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.

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APPEARANCES:

MEMBERS OF THE BOARD PRESENT:

JACQUELINE WONG-HERNANDEZ, 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

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:

TOM PATTON, Assistant Chief Counsel
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.
Assemblmembre Nazarian.
Assemblmembre 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
audience briefly with regard to the action item in Tab 7
where I've got a lot of speaker cards, the proposed
regulatory amendments for acceptance of applications when
funding is unavailable.

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

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

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

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

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

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

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

I understand historically when there have been
changes made, we've had subcommittee meetings. There's been
a stakeholder process. I know for the CTE grants, we've got
stakeholder meetings for that proposal and I think there's
so much concern about this -- this kind of thing put on the
agenda is that people want to have a vote and I want to be educated fully as to what the proposal does and I want to hear stakeholder input too.

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

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

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

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

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

MS. JONES: Direction.

CHAIRPERSON WONG-HERNANDEZ: Excuse me?

MS. JONES: Direction.

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

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

CHAIRPERSON WONG-HERNANDEZ: To a future meeting.

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

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

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

CHAIRPERSON WONG-HERNANDEZ: Okay.

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

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

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

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

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

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

ASSEMBLYMEMBER CHAVEZ: Move approval.

MR. DIAZ: Second.

CHAIRPERSON WONG-HERNANDEZ: Motion and a second. Any public comment on the Minutes of the May 23rd meeting?

Okay. You can take roll, seeing none.


ASSEMBLYMEMBER NAZARIAN: Aye.
MS. JONES: Assemblymember Chavez.
ASSEMBLYMEMBER CHAVEZ: Aye.

MS. JONES: Assemblymember O'Donnell.
ASSEMBLYMEMBER O'DONNELL: Aye.

MS. JONES: Juan Mireles.
MR. MIRELES: Aye.

MS. JONES: Cesar Diaz.
MR. DIAZ: Aye.

MS. JONES: Jeffrey McGuire.
MR. McGUIRE: Aye.

MS. JONES: Jacqueline Wong-Hernandez.
CHAIRPERSON WONG-HERNANDEZ: Aye.

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

SENATOR ALLEN: Aye.

MS. JONES: Motion carries.

CHAIRPERSON WONG-HERNANDEZ: Thank you. Okay.

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

MS. SILVERMAN: Yes. Hi. We have a few items to announce tonight. So the Board in March took action as a result of the spring bond sale and we had the ability to fund $191 million to projects and we had a deadline of 90 days in order for districts to submit the appropriate documentation to access the program cash.
So the deadline came on June 19th and we wanted to share with the Board we have dispensed close to $177 million. So a significant amount of program funds did get released.

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

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

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

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

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

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

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

We also have another announcement before I close.
The Governor signed the trailer bill or the state budget
today and we wanted to announce there's $100 million for
full-day kindergarten facilities grant program. So we're
excited about that opportunity and so we'll be holding some
stakeholder meetings in the near future to provide some
input. So we're looking forward to that full-day
kindergarten program to be enacted and moving forward. So
looking forward to that opportunity of having those meetings
and introduce a full topic to the Board in the future.

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

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

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

CHAIRPERSON WONG-HERNANDEZ: At 2:00? Okay.

We'll have to note that notice.

SENATOR ALLEN: We have an --

CHAIRPERSON WONG-HERNANDEZ: Oh, we have --

SENATOR ALLEN: We have, okay.

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

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

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

ASSEMBLYMEMBER CHAVEZ: Move the consent.

ASSEMBLYMEMBER O'DONNELL: Second.
CHAIRPERSON WONG-HERNANDEZ: Okay.

MS. JONES: Senator Allen.

SENATOR ALLEN: Aye.

MS. JONES: Assemblymember Nazarian.

ASSEMBLYMEMBER NAZARIAN: Aye.

MS. JONES: Assemblymember Chavez.

ASSEMBLYMEMBER CHAVEZ: Aye.

MS. JONES: Assemblymember O'Donnell.

ASSEMBLYMEMBER O'DONNELL: Aye.

MS. JONES: Juan Mireles.

MR. MIRELES: Aye.

MS. JONES: Cesar Diaz.

MR. DIAZ: Aye.

MS. JONES: Jeffrey McGuire.

MR. McGUIRE: Aye.

MS. JONES: Jacqueline Wong-Hernandez.

CHAIRPERSON WONG-HERNANDEZ: Aye.

MS. JONES: And that motion carries.

CHAIRPERSON WONG-HERNANDEZ: Thank you. Okay.

MS. SILVERMAN: So on Financials, direct your attention to page 59. We often give you reports about the funds that have been released and as I shared with you earlier, a significant amount of funds have been disbursed to school districts as a result of the spring apportionment.

So in May, we had over $60.7 million disbursed and
we want to share that activity. As far as the **Status of Funds**, I know folks had a brief time frame to prepare, but we actually had $18.7 million in -- that was tucked away in the Consent Agenda that represents 16 new projects that will have a new program grant.

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

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

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

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

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

CHAIRPERSON WONG-HERNANDEZ: Are you Mr. Baumgarten?
MR. BAUMGARTEN: Yes, ma'am.

CHAIRPERSON WONG-HERNANDEZ: Welcome.

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

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

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

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

We do understand that it cannot be used for any type of student use, but we do see the value in retaining this property and remitting 50 percent of the appraisal
price to you in the future because it would have some very
meaningful advantages to our district come the future,
especially when our district hopefully continues to grow.

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

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

CHAIRPERSON WONG-HERNANDEZ: Thank you.

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

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

And since that time, we were -- have been working
with the district and they had submitted a new request for
the Board's consideration -- is to instead of selling the site, as they eloquently explained, the purpose of the site was to retain the site, but also it would not be used for educational purposes and remit 50 percent of the fair market value of that site to the state.

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

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

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

MR. MIRELES: Real quick question, Madam Chair.

CHAIRPERSON WONG-HERNANDEZ: Um-hmm.

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

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

MR. MIRELES: Okay. Thank you.

CHAIRPERSON WONG-HERNANDEZ: Okay. If there are no additional comments, it sounds like you all have reached
a good compromise and thanks for being here and giving us your kind of story.

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

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

    MR. DIAZ: Move.

ASSEMBLYMEMBER NAZARIAN: Second.

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


SENATOR ALLEN: Aye.

MS. JONES: Assemblymember Nazarian.

ASSEMBLYMEMBER NAZARIAN: Aye.

MS. JONES: Assemblymember Chavez.

ASSEMBLYMEMBER CHAVEZ: Aye.

MS. JONES: Assemblymember O'Donnell.

ASSEMBLYMEMBER O'DONNELL: Aye.

MS. JONES: Juan Mireles.

MR. MIRELES: Aye.

MS. JONES: Cesar Diaz.

MR. DIAZ: Aye.

MS. JONES: Jeffrey McGuire.

MR. McGUIRE: Aye.
MS. JONES: Jacqueline Wong-Hernandez.

CHAIRPERSON WONG-HERNANDEZ: Aye.

MS. JONES: And that motion carries.

CHAIRPERSON WONG-HERNANDEZ: Thank you.

MR. BAUMGARTEN: Thank you.

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

Barbara, general grant for site development.

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

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

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

The grant will sunset on January 1st, 2019, without additional Board action. This year we are recommending that the Board approve the extension of the grant for a period of five years, the basis being that we
have a number of applications that are continuing to come in and it will ensure the districts can rely on the fact that the grant will be available and there will not be a lapse in the regulations.

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

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

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

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

MR. DIAZ: Move.

ASSEMBLYMEMBER CHAVEZ: Second.

CHAIRPERSON WONG-HERNANDEZ: Motion and a second.

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

Seeing none.


SENATOR ALLEN: Aye.

MS. JONES: Assemblymember Nazarian.

ASSEMBLYMEMBER NAZARIAN: Aye.

MS. JONES: Assemblymember Chavez.

ASSEMBLYMEMBER CHAVEZ: Aye.
MS. JONES: Assemblymember O'Donnell.

ASSEMBLYMEMBER O'DONNELL: Aye.

MS. JONES: Juan Mireles.

MR. MIRELES: Aye.

MS. JONES: Cesar Diaz.

MR. DIAZ: Aye.

MS. JONES: Jeffrey McGuire.

MR. McGUIRE: Aye.

MS. JONES: Jacqueline Wong-Hernandez.

CHAIRPERSON WONG-HERNANDEZ: Aye.

MS. JONES: And that motion carries.

CHAIRPERSON WONG-HERNANDEZ: Thank you. Okay.

Moving on to Tab 8.

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

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

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

Then we'll start with public comment. I'm going to call -- I'm going to assume that the folks who were signed up for Tab 7 are going to want to continue to comment
and so I'm going to call your name, and if you don't answer, we'll move along. But I've got Lisa Kaplan. You're going to have to share a microphone. We're in a little --

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

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

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

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

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

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

MS. LOSKOT: Loskot.

CHAIRPERSON WONG-HERNANDEZ: Loskot.

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

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

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

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

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

CHAIRPERSON WONG-HERNANDEZ: Thank you. Derrick Lennox.

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

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

And the other thing that I wanted to mention is that the reference to small school districts in the agenda item, you know, certainly this Board is very familiar with the kind of trials and tribulations that smalls go through.
We're not a homogeneous group in terms of how we all operate.

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

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

CHAIRPERSON WONG-HERNANDEZ: Thank you. Ken Reynolds.

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

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

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

The smalls that we work with -- all the clients we work with, this whole room full of people are very interested in making this program successful. And so we are
more than excited to work with you to find out how to make
it even better.

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

CHAIRPERSON WONG-HERNANDEZ: Thank you. Amy
Miller.

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

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

CHAIRPERSON WONG-HERNANDEZ: Absolutely.

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

So traveled here on short notice. We just found
out a couple days ago about the change and as many of you
know, Dublin Unified School District is one of the most
impacted school districts in the state, facing a crushing
number of students from extensive new development and with
significant need for new facilities.
We have done all in our power to maximize our developer fees. We triggered Level 3 in November. Regularly negotiate agreements with developers and have passed multiple local bond measures, but without the availability of state funding for facilities, we would face a major problem.

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

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

Further, the proposed amendments are in conflict with provisions of Ed Code Section 17070.41(d) which gives the SAB authority to seek to fund projects and make disbursements irrespective of whether there exists at the time of the disbursement an amount in the 2016 state school facility funds sufficient to permit payment in full of all apportionments previously made.
Item two, potential inaccurate interpretation of facts regarding small districts and financial hardship districts. The OPSC staff report for the meeting of -- this meeting states that the SFP is not designed to support and fund small districts for those with limited local capital funding resources.

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

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

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

By no longer accepting applications, the OPSC would be punishing those districts like Dublin Unified who spent the time and resources to plan ahead in seeking funding from the state through SFP and rewarding those who
have not.

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

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

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

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


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

MR. SCHREDER: Thank you for deferring this item.

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

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

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

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

Making such a significant change on only five days' notice would not have allowed us enough time to evaluate the ramifications of this change. Even without enough time to fully evaluate this change, we know that eliminating the unfunded list would be devastating for districts such as Dublin.
Our district is growing by approximately 600 students per year with no slowdown in sight. We have passed multiple local bond measures. Our city council has gifted land for schools and facilitated three-way agreements with developers and we have led the charge for the highest possible developer fees.

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

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

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

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

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

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

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

CHAIRPERSON WONG-HERNANDEZ: Thank you. Okay.

Any other public comment?

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

CHAIRPERSON WONG-HERNANDEZ: Thank you. All
right. Last call, any other public comment? Okay.

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

MS. JONES: Do we want her to add on?
CHAIRPERSON WONG-HERNANDEZ: Excuse me?
MS. JONES: Do we want her to add on?
CHAIRPERSON WONG-HERNANDEZ: Oh, right. So we can do add on of votes at this time and I will understand if you all have places that you need to be, but I will be here and then we'll adjourn on the other end.

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

SENATOR NGUYEN: Aye.
MS. JONES: How do you vote on Consent?
SENATOR NGUYEN: Aye.
MS. JONES: How do you vote on Morongo Unified?
SENATOR NGUYEN: Aye.
MS. JONES: How do you vote on the general site development proposed regulation?
SENATOR NGUYEN: Aye.
MS. JONES: Thank you.
SENATOR NGUYEN: Thank you.
CHAIRPERSON WONG-HERNANDEZ: All right. Well, I will see everyone in August. We are adjourned.

(Whereupon, at 4:38, the proceedings were adjourned.)
REPORTER'S CERTIFICATE

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That the proceedings herein of the California State Allocation Board, Public Meeting, were duly reported and transcribed by me;

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

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