully since 1998.

22           By no longer accepting applications, the OPSC  
23 would be punishing those districts like Dublin Unified who  
24 spent the time and resources to plan ahead in seeking  
25 funding from the state through SFP and rewarding those who

1 have not.

2           And finally, the OPSC contends that if the  
3 applications received beyond bond authority list continues  
4 for multiple years, it will lead to circumstances where  
5 districts are counting on a certain level of funding that  
6 may not be appropriate in the future depending on how new  
7 construction eligibility is determined from a future funding  
8 source.

9           To address this perceived issue, OPSC would throw  
10 out a key part of a two decade old program. This is a  
11 classic case of throwing out the baby with the bath water.

12           A determination should first be made that there  
13 truly is a problem and then an appropriate solution should  
14 be analyzed.

15           In conclusion, the SAB's proposed action should be  
16 again rejected or delayed and we appreciate that you are  
17 delaying it. The district requires more time to analyze the  
18 impact. This is the best we could do in a short period of  
19 time and, of course, I did have some help and we'll be back.  
20 So thank you very much for your consideration to speak at a  
21 future time.

22           CHAIRPERSON WONG-HERNANDEZ: Thank you. Jack  
23 Schreder.

24           MR. SCHREDER: Jack Schreder with Jack Schreder &  
25 Associates.

1                   CHAIRPERSON WONG-HERNANDEZ: Oh, Schreder. Sorry.

2 Excuse me.

3                   MR. SCHREDER: Thank you for deferring this item.

4                   CHAIRPERSON WONG-HERNANDEZ: Thank you. Jean --  
5 is it Josy or Josa? Josy.

6                   MS. JOSY: Thank you for allowing us a chance to  
7 speak on this issue. My name is Jean Josy. I'm an employee  
8 of Dublin Unified School District and I'm a candidate for  
9 city council in Dublin.

10                   Thank you for not discussing this item without  
11 your full Board in attendance and thank you for not  
12 considering this item until the public and school districts  
13 around the state have had an opportunity to fully digest the  
14 proposed changes and give their feedback.

15                   As you know, the School Facilities Program is  
16 critical to the funding of new schools and the modernization  
17 of existing schools. This is true for all school districts  
18 in the state, but particularly true of high growth districts  
19 such as Dublin.

20                   Making such a significant change on only five  
21 days' notice would not have allowed us enough time to  
22 evaluate the ramifications of this change. Even without  
23 enough time to fully evaluate this change, we know that  
24 eliminating the unfunded list would be devastating for  
25 districts such as Dublin.

1           Our district is growing by approximately 600  
2 students per year with no slowdown in sight. We have passed  
3 multiple local bond measures. Our city council has gifted  
4 land for schools and facilitated three-way agreements with  
5 developers and we have led the charge for the highest  
6 possible developer fees.

7           Even with these measures, we do not have enough  
8 money to build new schools and modernize our existing ones.  
9 The School Facilities Program is crucial to our ability to  
10 house every student.

11           Thank you for your time and I look forward to  
12 coming back in August or whenever this item is re-agendized  
13 for the chance to fully discuss the ramifications of the  
14 proposal. Thank you very much.

15           CHAIRPERSON WONG-HERNANDEZ: Thank you. So these  
16 are all the speaker cards I have, but is there anyone else  
17 from the public who wishes to come up and speak on any issue  
18 under the purview of this Board? Please.

19           UNIDENTIFIED SPEAKER: Greetings. I'm here to  
20 make a public comment on behalf of Senator Steve Glazier  
21 representing the 7th Senate District and Assemblywoman  
22 Katharine Baker of the 16th Assembly District to request to  
23 defer and essentially thank you for deferring action today  
24 on Board agenda Item 7, School Facility Program proposed  
25 regulatory amendments for acceptance of applications when

1 funding is unavailable.

2 Just a quick narrative. So, Dear Chair  
3 Wong-Hernandez, we respectfully thank you and ask, as you've  
4 already considered, to defer action on Agenda Item 7.

5 Over the past 24 hours, school board members and  
6 superintendents in our districts, Assemblywoman Baker's and  
7 Senator Glazier's districts, have reached out to us with  
8 concerns about the short notice and lack of time to fully  
9 vet the impact of the proposed amendment on their district  
10 facility programs.

11 Thank you again for your attention and  
12 consideration of this request.

13 CHAIRPERSON WONG-HERNANDEZ: Thank you. Okay.  
14 Any other public comment?

15 MS. KAPLAN: My apologies. I feel like I have to  
16 do a quick change because I'm two people today, as I'm  
17 representing two different organizations. My name is Lisa  
18 Kaplan. I'm the general counsel of Sage Institute and just  
19 want to let you know on behalf of Rio School District,  
20 Oxnard Unified School District, El Monte High School School  
21 District, and Newman-Crows Landing, we'd like to register  
22 our opposed -- opposition to these regulations and hope and  
23 look forward to working with staff when it comes back  
24 hopefully in a different form.

25 CHAIRPERSON WONG-HERNANDEZ: Thank you. All

1 right. Last call, any other public comment? Okay.

2 Okay. I'm about to adjourn. Do you want to say  
3 anything? Okay.

4 MS. JONES: Do we want her to add on?

5 CHAIRPERSON WONG-HERNANDEZ: Excuse me?

6 MS. JONES: Do we want her to add on?

7 CHAIRPERSON WONG-HERNANDEZ: Oh, right. So we can  
8 do add on of votes at this time and I will understand if you  
9 all have places that you need to be, but I will be here and  
10 then we'll adjourn on the other end.

11 MS. JONES: Okay. Senator Nguyen, how do you vote  
12 on the Minutes?

13 SENATOR NGUYEN: Aye.

14 MS. JONES: How do you vote on Consent?

15 SENATOR NGUYEN: Aye.

16 MS. JONES: How do you vote on Morongo Unified?

17 SENATOR NGUYEN: Aye.

18 MS. JONES: How do you vote on the general site  
19 development proposed regulation?

20 SENATOR NGUYEN: Aye.

21 MS. JONES: Thank you.

22 SENATOR NGUYEN: Thank you.

23 CHAIRPERSON WONG-HERNANDEZ: All right. Well, I  
24 will see everyone in August. We are adjourned.

25 (Whereupon, at 4:38, the proceedings were adjourned.)

REPORTER'S CERTIFICATE

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That I am a disinterested person to said action.

IN WITNESS WHEREOF, I have subscribed my name on June 30, 2018.

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