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 RICHARD PAN

SENATOR SCOTT WILK

ASSEMBLYMEMBER ADRIN NAZARIAN

ASSEMBLYMEMBER PATRICK O'DONNELL

ASSEMBLYMEMBER JAMES GALLAGHER

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. Having -- 4:00 o'clock having arrived, the State Allocation Board meeting will be called to order and, Secretary, can you please call the roll.


SENATOR ALLEN: Here.

MS. JONES: Senator Pan.

Senator Wilk.

SENATOR WILK: Present.

MS. JONES: Assemblymember Nazarian.

Assemblymember O'Donnell.

ASSEMBLYMEMBER O'DONNELL: Here. Present.

MS. JONES: Assemblymember Gallagher.

ASSEMBLYMEMBER GALLAGHER: 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: We have a quorum.
CHAIRPERSON WONG-HERNANDEZ: Thank you. I'd like to welcome our new members, Assemblymember Gallagher and Senator Wilk and also to acknowledge that we have a new Superintendent of Public Instruction, Tony Thurmond, and we are so happy to see Mr. Mireles here. So thank you all for being here. We'll get started on -- first is going to be the Minutes. Hopefully, everyone's had a chance to review.

Any questions or comments from Board members?

Any public comment on this item?

Seeing none, we can take a roll to approve the Minutes. I'm sorry. I need a motion, don't I.

MR. DIAZ: Motion.

MR. MIRELES: Second.

CHAIRPERSON WONG-HERNANDEZ: Motion by Mr. Diaz; second by Mr. Mireles.

MS. JONES: Senator Wilk.

SENATOR WILK: Aye.

MS. JONES: Assemblymember O'Donnell.

ASSEMBLYMEMBER O'DONNELL: Aye.

MS. JONES: Assemblymember Gallagher.

ASSEMBLYMEMBER GALLAGHER: 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: That motion carries.

CHAIRPERSON WONG-HERNANDEZ: Thank you. All right. Lisa, you're up. Executive Officer's Statement.

MS. SILVERMAN: We have a few items to share tonight. Wow, now it's really on. So we're excited about the Governor's proposed budget for 1920 [sic] and in the budget proposal, there was an increased sales for the general obligation bond program -- for our program.

So last year, it was $653 million that was on public sale for our bond program and now the proposed budget is 1.5 billion. So that's great news for our program and along with that, that would involve increased processing and ten positions along with that increased processing. So that would include eight staff members for processing and two first-line supervisors.

Additional bonus with that would be $750 million for Full-Day Kindergarten Facilities Program as well. So in last year's budget, we had $100 million allocated and we'll speak to that point at the next topic, but $750 million is also proposed for the full day kindergarten. So we're super excited about that news as well.
So the next topic with Full-Day Kindergarten Facilities Program, we had that round open up just January 2nd and we have exciting news. We had over 72 applicants so far for $121 million. So the first round -- we had an allocation of $37 million for the first round. So again, we're going to be oversubscribed as of the first round. So we're excited about the applications that are coming through the door. The timeline for the first round closes January 31st. So that's great news.

And so we'll should have some more outcomes for next month.

For Career Tech Education Program, we had the last funding cycle closed with the Department of Education when the applications were due. In the end of October, we had $571 million in applications for 299 applicants and so the scores will be coming out tomorrow with Department of Education. So those who have a score of 105 or greater are eligible to submit a funding application to our office and those are due February 15th.

So we'll be presenting those -- the highest scores to the May State Allocation Board.

With the Career Tech Education, we still have $250 million to allocate. So we'll be working to present additional funding cycles to the Board, but we also wanted to discuss and bring forward potential changes to the
program and so we'll have some additional stakeholder meetings to discuss what those changes are in the future.

At the fall bond sale, the State Allocation Board -- we presented $442 million in apportionments in October and we wanted to share with the Board that we actually had over $250 million that had been allocated so far. So that's great news.

And so the deadline to submit your paperwork was yesterday. So we'll be sharing some more updates next month.

And we had a priority funding round -- filing round that closed December 13th. We actually over $226 million dollars in certifications that came in. So those projects that came in are eligible for the spring bond sale. So those certifications are good from January 1st to June 30th.

And one of the last points we wanted to share, we had a series of four audit workshops and again, those workshops are relevant to school districts because we have a new audit requirement for the program. So those folks that received a grant approval after April 1st, 2017, they have a new performance audit requirement.

So we've been receiving a lot of good feedback and our last audit workshop will be next week on Tuesday in El Cajon. So looking forward to that last workshop and we
have our webcast online and we have a lot of our materials also posted online as well.

Our next State Allocation Board meeting is February 27th.

CHAIRPERSON WONG-HERNANDEZ: Thank you. Any questions or comments from Board members? And any public comment? All right. Then we'll move onto the Consent Agenda is what I've got next.

MS. SILVERMAN: Yeah. The Consent Agenda is ready for your approval.

CHAIRPERSON WONG-HERNANDEZ: Hopefully everyone has reviewed. Comments? No? And no one's pulling anything off?

MS. SILVERMAN: Excuse me?

CHAIRPERSON WONG-HERNANDEZ: Moving approval. Mr. O'Donnell moves approval.

MR. DIAZ: Second.

CHAIRPERSON WONG-HERNANDEZ: Second from Mr. Diaz. Any public comment on the Consent Agenda? Seeing none, we're ready for roll.

MS. JONES: Okay. Senator Wilk.

SENATOR WILK: Aye.

MS. JONES: Assemblymember O'Donnell.

ASSEMBLYMEMBER O'DONNELL: Aye.

MS. JONES: Assemblymember Gallagher.
ASSEMBLYMEMBER GALLAGHER: 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: That motion carries.

CHAIRPERSON WONG-HERNANDEZ: Thank you. Okay.

Tab 5.

MS. SILVERMAN: Tab 5 is **Financials**. So our fund release report on Tab 5 is on page 45. As I shared with you, we've been releasing funds as a result of the bond sales, the apportionments in October. So in November and December alone, we've released over 225 million and so that's on stamped page 45.

And on page 47 and page 48, what we wanted to share in financials, we didn't really present a lot of unfunded approvals as a result of the construction cost index adjustment that the Board just approved in the Consent Agenda, but we'll present those unfunded approvals next month so that way we can adjust the inflator to those unfunded approvals.
So we thought instead of reworking the projects, we'll be presenting those unfunded approvals next month. So the only activity we had to report in the Consent Agenda was as a result of the adjusted grants that represent over seven projects and some closeout adjustments, so about $16.3 million in adjusted projects there.

But on page 48, we wanted to acknowledge that the full-day kindergarten of $100 million is reflected on the bottom of page 48 and also that $2 and a half million adjustment for the admin costs. So looking forward for more activity to come as we present the full-day kindergarten projects for approvals in the future.

And with that, could I have any questions?

CHAIRPERSON WONG-HERNANDEZ: No questions. Any public comment? All right. Seeing none, moving along to the first of the Paradise items.

MS. SILVERMAN: So we wanted to highlight tonight the appeal of Paradise. So with the expedited processing of the modernization project, which is outside the priority apportionment and actually outside of the normal processing timelines, Paradise had submitted their modernization project back in early January of 2018 and they are submitting their request replace their portable classrooms and to build a new gym.

That project is worth about $5.4 million and as a
result of the recent fire in Sutter -- Butte County --
sorry -- and that's just been a devastating impact to their
community.

So as a result of that, it actually had minimum
impact to that high school, but, you know, it would be a
good idea to accelerate their project because if we delay
the building in that community, they can foresee some
accelerated cost going on with delaying their project.

So we understand there's about $1 billion in
projects ahead of them and that would again delay them
further to continue to build their project. And we
understand the district's concern, and so staff supports
their accelerating of their project.

So with that we are suggesting to the board that
they approve their project in accelerated pace and also
grant their project to be at 18-month apportionment outside
the priority funding timeline.

CHAIRPERSON WONG-HERNANDEZ: Thank you. I think
that makes sense. Are there Board member -- please,
Mr. Mireles.

MR. MIRELES: We realize that this isn't the
typical process, but clearly this is not a typical case.
These are extraordinary cases for the district. They are
still going through the recovery efforts and this is one
very important step to help them.
With that, I would like to make a motion to approve.

CHAIRPERSON WONG-HERNANDEZ: Okay. Motion. Mr. Gallagher?

ASSEMBLYMEMBER GALLAGHER: Second. And I just want to say I mean obviously as a representative of Paradise and the devastation that that community's gone through -- many of us went up actually last week, from the Legislature, and, you know, this community's really working hard to recover.

You know, it's -- they've been through a lot, but there's a determined spirit there and this will really help. I mean they've been working a long time to get this modernization project off the ground. So, you know, appreciate the support for this, as I said, unusual but, you know, we're in unusual times. So thank you.

CHAIRPERSON WONG-HERNANDEZ: Thank you. Did you want to -- no, Mr. Wilk? Okay. I think we've got some public comment on this item. Mr. Bakke, if you want to come forward and then if anyone else wants to make public comment, you'll be next, so please moving forward.

MR. BAKKE: Good afternoon. Eric Bakke with the California School Boards Association. I appreciate the opportunity -- I appreciate the sentiments.

Having worked with the immediate past president
for CSBA, Mike Walsh, Butte County trustee, I've been able to spend days with him during the events and just to hear his stories -- the newspaper articles and the pictures do not do justice to the stories that he's shared with me.

And so whenever we have -- as a state body can do something to bring back a little bit of normalcy to some of these communities that have been devastated, we should do that. And so as CSBA, we appreciate this offer and I know it's unusual. It's kind of not our normal process, but given the circumstances, it's appropriate. Thank you.

CHAIRPERSON WONG-HERNANDEZ: Thank you. Is there further public comment? All right. Seeing none, we can go ahead and take the roll. Thank you.

MS. JONES: Okay. Senator Wilk.

SENATOR WILK: Aye.

MS. JONES: Assemblymember O'Donnell.

ASSEMBLYMEMBER O'DONNELL: Aye.

MS. JONES: Assemblymember Gallagher.

ASSEMBLYMEMBER GALLAGHER: 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: That motion carries.
CHAIRPERSON WONG-HERNANDEZ: Can we leave that open?
MS. JONES: We'll leave it open.
CHAIRPERSON WONG-HERNANDEZ: We'll leave it open for Mr. Nazarian who is going to join us in a while. All right. Then we'll move onto our next item in Tab 7.
MS. KAMPMEINERT: So Tab 7 is an action item also for Paradise Unified. This relates to the unused sites fee and that was an item that the Board took up at the December State Allocation Board meeting and that's our annual item where districts who have sites that they are not using for school purposes are assessed fee each year.
We did not include Paradise Unified last month because we wanted an opportunity to bring this topic before the Board separately.
There is a -- Paradise did report two sites that were unused back at the time and the fee for '17-'18 which would be assessed beginning this year came out to just under $15,000 for the district.
However, there is a provision in the statute that allows the Board to consider other factors that may be relevant to the sites in question and then adjust the site
accordingly -- the fee accordingly.

So given that the district has faced the fires, we thought it would be important to bring this before the Board and we are recommending that the Board adjust the fee to zero for the district for both of these sites for this year and also next year. We didn't see anything changing in the next 12 months that would lead us to a different recommendation next year, so we thought we would suggest a two-year time period of time.

So we are recommending that the Board go ahead and make that adjustment, in which case the district would not have to pay the unused site fee and then be able to use those funds for other purposes in getting the district back up and running after the fires.

CHAIRPERSON WONG-HERNANDEZ: Thank you. I think kind of following up on Mr. Bakke's point, I mean if there's anything that we can do and there's not -- you know, there's so much that will have to happen outside of the purview of this Board, this seems like a very small and reasonable step that we can take.

Are there members who have comments or questions? Seeing none, is there any public comment on this item? Okay.

ASSEMBLYMEMBER GALLAGHER: I'll move the item.

SENATOR WILK: Second.
CHAIRPERSON WONG-HERNANDEZ: A motion and a second.

MS. JONES: Senator Wilk.
SENATOR WILK: Aye.

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

MS. JONES: Assemblymember Gallagher.
ASSEMBLYMEMBER GALLAGHER: 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 we'll leave it open.
CHAIRPERSON WONG-HERNANDEZ: Thank you. Okay.

That brings us to Tab 8.

MS. KAMPMEINERT: Tab 8 is our standard information items. I would just highlight that beginning on page 77 we have our annual item where we update the Board and members of the public on any legislation that's passed in the last year that may have a direct impact to the program or that may be relevant to school districts that are
planning projects under the program.

    Just a handful of bills here this year. The Board
does not need to take any action right now on these. One of
the big ones to come through was full-day kinder, but those
regulations are already effective.

    So with that, it's just it's available and we can
answer any questions.

CHAIRPERSON WONG-HERNANDEZ: Questions or comments
from Board members? No. Okay. Any public comment? I
guess we can wait till the -- this is it, right?

UNIDENTIFIED SPEAKER: That's it.

CHAIRPERSON WONG-HERNANDEZ: Okay. So -- and then
seeing no public comment, we're going to hold the meeting
open for additional members to add on, but everyone else is
free to go.

(Off record at 4:18 p.m.)

(On record at 4:21 p.m.)

CHAIRPERSON WONG-HERNANDEZ: We are back on the
record. Welcome, Mr. Nazarian. Thank you.

ASSEMBLYMEMBER NAZARIAN: Thank you.

MS. JONES: Assemblymember Nazarian, how do you
vote on the Minutes?

ASSEMBLYMEMBER NAZARIAN: Aye.

MS. JONES: Aye.

MS. JONES: How do you vote on the Consent
Calendar?

ASSEMBLYMEMBER NAZARIAN: Aye.

MS. JONES: Thank you. How do you vote on the appeal for Paradise Unified?

ASSEMBLYMEMBER NAZARIAN: Aye.

MS. JONES: And how do you vote on the action item for Paradise Unified?

ASSEMBLYMEMBER NAZARIAN: Aye.

MS. JONES: And I thank you so much.

CHAIRPERSON WONG-HERNANDEZ: Thank you.

ASSEMBLYMEMBER NAZARIAN: Thank you.

CHAIRPERSON WONG-HERNANDEZ: With no further business, this meeting is adjourned.

(Whereupon, at 4:22 p.m., the proceedings were adjourned.)
TRANScriber's Certificate

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I, Mary C. Clark, a Certified Electronic Court Reporter and Transcriber, Certified by the American Association of Electronic Reporters and Transcribers, Inc. (AAERT, Inc.), do hereby certify:

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IN WITNESS WHEREOF, I have subscribed my name on January 26, 2019.

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