CALIFORNIA STATE ALLOCATION BOARD

PUBLIC MEETING

STATE CAPITOL
ROOM 444
SACRAMENTO, CALIFORNIA  95814

DATE:  WEDNESDAY, JUNE 26, 2019
TIME:  4:07 P.M.

Reported By:  Peter Petty
eScribers
APPEARANCES:

MEMBERS OF THE BOARD PRESENT:

GAYLE MILLER, Chief Deputy Director, Policy, Department of Finance, designated representative for Keely Bosler, Director, Department of Finance

DANIEL KIM, Director, Department of General Services

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

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

SENATOR SCOTT WILK

SENATOR CONNIE LEYVA

SENATOR RICHARD ROTH

ASSEMBLYMEMBER ADRIN NAZARIAN

ASSEMBLYMEMBER PATRICK O'DONNELL

ASSEMBLYMEMBER JORDAN CUNNINGHAM

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
PROCEEDINGS

MS. MILLER: Good afternoon, everyone. I'm going to call the meeting of the State Allocation Board to order. Ms. Jones, will you call the roll, please.


SENATOR WILK: Present.

MS. JONES: Senator Leyva.

Senator Roth.

SENATOR ROTH: Here.

MS. JONES: Assemblymember Nazarian.

MR. NAZARIAN: Present.

MS. JONES: Assemblymember O'Donnell.

Assemblymember Cunningham.

Juan Mireles.

MR. MIRELES: Here.

MS. JONES: Cesar Diaz.

MR. DIAZ: Here.

MS. JONES: Daniel Kim.

MR. KIM: Here.

MS. JONES: Gayle Miller.

MS. MILLER: Here.

MS. JONES: We have a quorum.

MS. MILLER: Thank you. Before we start our agenda items, I wanted to welcome our new member who isn't
quite here yet, but just to let you know that Assemblymember Jordan Cunningham is joining the Board and Mr. Gallagher will not be on the Board. So we will hope to see him later and welcome him then. So I'm happy not to be the newest person here today.

So next, Ms. Silverman, if you have the public -- if you have the Executive Officer's summary, please.

MS. SILVERMAN:  Yeah. Do you want to --

MS. MILLER:  Oh, wait. Do I want to do the Minutes first? Yeah. Sorry. May we approve the Minutes first from our last Board meeting.

SENATOR ROTH:  so moved.

MR. NAZARIAN:  Second.

MS. MILLER:  Moved by Senator Roth. Seconded by Mr. Nazarian. Ms. Jones, please call the roll.

MS. JONES:  Senator Wilk.

SENATOR WILK:  Aye.

MS. JONES:  Senator Roth.

SENATOR ROTH:  Aye.

MS. JONES:  Assemblymember Nazarian.

MR. NAZARIAN:  Aye.

MS. JONES:  Juan Mireles.

MR. MIRELES:  Aye.

MS. JONES:  Cesar Diaz.

MR. DIAZ:  Aye.
MS. JONES: Daniel Kim.

MR. KIM: Aye.

MS. JONES: Gayle Miller.

MS. MILLER: Aye.

MS. JONES: And that motion carries. Thank you.

MS. MILLER: Great. Thank you. Okay. Now we're on to the Executive Officer's Statement.

MS. SILVERMAN: Yep.

MS. MILLER: Thank you.

MS. SILVERMAN: So we have a few things to share tonight. So we wanted to update the Board on the full-day kinder facilities grant program and so we wanted to highlight last month we took action on 12 projects for $37 and a half million. We did share with the Board last month we had 261 projects for $324 million for the first funding round, so that was great news. Oversubscribed definitely.

Second filing round closed on May 30th and they're competing for the $60 million that remains and that's 349 applications that came through the door for nearly $432 million. So a lot of interest in the full-day kinder program. So looking forward to provide those grants and those awards in the fall for the Board to take action on.

We wanted to give the Board an update on the priority funding apportionments that reflect the spring bond
sale. That's nearly $222 million in bond awards and so those projects have until July 23rd to activate their program, and just to give the Board an update, as of June 7th, there was about $110 million that has been disbursed. So they have again till July 23rd to come for the program cash.

We have about a handful of projects with career tech education and they have different timelines. So those projects have 12 months to perfect, so they have until April 23rd of 2020 to come in with the Division of State Architect approval and Department of Education approval as well. So we will be -- continue to communicate with districts about their program cash and I'm sure (indiscernible) the door before the July 23rd deadline and again the goal is to abrogate all program cash.

We also wanted to highlight there was a priority funding round filing deadline that closed June 6th. We had nearly 777 million -- actually over $777 million in projects that came to the door for that certification round. That was over 196 projects.

What that means is those projects are definitely eligible for the fall grant -- fall bond sale and so those certifications are valid from July 1st to December 31st and again, that's great news for the fall bond sale and that's great news for those projects.
The next item we wanted to highlight is we have a career tech education facilities program stakeholder meeting and that meeting is July 24th from 1:00 to 3:00 and that will be here in the State Capitol in Room 4202 and the goal of that meeting is to talk about the current funding order for the career tech program.

So again we'll have it webcast and we'll actually be producing our item in public notice ten days before the meeting. So again looking forward to getting a lot of public input on the funding order for career tech education.

And then we will not have a meeting in July. So I just wanted to share that update as well. And so our next meeting will be August 28th at 4:00 o'clock.

MS. MILLER: Great. Thank you very much. Is there any public comment at this time? No? Then we will move to the next item which is the Consent Agenda, please, Ms. Silverman.

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

MS. MILLER: Great. Are there any questions from the committee on the Consent Agenda?

MR. DIAZ: Motion to approve.

MS. MILLER: Great.

MR. NAZARIAN: Second.

MS. MILLER: Thank you. Moved by Mr. Diaz.

Ms. Jones, please call the roll.

MS. JONES: Senator Wilk.
SENATOR WILK: Aye.
MS. JONES: Senator Roth.
SENATOR ROTH: Aye.
MS. JONES: Assemblymember Nazarian.
MR. NAZARIAN: Aye.
MS. JONES: Juan Mireles.
MR. MIRELES: Aye.
MS. JONES: Cesar Diaz.
MR. DIAZ: Aye.
MS. JONES: Daniel Kim.
MR. KIM: Aye.
MS. JONES: Gayle Miller.
MS. MILLER: Aye.
MS. JONES: That motion carries.
MS. MILLER: Great. Thank you very much. The next item on our agenda is the **Status of Fund Releases**.

Ms. Silverman.

MS. SILVERMAN: Yeah. So if I can direct your attention to Tab 5 and 6. So Tab 5, we just wanted to share with the Board on page 97 is just the activity of the bond sale being released, as I shared with you earlier.

In May we dispensed $59 million and again the
Board took action on the end of April for those bond proceeds. And so as we get closer to the July deadline, we'll show more activity come the August Board. So that will reflect the $200 plus million that we'll be disbursing. So that's great news.

And then as part of the Consent Agenda, on page 99, again that's reflective of all of the bond proceeds we do have. In the Consent Agenda, you did approve over $158 million in project awards, so that's great news as well, and we do have some closeout and rescission activity as a result of the Consent Agenda. So that's the highlight of the Status of Funds.

MS. MILLER: Great. Thank you. Is there any public comment on this month's fund releases? No? Then we're going to move onto the status of funds -- well, we did that at the same time.

MS. SILVERMAN: We did that, yes.

MS. MILLER: Yes. I did this last time too. Okay. Then we're going to move to Tab 6 and we're going to hear the Farmersville Unified in Tulare and San Bernardino appeals together, correct, Ms. Kampmeinert?

MS. KAMPMEINERT: Yes. We'll give the --

MS. MILLER: Okay.

MS. KAMPMEINERT: -- presentation together and the districts are also here to provide comments --
MS. MILLER: Great.

MS. KAMPMEINERT: -- and answer questions.

MS. MILLER: Thank you.

MS. KAMPMEINERT: So with that, the first appeal is for Farmersville Unified in Tulare County and this can be found in the appeal section on page 117 of your agenda.

Farmersville is requesting to retain unspent funds from the completion of a new construction project at Freedom Elementary School and a little history on this project. The district received an apportionment in December 2011 for a little over 4 million in funding to construct an eight classroom addition.

As is shown on the table on page 117, the state grant for the project was approximately 2 million with additional financial hardship assistance in the amount of 1.79 million and the district contribution of 241,000.

The district completed the project and in 2017 submitted the final expenditure report and declared $248,000 in unspent funds.

In accordance with the SFP regulations, OPSC requested that the district either return the savings and have that amount reduced from the financial hardship assistance provided from the Freedom Elementary project or apply the funds to reduce financial hardship assistance to a future project in the next three years.
The district opted to appeal and requested to retain the savings for other high priority capital facility needs.

Staff does not support the district's request as we believe that the request to retain savings is inconsistent with the language and intent of the statute and regulations governing financial hardship assistance. However, the district maintains that the regulation requiring the return of savings is contrary to how savings is treated in the SFP statute and the district further maintains that the requirement for financial hardship districts to return savings is discriminatory.

And for reference, the specific statutes that are the topic of this discussion are Education Code Sections 17075.10, 17075.15, and 17070.63(c), the text of which can be found on page 121 of the agenda for your reference.

And the district relies on Ed Code 17070.63(c) which states in part that any savings achieved by the district's efficient and prudent use of funds shall be retained by the district for other high priority capital outlay purposes.

And for projects under the SFP where districts are making their matching share of funds, OPSC acknowledges that savings can be retained by districts. However, the district
maintains that the statute should also apply to financial hardship projects and that, therefore, the regulation section -- SFP regulation section 1839.103 which requires the return of savings is inconsistent with the law.

We disagree with this assertion. The function of the financial hardship program is to enable districts to participate fully in the SFP. It allows districts who qualify to receive additional funding from the state based on a district's financial constraints, and statute provides the Board with distinctly separate authority for financial hardship under Ed Code Sections 17075.10 and 15, and those sections further include the authority to adopt regulations to determine the amount of funds that will be provided through financial hardship funding.

When the Board did adopt regulations, it required that savings would be returned and that was done under the Education Code which specifically states that the Board shall adopt the regulations to determine the amount that may be provided and the eligibility under the article.

And the regulation does identify that the unspent funds may not be retained for other high priority capital projects. So the district's claim that the regulations are inconsistent with statute does not appear to consider the authority provided under this particular statute.

So we believe that the regulation requiring the
return of unspent funds from financial hardship projects is legal and that the Board's authority to create a regulation to require this is clearly provided for in Education Code and this is how financial hardship's been handled for almost 20 years.

The program was intended to assist the districts in providing their matching share and it was never intended to leave hardship districts in the position of retaining unspent grant funds after the completion of the project. We've discussed this at length with legal counsel who fully concurs that this is the correct application of Education Code Section 17075.15 and the related regulation.

With that, I'd like to transition to San Bernardino's appeal which begins on page 143 of the agenda. The project -- so the specific arguments we just discussed here with relation to Farmersville are also related to the San Bernardino appeal and then the San Bernardino appeal has a few other areas for consideration.

But the project up for discussion is for an overcrowding relief grant project at Middle College High School and that was from funding that started with Proposition 1D. And the district did receive an apportionment in February 2010. The project funding summary is on page 144 and that table will show that the total project cost was 35.7 million with a state share of
17.9 million.

The financial hardship funding was in the amount of 17.7 million and there was a district contribution of approximately $200,000. The district completed the project and submitted the final expenditure report in July 2015 which indicated unspent funds in the amount of approximately 3.2 million.

Like Farmerville, the district is disputing the requirement to return the funds or to use them to offset financial hardship on a future financial hardship project.

So for the other -- in addition to the statutory discussion, the district has raised a few other areas for consideration. First, the district maintains that because their project was funded under the overcrowding relief grant project that the Santa Ana Unified School District vs. State Allocation Board court case can be used to justify its appeal request.

Staff acknowledges that the Superior Court did indeed decide on the matter of savings in the overcrowding relief grant program. However, the Court's decision did not include consideration of the statute related to financial hardship funding. That was because Santa Ana had made their local match for the project that was the subject of the lawsuit.

So we maintain that it is the financial hardship
regulations that require the return of the unspent funds which is separate from the regulations concerning the overcrowding relief grant program.

Secondly, the district also points to a memo from 1999 issued by OPSC that states that districts that have savings on a financial hardship project can retain them for purposes of other high priority capital outlay and we have researched this memo and reviewed OPSC's and the Board's past practices and procedures after this memo was issued.

The memo does appear to be a misinterpretation of the financial hardship regulations. It also appears to be the only time that it is mentioned that financial hardship savings can be retained and subsequent guidance from OPSC just three months later and actually every publication following, a sampling of which we've included in the agenda on page 147, does provide the correct application of the regulation and that savings must be returned.

So we do not support the appeals and we maintain the position that financial hardship assistance was only intended to help districts who could not make their matching share so that they can participate fully in the SFP. To date approximately 166 million has been collected in unused financial hardship funds and it's been returned to the program and reallocated for other construction projects, and as I mentioned before, we've worked extensively with legal
counsel and we do believe that the Board was on solid ground back in the beginning of the program when they established the financial hardship regulations and that the regulation is in keeping with the goal of the financial hardship assistance.

With that, I'd like to turn it over to the districts.

MS. MILLER: Thank you very much. Would the districts like to make their way up here, please. And, Mr. Cunningham, welcome. This is my second meeting, so I'm very happy not to be the newest person, but I've already messed up once, so --

Thank you. Welcome. If you could please state your names as well.

DR. SEVILLANO: Paul Sevillano, Superintendent.

MS. MILLER: Great. Thank you. What --

DR. SEVILLANO: Farmersville Unified.

MS. MILLER: Great. Thank you.

MR. CLAIR: Nick Clair, legal counsel for Farmersville Unified.

MR. HENDERSON: Phil Henderson, legal counsel for San Bernardino City Schools.

MR. PACE: Thomas Pace, Director of Facilities, San Bernardino, and I appreciate the sign that says don't sit on the glass. Thought about sitting on the table
myself.

    MS. MILLER: Really?
    MR. PACE: No. But I appreciate the guidance. It's very clear.

    MS. MILLER: It says it up here as well. Thank you. Go ahead.

    DR. SEVILLANO: I would like to thank you for hearing our appeal today. My name is Dr. Paul Sevillano, Superintendent of Farmersville Unified School District. Farmersville Unified is a rural school district located in the Central Valley. 91 percent of our students are qualified for free and reduced lunch and 43 percent of our students are identified as English learners.

    Our appeal today is based on the following. In 2012, the district received state financial hardship funds to add an additional building to Freedom Elementary which moved sixth grade students from the junior high school to relieve school overcrowding.

    District staff used hardship funding strategically and realized a savings of $248,000 on the project. The district used the savings on another modernization project to resolve a costly change order to address discovery of underground storage tanks and removal during a replacement of air conditioning in our cafeterias and classroom upgrades to meet Williams compliance.
Because hardship funds were expended on high priority facility needs, the district will be forced to return the savings from our general fund which will impact the district programs that benefit our students.

The district was surprised to learn that an inconsistent exception to the Legislature statutory rule that applies only to financial hardship districts. Had the district known at the time it would be required to return the savings realized on the project, the district would have added additional classrooms and other less high priority improvements to the project.

It would be imprudent for the district to not make use of every dollar available and faced with a use it or lose it choice, we will of course use it. Instead the district took the action the Legislature intended and utilized the savings we realized through our own efforts on other urgent facility needs.

It is unfair that wealthy school districts are rewarded for prudent project management, while we are encouraged to spend funds on unnecessary single projects rather than addressing the critical facility needs and infrastructure needs of our district.

In our case, the district did exactly what the Legislature intended. We made every effort to control costs and to prudently manage the project and as a result, we were
able to address other critical facility needs.

We did not do what the State Allocation Board's inconsistent policy encouraged, making unnecessary expenditures on a single project while ignoring the other critical infrastructure needs of our district.

The Office of Public School Construction request for the return of the project savings at this stage will impact the district general fund and impact important programs for our students.

We hope that you fully consider this policy of unequal treatment on less advantaged school districts that will impact our students and similarly situated students statewide. Thank you.

MS. MILLER: Thank you very much.

MR. PACE: Once again, my name's Tom Pace. I'm the Director of Facilities for San Bernardino City Unified School District. I bring the message of our superintendent, board, and community here this afternoon and like to largely thank those that we've sat with and discussed our point of view for your time and effort in understanding our perspective and I think understanding how the ORG projects are funded is important to understand our argument.

When you look at the ORG program, it is a 50-50 program for new construction, 50 percent coming from the state, the grant share, and in order to qualify for the
grant share, you have to have eligibility or entitlement, and there's an exchange that occurs in giving that eligibility and this alternate currency, you get state funds. You get 50 percent of the project.

Under hardship, we proved that we had the inability to raise local funds. We received hardship funds to make up the remaining 50 percent. We had 3 million in savings. We inquired as to how OPSC treats savings. They treat it the same way from the two separate pots. So if you have 3 million left over, 1.5 of that is considered state share, grant share, and 1.5 is considered local share.

And you may be wondering why we're trying to retain savings given that we received the benefit of a new school, and I think that that's a fair question to ask and I hope largely to answer that question right now.

So in nonhardship, savings is looked at the same way under the ORG program. If a district -- the neighboring district to ours has savings of 3 million on an equivalent project, the savings is considered 1.5 million state share, 1.5 local share.

What that district can do -- nonhardship can do is they can take that $3 million in savings, put that back into another qualifying project, and receive an additional $3 million in state funding. In the end, the district next to ours can build another project for only $1.5 million of
local contribution.

What we're told is you got a new school. Return your money and we will not return eligibility. I think what's lost in this argument is the state share is given in exchange for eligibility. Okay.

It's punitive to hardship districts to ask for those funds back and I'll tell you why it's punitive. When we lose eligibility, we lose the ability to get back into the program and while our neighboring school districts can build with their savings -- and the example I gave you on nonhardship -- for $1.5 million of local savings, a neighboring district can get an additional $4.5 million in state funding when we're asked to return the state share, the local share, and we do not get eligibility back.

What we are telling the students of our district and small school districts is that because your parents bought a home in an area that does not see assessed value growth, you do not get the same value of education that neighboring school districts can.

Classifications based off of wealth are inappropriate. The idea of returning savings does not help us meet the need of our school district. We serve over 50,000 students. 5,000 of them are homeless. The idea to return the savings back to the state to fund other projects outside of our area we feel is inconsistent with statute and
with case law and that's essentially why we think that we should retain savings.

We think that the allocations once made are full and final. Our Governor even made the same argument with the Federal Government over the bullet train. He said once Congress allocates money to the state, it needs to stay in the state. It does not go back.

That idea of once allocated should hold true and I think that one of the things we also forget is the citizens of our two communities pay taxes. The bonds that the state issues are paid for out of the general fund from taxes generated from our communities. To return savings is punitive to communities and our two communities serve high need students and I think that that's largely what we believe is that it's inconsistent with statute, case law. We have need and the allocations were made.

MS. MILLER: Thank you for your time. Are there any questions from the members?

MR. NAZARIAN: Yes.

MS. MILLER: Mr. Nazarian.

MR. NAZARIAN: So do you have a project ready to go?

MR. PACE: Yes, sir.

MR. NAZARIAN: So do you have a project that you've applied for at this point that you can apply these
funds to?

MR. PACE: We have high capital projects that we're in design for that we could apply these funds to right now, and in my mind, the ORG funds --

MR. NAZARIAN: I'm sorry. Have you applied for (indiscernible).

MR. PACE: The ORG closed. So for us, we would have to apply either in modernization or new construction.

MS. MILLER: Right.

MR. NAZARIAN: But this has been going on for some time, so why not -- why haven't you applied so that then we can consider whether or not the money -- because we have made that exception. We have approved appeals like that, but if there's nothing in cue --

MR. PACE: We have projects that are in cue.

MS. MILLER: But I think --

MR. PACE: Modernization. But the ORG program is closed, which I think is another point is we're returning funds back to a program that is closed. There is no ability for districts to apply for ORG projects.

MS. MILLER: Right. I'm going to actually correct that.

MR. PACE: Yeah.

MS. MILLER: So the $166 million -- so the -- this is a practice of over 20 years as you know, I think.
Farmersville has actually return hardship savings before on four different occasions and while we understand that the need in each district is so great, part of what we face as a state is how do we get the most amount of money out to the most amount of districts.

So the $166 million that has been returned to the program and, although I'll rely on Mr. Patton and staff to correct me, but it does go back out. It doesn't -- there -- and that is part of the state's role and this is -- and there's always attention as we know in making sure that the state actually serves the maximum amount of schools possible.

So I do just want to point out in San Bernardino, of the $35.5 million that you have for this project, the district only contributed $196,762.

MR. PACE: We contributed eligibility for our state share.

MS. MILLER: Right. Absolutely. And I'm not disagreeing with that, but I do want to -- the issue here to Mr. Nazarian's point about other projects doesn't only speak to San Bernardino or Farmersville. There's also a broader question about the huge need in the state that is really, really significant and is much greater than any one of your districts.

Ms. Silverman, do you want to state --
MR. PACE: Could I quickly respond to the larger --

MS. MILLER: Could you let Ms. Silverman just to make sure I got it right --

MR. PACE: Oh, sure.

MS. MILLER: -- because again --

MS. SILVERMAN: So I do understand there's two issues here. So there's $9 million currently in the overcrowded relief grant funds that haven't been allocated. We have two projects that haven't been disbursed because we are waiting for the disposition not only of this appeal because -- and we have program funds.

So depending on the outcome so the -- we left the program open and there's two projects waiting on the workload list and those projects are listed in the information section on page 314. That's Covina Valley and Chafee and those are overcrowded relief unprocessed grants.

So depending on the outcome, the projects potentially could get funded.

MS. MILLER: Right. And I just -- one final point. I don't want to conflate the overcrowding relief with the financial hardship because this appeal specifically applies -- you know, we're using -- we're kind of conflating the two and what this appeal is based on and the law it is based on is on financial hardship and not overcrowding
relief.

So I do want to keep those two items discrete. And I'm sorry, sir. Please.

MR. PACE: No. And I think there's -- I would agree with you on two items.

MS. MILLER: Oh, good.

MR. PACE: So let's agree on the face that statewide we have lots of needs.

MS. MILLER: Um-hmm.

MR. PACE: I would ask the question if we're concerned about need and funding other projects, why do we allow other districts to retain savings that were generated from the state. If we want to allocate greater --

MR. NAZARIAN: And that's why I was asking if you had a project. I'm sorry I'm speaking out of turn, Ms. Chair.

MS. MILLER: No, no.

MR. NAZARIAN: That's why I was asking if you had submitted a project and you had something in cue because even if it was submitted later than most other projects have been in cue or already approved, the fact that you're already in the process -- we've approved funding for other school districts in that manner. So that -- you know, if you've done a great job with savings, then it goes back and you can continue financing your projects, but --
MR. PACE: And we have projects in line, yes, sir.

MR. NAZARIAN: I don't think that's the case. Am I mistaken here?

MS. KAMPMEINERT: It would be applied as an offset to any future financial hardship as opposed to any additional funding and the overcrowded relief grant program, this is -- the only two projects that are left are those two that are on the list. We are not accepting any new applications for the overcrowded relief grant program.

MS. MILLER: Mr. Patton and then Mr. Cunningham, the Mr. Diaz.

MR. PATTON: I just want to interject. For me to be able to follow the argument and the discussion, it's very important that there not be a conflation of project types.

MS. MILLER: Right.

MR. PATTON: So when the question is asked do you have another project in cue, the answer's going to be of course we do. The question, though, is do you have another qualifying financial hardship program in cue to which you can redirect these funds.

MS. MILLER: Oh. Thank you.

MR. PACE: So the answer to that question, Tom -- I appreciate the clarification -- is no.

MS. MILLER: Thank you for that. Mr. Kim.

MR. KIM: Thank you. I appreciate you traveling
all the way out here to talk about this. It seems like there are two separate issues, one regarding do you want to keep your money and two is you want to retain eligibility.

So with respect to keeping money, it sounded like from the initial testimony that this was a surprise that you wouldn't be able to retain the funds, but our understanding is you've just returned monies on two other projects within the past couple months. So it doesn't seem like it was a surprise, so it would be inconsistent for us to actually approve this and it would be inconsistent for you to actually receive the funds.

So it seems to me that you knew what the program intent and what the policy's been for the past 20 years. That's one thing.

MR. PACE: So when you say you, because we have two parties, I'm assuming that the district that returned funds recently in the last two months is Farmersville?

MR. KIM: Yes.

MR. PACE: Okay. Gotcha'. Just --

MR. KIM: I'm sorry. Oh, I'm sorry. You're from San Bernardino.

MR. PACE: Just wanted to make sure that we were clarifying the royal you.

MR. KIM: It seems like -- so there's -- okay. So I'm sorry. I got those two wrong. So in terms of keeping
the money, we don't do that typically. We haven't done that for the past 20 years. I think the Board has assumed that hardship funds is different from the other matching funds because basically the matching funds, there may be an incentive to keep the money. You already have a large local match associated with that. So there may be some -- there's a difference there versus having pretty much a hundred percent funding.

You have a match on top of a match and any excess funds there, it would seem like that money should go to other schools that qualify for hardship because, like Ms. Miller said, there is so much need out there. There's so many more hardship districts than there is funding available. So that's one thing.

The other thing is in terms of eligibility, I think we can talk about that, but I guess it comes down to this is oftentimes zero sum. So my understanding, just looking at page 314, in your own district if the funds were returned back to the program, a school within your own county would be receiving those funds; is that correct?

MS. KAMPMEINERT: Yes.

MR. PACE: (Indiscernible) funds we would return would go -- okay. Chafee, I see what you're saying. Gotcha.

MR. HENDERSON: If I can make a quick point. I'm
sorry. Go ahead, Madam Chair.

MS. MILLER: So is it to the point specifically and then we --

MR. HENDERSON: Yes, to this point specifically because he reiterated the point you made, Chairwoman, is that is again these savings are desperately needed from districts. I guess nobody's addressing the point that you're only doing that on the back of the financial hardship districts, the poorer districts in the state. All the other districts in the State get to keep the savings.

There are needs in the state. The program works that savings get to be kept by the districts and everybody has eligibility that they use and financial hardship districts are just like those districts. But all of the savings comes out of financial hardship with the needier districts.

MS. MILLER: I'm going to let Mr. Diaz speak and I'm going to clarify that point about how the math actually works and how financial hardship districts may do better.

MR. DIAZ: Thank you, Madam Chair, and I'll let you do that because I was going to point out something --

MS. MILLER: No, no --

MR. DIAZ: -- the differences of the program as well in terms of the matching funds and the financial hardship district actually receiving more money and so per
the regulation and even we're talking about the statute, you are receiving more money to actually accomplish your programs and so we would like to see those other districts actually receive that kind of funding as well.

But one mention about the statute and how the interpretation doesn't really correlate with our legal counsel's interpretation and 20 years of actual Board practice and policy to actually distribute back into the program and then distribute within the county, what exactly in the statute and in the regulation do you see an inconsistency with because I don't really necessarily see that.

MR. HENDERSON: I will absolutely address that. The regulation is unenforceable because it does violate the statute.

You are absolutely correct that the statute allows you to implement regulations, to implement the statutory requirements. 17075.63 specifically states the entire program, districts get to keep savings and neither .10 or .15 allow you to override that statute.

Yes, you can write regulations that implement it, but the regulations can't violate another statute and that statute still exists.

And if I can make -- I'm sorry. Go ahead.

MR. DIAZ: Finish your point, but I would like to
ask a point of privilege through the Chair. Can we have Mr. (indiscernible) respond to those.

MR. HENDERSON: You made another point at the beginning, Mr. Diaz. At the beginning there, you stated the district is in essence giving a hundred percent of the funding. I understand that and for other districts it's going to be 50 percent, I don't remember OPSC offering us 50 percent of the savings. They want it all back.

Every other district gets to keep in essence what you're saying is 50 percent savings because they contributed the other 50 percent, but for financial hardship districts who financially could not come up with the money, you're saying give us a hundred percent of the savings back.

That is a disparate impact and disparate treatment of districts that are frankly poorer than nonfinancial hardship districts.

MS. MILLER: I'm going to actually let Mr. Patton respond.

MR. HENDERSON: Okay.

MS. MILLER: And then if you want to add --

MR. HENDERSON: Oh absolutely.

MS. MILLER: Thank you.

MR. HENDERSON: I like listening to Mr. Patton.

MR. PATTON: Thank you. By way of background, and I think some of the people here know, I have not gotten to
know every member of the Board, but I've been working with
the program for about 12 years, since 2007 when I was a
Deputy Attorney General and I was litigation counsel to OPSC
and to the Allocation Board.

And I went through a long piece of litigation over
financial hardship funding and claims of violation of equal
protection under Serrano vs. Priest and that culminated in a
District Court of Appeal, Fourth Appellate District,
Division 2, decision in Monica Sanchez vs. State of
California, November 19, 2009.

And the argument was made there that these
hardship district children have -- cannot be disparately
treated. They cannot be -- they have to be -- the argument
was that the formula for funding was inadequate to get them
to the level of the wealthiest districts in the state and
I'm here to tell you that was flat out rejected by the Court
of Appeal.

The question is not does a hardship district have
the same amount of funding as Beverly Hills. The question
is, is a constitutionally adequate level of education
provided as required by Serrano vs. Priest and we made -- we
pointed out the question is not -- you know, it's
interesting when I hear the argument we're being treated
disparately.

Well, financial hardship districts are being
treated disparately. They're receiving more grant monies than any other districts. That's the disparate treatment.

And the premise of this program is that any monies that are not needed to fund both the state and the local match share which has now been made by the state, any of those monies go back to the fund to fund further financial hardship projects, which is why it's very important not to conflate the types of programs.

I don't agree at all with the argument that the general statute 17070.63(c) that talks about any savings achieved by the district's prudent expenditure shall be retained by the district for the reason that 17075.15 did very expressly give the Board the authority to adjust to defer the local financial contribution and to adopt regs to determine the amount of funding that may be provided through the hardship program to a district.

So I have advised and I will continue to take the position that the Board is authorized to have adopted 1859.103 as its governing regulation and the equal protection argument to me is -- it's a red herring. It doesn't fly.

As long as Serrano vs. Priest mandate of a constitutionally adequate education is provided, the hardship program is satisfying constitutional standards.

MR. PACE: So could I ask you a question, sir?
MR. PATTON: Sure.

MR. PACE: So hardship -- there's two types of hardship. There's facility hardship and financial hardship. Would you say then that both of those two exceptions should return savings?

MS. SILVERMAN: That's not the issue.

MR. PACE: Because the hardship provisions, it's not talking solely about financial hardship. It's talking about facility hardship and financial hardship. So would you say that savings has to be returned in both cases?

MR. PATTON: I would have to ask Ms. Silverman to clarify because now I think we're going to conflate two concepts here.

MS. MILLER: So I think I'm going to actually bring it back to the Board. I think some of these conversations -- you know, Mr. Patton is obviously available. So I mean are there any other questions from the Board? Mr. Mireles.

MR. MIRELES: We are very sympathetic to the position that districts who achieve project savings should be able to reinvest them into other projects. However, granting this appeal would invalidate our Board's regulations. That hasn't just been approved by this Board, but they've also approved by the Office of Administrative Law and they've been in effect for years.
What we would propose, we would be open to having a discussion of future regulatory changes if the Board would so choose, but because we have this regulation that's been in place for years and has been enforced in other districts, we believe that we're bound by this regulation.

MS. MILLER: Thank you for that. Any other questions?

MR. CLAIR: (Indiscernible)

MS. MILLER: Why don't we let the Board ask questions and then we'll come back to you for a response. Thank you very much. Senator Wilk. Nothing? Any other questions from the Board? Okay. Thank you.

MR. CLAIR: So just on that last point because this is something that -- oh, I'm sorry. Just on that last point, the Sacramento Superior Court and the Santa Ana (ph) decision wrote the Board's argument in opposition to the petition makes much of the fact that the regulation -- same regulation at issue here -- was validly adopted with no public comment until now.

However, the fact that the public may not have opposed the regulation is no reason to accord deference to the Board's interpretation.

So just because something's been done for a long time or that it has Office of Administration review doesn't mean that the regulation's valid.
I kind of want to get back to --

MS. JONES: I need you to speak up.

MR. CLAIR: Oh, I'm sorry. I want to get back to the regulation itself because it doesn't just say that all savings shall be retained by districts. It says all savings that are realized by the efficient and prudent expenditure of state funds shall be retained by school districts.

The Legislature in creating the statute put its legislative intent within the statute. The Legislature said we want to encourage school districts to retain savings, all school districts, all project types, no exceptions.

This regulation creates such an exception and I want to hammer on that a little bit because the purpose -- what we keep getting at or what I keep hearing is that we want to have as much funds available to as many projects as possible.

The Legislature could have done that. They could have required savings to be returned in all cases -- sorry.

MS. JONES: That's okay. I just (indiscernible).

MR. CLAIR: In all cases, in some cases, they could have let the State Allocation Board create exceptions. They could have wrote that into the regulation and the regulation I very much disagree allows -- the statute that you rely on for the creation of this regulation, I very much disagree provides that authority and in fact, the regulation
at issue here itself does not cite that statute as the basis of its authority.

MS. MILLER: Thank you for that. So I'm going to get back to little math explanation. So I think what's at issue here is we're talking about all districts in general, but those that receive financial hardship assistance receive effectively more funding because you're getting beyond the normal 50 or 60 percent of a project at the time the award is allocated.

So I think when we talk about savings at the backend, you have to remember that 50-50 initial match -- and I -- so I'm concerned about when we're talking about the intent of the legislation, it's not just one section of the legislation or the regulation in isolation. It's a matter of understanding the entirety of the program.

MR. CLAIR: And I would say --

MS. MILLER: Sorry. Microphone. I'm going to let both of you comment and then see if there's a motion from the Board and we'll do them separately.

MR. HENDERSON: Your point is very well taken and the reason why that was written in that way is so financial hardships can have full participation. By taking a hundred percent of the savings back, we are not fully participating in the program.

MS. MILLER: Right.
MR. HENDERSON: You're taking the money -- in Mr. Pace's example at the beginning is a very good one. His neighboring district gets to use those funds.

MS. MILLER: Right.

MR. HENDERSON: You're taking them back for another district. That's not how the program works. We get full and final amount at the beginning determining the amount of funding, which is what you're allowed to write a reg for, that's the full and final apportionment at the beginning.

That's not determining the use of the savings.

That's not what the statute was supposed to allow.

MR. CLAIR: And the --

MS. MILLER: Final comment?

MR. CLAIR: Yeah. The regulation -- the idea that the regulation is to extend the greatest number of funds isn't even accomplished by the regulation. You create a system where you're encouraging school districts to spend every penny so that they don't have to return savings.

And so you're encouraging wasteful spending by the school districts which is exactly what the statute when the Legislature created it was trying to avoid. They were trying to encourage the efficient and prudent expenditure of funds, not a system where you're encouraged to spend every dollar on every last thing at every classroom, do some extra
landscaping so that you don't have to return savings. That's what the Legislature intended. This regulation is entirely counter to that.

MS. MILLER: Despite the fact that Farmersville has returned funds four times and San Bernardino has returned them more than once.

MR. CLAIR: There's (indiscernible) to making these appeals and that (indiscernible) for them than the amount of savings at issue.

MS. MILLER: Okay. Any final questions from the Board? So I think we'll take them as two separate; is that correct? Okay. So we'll start with the Farmersville. Is there any other public comment -- anyone in the audience that wants to speak? No? Is there a motion?

MR. KIM: I'll make a motion to go forward with the staff recommendation that the district be required to return excess funds declared from its financial hardship project.

ASSEMBLYMEMBER CUNNINGHAM: Second.

MR. MIRELES: Can you guys please clarify, staff.

MS. KAMPMEINERT: Yes. Past administrative action was to require the district to return funds, so we don't actually need a motion to do that. If there's no motion, alternatively, staff's action stands.

MS. MILLER: So, Mr. Kim, would you like to
withdraw your motion then?

    MR. KIM:  I will withdraw my motion.

    MS. MILLER:  Thank you.  Okay.  There is no motion.  So we'll move on to San Bernardino.  Is there any additional public comment for San Bernardino?  Seeing none, is there a motion to grant the district's appeal?

    There is no motion, but we thank you all for being here this afternoon and for your time.

    MR. PACE:  We appreciate your time.

    MS. MILLER:  Thank you very much.  Thank you.

    MR. PACE:  Thank you, Tom.  You got the good name.

    MS. MILLER:  Next on the agenda is the Biggs Unified appeal.  Ms. Kampmeinert.

    MS. KAMPMEINERT:  Yes.  So our third appeal is for Biggs Unified in Butte County and it begins on page 181 of your appeal section.  This is also related to financial hardship but a slightly different issue.

    The district is requesting that the Board grant financial hardship assistance other -- what is called other evidence.

    If you go to page 183 of your Board item, it will show you the criteria that are considered when determining whether or not a district is eligible to receive financial hardship assistance.  This starts from statute and then further has regulations identifying the process.
And the first step is for a district to be levying the maximum developer fees and then there are four other secondary qualifying criteria. The first three we can do administratively at the OPSC level and if the district does not meet the first three criteria, then the fourth option is to come before the Board with other evidence.

The criteria include whether or not a district has passed a bond -- Proposition 39 bond for the maximum amount possible in the past two years. In the case of Biggs, the district has been unable to pass a local bond in their four prior attempts.

The next option would be for a district to demonstrate that they have a total bonding capacity of $5 million or less. For Biggs, they are at 17.5 million, so they cannot come in administratively under that option.

And the third administrative option is to have a bonded indebtedness of at least 60 percent of the district's total bonding capacity and the district's currently at zero percent, so we cannot do that administratively either.

Little info about the projects: These are modernization projects for four school sites and the total amount of financial hardship assistance being requested is a little over $3 million.

The district does have -- in addition to that $3 million request, the district does have about $436,000 in
cash on hand to contribute.

The district is requesting other evidence due to a few factors, one of which -- you can look at page 182 and see the history of the district's attempts at local bonds beginning in 2008. And in February and November of 2008, the district did go out to its local community and attempt to pass a bond to provide its matching share for the modernization projects.

Those bonds did not pass and in 2009 -- end of 2009 and it actually carried over to January 2010, the district appealed before the Board requesting financial hardship other evidence for that factor as well as a few other things with the district's finances at the time.

At the time, the Board had a robust discussion about the financial hardship other evidence approval and debated the issue. Some of the concerns raised included whether or not the state should provide assistance in cases where a district does not pass a bond and if that's a valid reason for financial hardship other evidence.

Ultimately, at that time, the decision was to provide design only funding so the district could get started on these projects and then go back out to the local community and attempt another bond.

So the district did do that. They've got their plans designed and approved. They submitted their
construction applications. They attempted in 2012 and most recently in 2018 to pass a bond at the local level. However, those attempts were unsuccessful, which is what brings them back before the Board today.

A few other things that we have looked at and explored with the district is related to their ability to explore other financing options for these projects, perhaps a certificate of participation or any other options available.

They have included a letter in their appeal from the Butte County Office of Education which discourages the district from taking on additional debt. They ran a scenario, I believe it was about 3.7 million which is roughly what they need to complete the modernization projects and that would be an annual payment of about $250,000 and the COE discouraged that.

We did also hear from the district that they are expecting to have housing coming in from FEMA related to the families that were displaced by the Camp fire up in Paradise area and that these students will be attending two school districts, Gridley and then overflow from whatever Gridley cannot accommodate as well as districts -- residing within the Biggs Unified boundaries.

That would lead to students attending the schools. However, we did note that these are modernization projects,
so the work being done will not actually add capacity for
those students, but it will enhance the facilities the
students would attend, both the Biggs students and the
Paradise students.

We've also included on page 182 -- I'm sorry --
actually page 251 and 252 of the agenda, a past history of
where the Board has been on prior appeals related to other
evidence and it's been a bit of a mix depending on the
individual circumstances of the district.

The Board has approved some, denied some, approved
design only funding for some appeals. So it's really been
dependent on the individual circumstances.

The last two appeals that we have heard related to
financial hardship other evidence in 2017 and 2018 related
to districts that had some unique circumstances. In one
case, it was related to a health and safety issue and the
Board granted design funding and then the district went out
and passed a bond and in the other case, it was a
combination of federal funding being at risk along with
being just over that $5 million threshold which hasn't been
adjusted since the inception in about two decades and as
well as having the unique circumstance where the school is
on a military base, so all of the families were driving in
and the voters were not attending that school.

So that was factored into the past appeal as well.
We are unable to administratively approve the district's request. The Board -- they have to come in under the Board for other evidence.

So this does appear to be standard modernization work and the circumstances that are different from when the Board grappled with this in 2009, 2010 appears to be pretty similar in that the district's local community still does not support the bond, but they have gone out two more times to try.

There are two options for your consideration on this appeal if the Board is inclined. So the first option would be to grant the district's request for funding for unfunded approvals including financial hardship.

However, if the Board does not choose to go down that path, the district would still be eligible for modernization funding for these projects on a 60-40 basis. So they're still eligible for the state share and that is the second option to approve those items with a 60-40 matching share and then that would allow the district time to figure out at the local level how to move forward with the projects.

With that, I'm happy to answer any questions and I believe the district is here as well.

MS. MILLER: If the district would like to come up and does the Board have any questions for Ms. Kampmeinert?
No. Thank you. And if you could also please state your names for the record. Thank you.

MR. KAELIN: Doug Kaelin, Superintendent, Biggs Unified School District.


MS. MILLER: Please, go ahead.

MR. KAELIN: As I stated, my name's Doug Kaelin. I'm the Superintendent of Biggs Unified. First, I'd like to thank you for taking the time over this last week to hear our issues within our district.

Biggs Unified School District is a small, rural community in Central Sacramento Valley with a population of about 2,000 people. We located about 60 miles north of Sacramento, 30 miles south of Chico.

The schools serve as a focal point for many community activities. School facilities are used by our community and are a central part of the social fabric of our community. While the school district always prides itself on maintaining our facilities, eventually age takes over, similar to my foot I guess.

Our permanent facility is over 50 years of age and our portables are 20 years old. As you've been informed,
the district requests for financial hardship approval under other evidence for funding of our modernization projects. In 2010, the SAB approved the district for design funds under other and the district was required to attempt a bond. We've tried bonds twice for modernization since that time and have been unsuccessful.

OPSC states that it only supports requests for financial hardship status under other and unique or severe circumstances. The Biggs Unified School District does have a unique or severe circumstance as evident by the following.

Our district is located in a have and have not community comprised primarily of farmers, owners, and workers where 67 percent of the district students qualify for free and reduced lunch.

Students who are socially economic disadvantaged and in need of the most support are further disadvantaged by being housed in substandard facilities through no fault of their own. The daily school experience is a critical factor in their sometimes fragile lives.

All of our district permanent facilities are beyond 50 years of age and are in desperate need of repair and our portable buildings are beyond the 20 years of life expectancy.

The district has a strong sense of pride and maintains facilities as best that we can with limited
facility funding, but the facilities are now requiring significant infrastructure upgrades due to their age.

Biggs Unified School District is adjacent to the Camp fire as mentioned earlier, the most destructive fire in the history of California. A total of 540 FEMA trailers will be going in our area. 450 will be in an adjacent community and 90 will be going into Biggs. 450 of those trailers are scheduled to be in place by August just prior to school starting.

Based on our primary estimates, there could be possibly 590 students, K-12, generated from that housing project.

The district has unsuccessfully attempted four bonds. The district facilities needs go beyond modernization eligibility. Therefore, bond amounts exceed the district's matching share.

As stated earlier, the Butte County Office of Education has advised strongly against us issuing a COP in an amount due to the negative impact it would have on our district and it is not sustainable for our district to make long-term debt service payments.

The state has invested $628,000 in the district and has contributed $70,000 to draw plans for modernization. The plans have been drawn and we have made every attempt to provide our match.
Based on unique circumstances, we request financial hardship status under other. The facility hardship funding request for the approval of this appeal is a little over $3 million. The district has $435,799 available out of our capital facilities for this project.

While any single element on this list may not create a unique circumstance, the cumulative effects of all three of these elements, our free and reduced numbers, our unsuccessful four attempts to pass a bond, our inability to issue debt, and the impact of the most devastating Camp fire create unique circumstances.

We respectfully request that you support our appeal. Thank you for your time.

MS. MILLER: Thank you. Any other comments? Okay. Please may I get questions from the Board and then open up for public comment.

ASSEMBLYMEMBER GALLAGHER: Well, I'm the assemblyman that represents --

MS. MILLER: Oh, please, sir. I'm sorry. Of course. I'm sorry, Mr. Gallagher.

ASSEMBLYMEMBER GALLAGHER: That's all right. Yeah.

MS. MILLER: This is what happens when you abandon us. Thank you, Mr. Gallagher.

ASSEMBLYMEMBER GALLAGHER: So just briefly, you
know, to the Board. I think that, you know, the key question here is are there unique circumstances presented by this appeal and I think there definitely is.

As we heard earlier this year, the Paradise Unified School District -- the need to expedite that bond money because of everything that's happened in Paradise.

What has also happened is in addition to trying to help Paradise School District get back on its feet, many people have been dispersed into the outer communities. So here just next week, 1,300 people are moving into a FEMA site in Gridley which is in -- Biggs and Gridley are right next to each other. The school district serves both areas.

And so there will be an impact to this school as well as many people are living, you know, outside of Paradise in the region and we're experiencing these very real impacts to all our facilities.

So I think, you know, that spells out the unique circumstances in this case. In addition to this is a district that has tried multiple times to try and pass a local school bond, but it is an area where a lot of people are on fixed incomes.

I think as was pointed out, there's a very high level of free and reduced lunch and so it is hard to convince the community to add an additional cost on top of it. And again, I think they've done it both in 2008, 2012,
and just this last year in 2018.

It's not like they're not trying to get that local match. They've been really working hard to get that. So I just think with all those things considered, I think it spells out those unique circumstances category to grant this appeal and so I just ask for your special consideration of what I think is a very unprecedented case. Thank you.

MS. MILLER: Thank you very much, sir. Thank you.

Any other -- yes.

ASSEMBLYMEMBER CUNNINGHAM: Yeah. I have a few questions for the gentleman from Biggs. So there's FEMA trailers that are housing families that have been displaced by the fire, correct?

MR. KAELIN: There will be.

ASSEMBLYMEMBER CUNNINGHAM: There will be. Okay. When are those going to be placed?

MR. KAELIN: First phase, the 450 trailers are due to be occupied August 15th.

ASSEMBLYMEMBER CUNNINGHAM: Okay. And then --

MR. KAELIN: There's 90 going into Biggs and those -- they haven't given us a date on those.

ASSEMBLYMEMBER CUNNINGHAM: Okay. And then so your estimated number of students that are going to be matriculating to your district based on the trailers that will be sited within your district boundaries is what again?
MR. KAELIN: Students going into the FEMA housing that is in Biggs Unified which is about seven miles away, they're anticipating based on the number of trailers, socioeconomic data that there's possibly 450 students from those.

ASSEMBLYMEMBER CUNNINGHAM: Okay. And so I'm looking at page 188 of our materials here and I believe it's your application or your -- excuse me -- your appeal request and it sets forth some factors and what you're seeking to use these funds for should your appeal be granted and I'm seeing replacing roofs, modernizing HVAC, modernizing restrooms and buildings to be ADA compliant, and replacing 20-year-old portables.

So is it fair to say that these things that you're listing here that you would use these funds to do are things that would benefit both the new students that are displaced from the fire and also your existing students?

MR. KAELIN: 100 percent yes.

ASSEMBLYMEMBER CUNNINGHAM: Okay. And with respect to -- my last question is with respect to this last attempt at the bond, I see that it's 54 percent yes, but it's a very small number of votes.

MR. KAELIN: Correct. Yes.

ASSEMBLYMEMBER CUNNINGHAM: (Indiscernible) around 25 people and you're at 55; is that right?
MR. KAE LIN: That's correct.

ASSEMBLYMEMBER CUNNINGHAM: Okay. I just wanted
to point that out because it seems like the effort certainly
has been made on that end. Sounds like you came up a little
short. With that -- and I apologize for not recalling this,
but was that vote on that bond before or after you got word
that there would be displacement from the Camp fire?

MR. KAE LIN: That vote -- I could be off a day or
two, but basically two days prior to the Camp fire.

ASSEMBLYMEMBER CUNNINGHAM: Was the vote.

MR. KAE LIN: Was the vote, yes.

ASSEMBLYMEMBER CUNNINGHAM: Okay. So at the time
that the voters made their votes on your last request for a
bond, the Camp fire had not happened yet, so that presumably
was not in the voters' minds when they --

MR. KAE LIN: Correct. The Camp fire did not
happen yet.

ASSEMBLYMEMBER CUNNINGHAM: Okay. Thank you.

MR. GALLAGHER: May I just add to that,
Assemblyman, that -- I mean it is -- it's a very small --
both of these areas are small school districts, so really,
you know, any amount of impact is going to be probably
greatly -- more greatly felt, if you will, and so you've got
both Gridley and Biggs. They're, you know, two communities
that are basically right next to each other in southern
Butte County. So --

MS. MILLER: Thank you. Senator Leyva.

SENATOR LEYVA: Thank you, Madam Chair. I am new to the State Allocation Board, but I can't think of anyone that would qualify more for financial hardship assistance. It seems like you guys have done everything that you can possibly do. Do we need a motion?

MS. MILLER: We do need a motion.

SENATOR LEYVA: At the time that it's appropriate, I would move that we go with option one because I think it would put a further hardship on the district to ask them to come up with matching funds at this time. So I'll just throw that out for consideration to the Board.

MS. MILLER: Thank you, Senator. Were there -- Mr. Diaz and then I'll entertain that motion. Thank you.

MR. DIAZ: Thank you, Madam Chair, and thank you for coming to visit with us and, you know, explaining kind of the situation.

When we met, we talked about the different attempts to actually finance locally and try to attempt to get matching dollars. I am curious, though, you said it was four times, right?

MR. KAELIN: Yes, sir.

MR. DIAZ: On the last try -- most recent I should say because hopefully you'll go back for more and keep
trying -- you went for a higher amount and can you explain, sir, the rationale behind or -- if you lost three times before, why not try to, you know, convince the voters for a smaller amount.

MR. KAELIN: So the first two times we lost, I was not the superintendent of the district. I've been there the last eight years. So as I -- we lost the first time I was there and then when we started having community stakeholder meetings, you know, trying to engage our stakeholders in to, you know, here's our modernization plans, you know, what's missing here, what would you like, what is important to you, one of the things that kept coming up was our elementary school which is a TK-8 school does not have a gymnasium type facility.

So for their wintertime activities and stuff, they're in a very small multiple purpose room. So one of the items that kept coming up was, you know, is there any way we can get a small gym for the elementary school and it came up over and over again. So the increase in our bond was to look at trying to put in a small gym thinking that that was an item that came up a lot from our stakeholders, that we might pull in some more yes votes. And we got more yes votes, just not enough.

MR. DIAZ: Thank you.

MS. MILLER: Thank you. Any other questions from
the Board? Mr. Kim.

MR. KIM: This is a question to Ms. Silverman first. Should Biggs receive the funds, a pot of money is coming from the financial hardship funds and that would be that much less money for the school districts that already qualify under financial hardship and have done all of these other criteria.

MS. SILVERMAN: So the money will be coming from the modernization pot, so yeah. It's -- so they would meet the qualification if the Board approves them and so they would again have their projects funded so they would get their match as a result of that. So there'd be less funds available from the modernization pot of funds.

MR. KIM: And those schools already qualify under the financial hardship requirements. They're all free and reduced lunches, English learning populations and like.

The other question I have is generally speaking I know -- I think we can all be very sympathetic to the school district and the situation you're under. I'm just wondering if we said yes in this case, what would be the policy argument to say no to other school districts in very similar situations.

Unfortunately, we going to have fires throughout the state. We're going to have other natural disasters like this. Neighboring schools maybe in Chico and the like, how
would we say no or would we say yes to those and then just
deplete the funds for those schools that are already
qualified.

MR. KAELIN: Is that a question, Mr. Kim?
MR. KIM: It's a rhetorical question.
MS. MILLER: Thank you.
MR. KAELIN: I've got an answer for you, but
(indiscernible) be the right one.

MS. MILLER: Any other questions from the Board?
No. Any public comment?

So I -- this is obviously very tough and a tough
one for my second time. You know, it is -- all the victims
of the Camp fire and the families that have been displaced
is obviously incredibly difficult and we do have a process
where the Board gets to make decisions based on these
special circumstances.

And what I do want to say is that and to Mr. Kim's
point, to the extent that this were to pass today and as the
Department of Finance and having to look at the whole state,
you know, we will abstain from this appeal.

But I do think it's important that we note for the
record and for everyone to know that in no way would this be
considered precedential in the future, that these special
circumstances are in fact special. You've done the data.
You have had four bond attempts.
I hope that the -- what Board's actions today will do will actually help the district understand the need for local matches and local bonds because it is disappointing that many school districts go out. They increase their debt service. Everybody in the district is paying for it and I do think that there's a skin in the game argument that we all need to make in school construction because there are finite dollars and it's unfortunate because every time we make a decision for one district, there is another district that loses.

So that is equally difficult. So I just -- I really, really want to make the point that this isn't precedential whatsoever and that when someone looks at this later and comes to Mr. Patton that this isn't seen -- this is seen as a consequence of the Camp fire and not a consequence of not being able to pass a bond to make the matching dollars because I think that's a really important distinction in terms of the integrity of school finance and going forward.

So with that, we had a motion from Senator Leyva. Was there a second?

SENATOR ROTH:  Second.

MS. MILLER:  Second. Ms. Jones, may we call the roll. Was there -- did you have a question, Senator Wilk? Did I cut you off?
SENATOR WILK: No. I'm very excited to vote.

MS. MILLER: Okay. Good. I'm sorry about that.

Then may we call the roll, please.

MS. JONES: Yes. Senator Wilk.

SENATOR WILK: Aye.

MS. JONES: Senator Leyva.

SENATOR LEYVA: Aye.

MS. JONES: Senator Roth.

SENATOR ROTH: Aye.

MS. JONES: Assemblymember Nazarian.
Assemblymember O'Donnell.

MR. NAZARIAN: Come back to me, please.

MS. JONES: Okay.

ASSEMBLYMEMBER O'DONNELL: I'm an aye. O'Donnell, aye.

MS. JONES: Assemblymember Cunningham.

ASSEMBLYMEMBER CUNNINGHAM: Aye.

MS. JONES: Juan Mireles.

MR. MIRELES: Aye.

MS. JONES: Cesar Diaz.

MR. DIAZ: Aye.

MS. JONES: Daniel Kim.

MR. KIM: Nay.

MS. JONES: Assemblymember Nazarian.

(Abstention by Assemblymember Nazarian)
MS. JONES: Thank you. I'm sorry. That motion did carry.

MS. MILLER: Seven to one and that motion carries. Thank you. And thank you for coming up here and good luck with the school year.

We're now moving to item seven as the room clears out -- to the administrative costs of the school facility program. Ms. Silverman.

MS. SILVERMAN: Yeah. Two more items. Hang in there. We're almost done. So I just wanted to direct your attention to Tab 7, page 261. We wanted to highlight that back in 2014 we had a reservation of funds for administrative costs for the school facilities program and at that time, Proposition 1D, we were nearly exhausted of the program funds.

So Proposition 51 did pass and again we didn't have a set-aside reservation of the program funds to administer the program. It is uniquely not part of the Bond Act. So as a result, we wanted to highlight to the Board that, guess what, we have -- we need to set aside some program funds.

So we wanted to check in and just to realize that not only do the program funds cover the program for us, the Office of Public School Construction, but it also covers Department of Education and their ability to administer the
program as well from their end because they have a responsibility to review district sites, construction plans, and their approvals as well.

And the Controller's Office also has a part of that program as well. They also will have a new act to perform, reviewing the local audits. They also disperse the funds back to the school districts as well, so as we dole out apportionments, so they have a roll.

And so when we reserve a reservation of funds back in 2014, we had a set reservation of 52 million and that reservation was based on the declining workload. Well, that reservation didn't carry us through the 1920 [sic] budget year as anticipated.

So not only we have an estimation for the next three years, but we also want to do an additional carve-out. So how's this work? We wanted -- again, it's obviously a transparent process, but we also wanted to share with the Board how the allocation would work.

So if I can direct your attention on page 263. So we have four sets of program funds available. That's new construction, modernization, career tech, and charter schools. So there was $7 billion proposition and so the spread would be 43 percent of the two largest programs, new construction and modernization, and a 7 percent spread between the career tech and charter school program.
So that represents how we would spread the administrative cost for our department, Department of Education, and Controller's Office. That's $17.2 million annually. Multiply that by the years.

There is also an offset for the school site utilization fund. We collect that for unused site fee. That's nearly about 4 million a year and that is offset from the bond cost as well.

So we do that prorated over the next three years. That's about $39.6 million for the program needs. Again, if we don't reserve these funds now, we will have no one to process these grants. So that's really important for us.

And there's a shortfall for the anticipated budget year for 1920 [sic]. That reservation again didn't carry us through. So we wanted to share with the Board, there's $4.3 million that we do need for that anticipated year.

So this coincides with the Budget Act. So we just don't carve out money. We work again with the Legislature and the Budget Act to conform that act. So our recommendation is to have the Board approve this reservation of funds for the $39,673,764 million plus the $4.3 million set aside and we would post that to the status of funds.

And again, the goal is to reserve these funds for the next two years so that way we can continue our program.
SENATOR ROTH: So move.

MS. MILLER: Okay. Thank you. Is there any public comment? We have a motion by Senator Roth. Is there a second.

ASSEMBLYMEMBER O'DONNELL: Second.

MS. MILLER: Second by Mr. O'Donnell. May we please call the roll.

MS. JONES: Senator Roth.

SENATOR ROTH: Aye.

SENATOR ROTH: Senator Wilk.

SENATOR WILK: Aye.

MS. JONES: Senator Leyva.

SENATOR LEYVA: Aye.

MS. JONES: Assemblymember Nazarian.

MR. NAZARIAN: 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: Daniel Kim.

MR. KIM: Aye.

MS. JONES: Gayle Miller.

MS. MILLER: Aye.
MS. JONES: And that motion carries.

MS. MILLER: Great. Thank you.

MS. SILVERMAN: One more last item. Hang in there. We're almost done.

MS. MILLER: Yeah. We appreciate it. So the next item --

MS. SILVERMAN: -- is the career tech education future funding cycles. So direct your attention to page 266. Proposition 51 had a $500 million for the career tech education program funds and we had disbursed of two funding cycles for $250 million and we still have $250 million left to allocate.

So we wanted to highlight how do we proceed with the remaining program funds. So there's been a heavy interest in the program. So we had -- the last funding cycle was allocated in May for 125 million. The last remaining project did go out as part of the Consent Agenda.

So with that, the program was established and it had a number of different funding cycles as I shared with you in the past. Some of the funding order was created and the funds were divided among geographical locales and service regions.

The first two funding cycles were funded based on the service regions where the funding order was determined by the CDE score and also the geographical locale. For each
cycle since then, the projects were ordered by the Department of Education score and the geographical locale only.

So between 2006 and 2014, there have been three funding cycles and that was almost a $466 million distribution of funds.

And again, as I stated, Proposition 51 with the $500 million allocation of funds, again the goal is share with the Board how do we proceed with the remaining $250 million.

This program has been oversubscribed. So the last interest in the program, again there was a 32 percent program grant allocation. What does that mean. That means we have an abundance of applications that came through the door and we can only award only 32 percent of the program grants to those folks who did apply for the program.

I know last month we didn't actually take an action item forward, but we did have a lot of interested parties speak to the Board and definitely had a lot of heart and we really had a lot of concerns about what they had to share and take that interest, you know, with how we want to proceed in the future.

So what we wanted to share with them was -- they actually had a lot of concerns about their scores and the process and we wanted to share that, you know, again,
there's a public stakeholder meeting about how we proceed in the funding order and the funding cycle. So we definitely would like to take those comments in how we proceed in the future and how we disburse the funds.

So again, the goal is to get as much stakeholder feedback on how we fund those projects in the future. So what we would like to share with those stakeholders is your score is important and, you know, don't feel like you're left out because you have an opportunity to share -- to keep your scores if you didn't change anything in your program.

So you don't necessarily have to go to CDE to have a reevaluation of your program score. So that's one thing we really want to highlight to you.

But if you did have your program change, then you will have to have your project reevaluated by the Department of Education and have it rescored. But again, the goal is -- with the last funding cycle is have the Board adopt $250 million and provide the six funding cycle and declare the application open and any application that's not funded by December 31st, 2021, will be returned without further Board action.

So we would like to proceed with that action.

MS. MILLER: Right. Thank you very much.

SENATOR ROTH: So move.

MS. MILLER: We have a motion. May we have -- I
know we have three folks that asked to speak at public comment. Please come on up: Emily Shaeer, Melanie Patterson, and Glenn Sparks. And if you could again state your name for the record. And we're really grateful to everyone that came last time and talked about the importance of this program and, Mr. Mireles, while we're talking about this, obviously this is a joint program with CDE --

MR. MIRELES: Um-hmm.

MS. MILLER: -- and the State Allocation Board and we do just want to emphasize -- I know you know how important this is and you're part of the finance family, but the timing of this program is incredibly important that folks can get this money out the door and I think we probably have a shared goal of making sure that we can do whatever we can to expedite the timing so that these folks can really start putting these funds to use because they are so limited.

But with that, please state your names again for the record.

MR. SPARKS: My name is Glenn Sparks, Director of Adult and Career Education for Pleasanton Unified School District.

MS. SHAEE: My name is Emily Shaeer representing Santa Barbara Unified School District.

MS. PATTERSON: Melanie Patterson, Rocklin Unified
School District.

MS. MILLER: Great. Thank you for being here.
Ms. Shaeer, were you going to speak on behalf of everyone or is everyone sharing comments?

MS. SHAEER: Everyone is speaking --

MS. MILLER: Okay. Great. Go ahead then.
MR. SPARKS: It's okay. Well, thank you --

MS. MILLER: We have a motion and --
MR. SPARKS: Thank you for your time and I'll try to be brief.

MS. MILLER: Absolutely.

MR. SPARKS: I appreciate it. I appreciate staff's analysis too for the $250 million recommendation, round six. To me that makes a lot of sense.

We put in three applications in Pleasanton to, you know, revamp new facilities and again to scoring -- and I know it's a human process and things are all over the map a little bit -- two passed. One did very well. One just passed and the other one did not.

It's a little tough because even though they're, you know, three different sectors and, you know, get their score by different set of folks in different buildings, they were done in collaboration because we're putting together at CT building -- a dedicated CT building using district bond as a match.
So it's interesting because there was such collaboration with (indiscernible). The subjectivity to the applications was pretty wide.

And so with respect to the staff analysis on the scoring, a couple of things real quick. I appreciate not needing to resubmit if there is -- in grant applications for a new score, for example, if there's no change in the application, the project score, and the project budget.

But I almost think most if not all apps would have challenges with the project budget piece because it is construction costs and all the changes. So that one I'm not just clear on in terms of, you know, six months go by and 20 percent increases in some cases for costs.

So I would almost think that districts would send different types of figures in perhaps, maybe not. So just a little more clarification on that would be helpful.

And then the other thing is does the district -- say you have to reapply because you do have just enough difference or just enough tweak six months to a year later. Then you run the risk of having lower scores.

So do we take the bird in the hand of the two apps that passed with the scoring threshold or if there are slight tweaks to those apps, they could get looked at a whole different set.

And I know it's very hypothetical and it's a human
process and that could happen, but it seems like you're
almost competing with what you have done.

So if there was just a little bit more comment or
thought given to the scoring process for the apps that met
the scoring threshold and we unfortunately, even though two
passing apps, were part of the 150 or whatever that did not
get funded because we didn't meet the top 70 or 72 for round
five.

So just some comments. We appreciate the creative
thinking. Grateful that there's 250 million and we're going
to keep swinging regardless, but it was a little frustrating
to have three very, very similar applications be so widely
scored. Anyway, thank you for your time.

MS. MILLER: Thank you for your time.

Mr. Mireles, do you want to --

MR. MIRELES: Yeah. Really quickly, on the
scoring, in terms of the scores and the applications
submitted to our department, we do have two funding cycles
that were (indiscernible) to Prop. 51 and I just want to
clarify that, you know, in terms of the scores that we
provide, you can use the highest of the two -- I'm talking
about the same application -- and submit that score to OPSC
for funding.

So just make sure that that's clarified that even
though you may receive a lower score for one of the
applications during a funding cycle, you can always use the highest to submit a funding request to OPSC.

MR. SPARKS: Thank you.

MS. MILLER: Thank you.

MS. SHAEEER: Yes. Thank you. I did want to state that, Glenn, this is -- we haven't met before. So this is not the one I've been in communication with. So I'm glad to you see here and contributing.

And I also did want to mention --

MS. MILLER: Would you mind just stating your name for the record.

MS. SHAEEER: Yes. I'm sorry.

MS. MILLER: Thank you.

MS. SHAEEER: My name is Emily Shaeeer. I'm from Santa Barbara Unified and I've been working a variety of districts, over 20 districts, and I'm just acknowledging that I have not met or spoken with Glenn before.

I did also want to address -- raise awareness that there were a few others who wanted to join us today, but because the recommendation came out on Monday evening at 8:00 p.m., there was some confusion about that and people were under the impression that it had been pulled from the agenda and so they were not able to come because they had changed plans at the end of last week. So I'm speaking on their behalf as well. I just wanted to bring that forward.
And I am -- as the last time, I am going to read this just to make sure that I get to all of it. All right.

MS. MILLER: I am going to remind you guys that you have a motion and a second, so -- this is a point -- this is a situation of taking yes for an answer, but --

MS. SHAEEER: Okay.

MS. MILLER: But we do appreciate you coming all the way up here.

MS. SHAEEER: All right. I do appreciate the opportunity to address this Board again today on behalf of the Santa Barbara School District as well as over 20 other school districts I've been communicating with recently.

I also appreciate the opportunity to meet with each one of you in the last two days or your chief of staff or other representatives. Those conversations were an important part of this process and were brought to bear in what I'm going to share right now.

And I am here today for two primary reasons: Number one, to support the OPSC's recommendation to release 250 million in a sixth and final funding cycle for CT facilities funding under Prop. 51 and encourage this Board to support efforts to expedite this funding cycle to mitigate many of the concerns I have raised regarding the high scoring applications that are currently unfunded.

The second reason I am here is to emphasize the
importance of reevaluating the funding model and to thank
the OPSC for organizing a stakeholders meeting to take place
on July 24th to discuss that funding model and explore
possible options for changing it so that it functions more
effectively.

First, I want to speak why it's important to
release the 250 million sixth and final funding cycle and do
whatever is possible to expedite the cycle and get the money
out to school districts so they can move on projects as soon
as possible.

At the May 22nd SAB meeting and even as recently
as yesterday, I was proposing that we should allocate some
of the remaining 250 million to capture some of the high
scoring projects currently on the unfunded list from the
fifth funding cycle. I spoke with many of you about that.

In the last 22 hours, however, I have had
opportunity to speak at length with Lisa and Barbara from
OPSC as well as Juan Mireles, Fred Yeager, and John Gordon
from CDE and I have a full understanding of the legal issues
with this suggestion and why it is not possible to consider
and I wanted to just voice those particularly because I
spoke with members about this yesterday.

I wanted to share with this Board that there is a
liability risk in doing what I proposed because by
allocating more money to projects that were submitted during
the fifth funding cycle, that effectively extends the fifth
funding cycle beyond the 125 million cap that was put into
place previously and that is a liability risk and was
determined to be a liability risk by both legal counsel for
the SAB and legal counsel for the CDE and they did not
confer with each other. So they independently arrived at
the same conclusion that pursuing this course of action is
not advisable under the law.

And I thought that was important to share with
you.

I also want to thank -- I do want to thank the
Board members who were in support of our proposal and in
support of the spirit of it which was to both honor the high
scoring projects sitting in limbo as well as to expedite the
process of getting the funding out into the field.

I would also like to share with you that both Lisa
and Barbara from OPSC pursued this option and explored it
and that Juan, Fred, and John from CDE were very interested
in pursuing it as well.

I do think it's important to bring (indiscernible)
for the CDE. Expediting the process in this manner was
their preference. They would have loved and preferred and
maybe even jumped for joy to see the money go out into the
field to fund the high scoring applications that their
division has already meticulously scored, which was we
talked about.

These are significant to review and they're comprehensive and they take a significant effort to evaluate. So alas -- or perhaps we should celebrate -- both legal counsel gave a thumbs down to this course of action.

And given that the next best option is to approve the 250 million for the sixth and final funding cycle and to reevaluate and reform -- possibly reform the funding model that will be utilized for the sixth funding cycle.

Doing this will address many of the concerns I raised with you on May 22nd and in our meetings in the last two days.

I was able to gain clarity through my meetings with some of you about the way changes to the funding model can be implemented. There were questions about whether this was possible to achieve for the sixth funding cycle and it is.

As I understand it -- and, Lisa and Barbara, you can correct me, of course -- OPSC initiates this process which they are doing through the July 24th stakeholders meeting. Then OPSC would prepare a recommendation for the SAB to approve before implementation and I want to thank you both, Lisa and Barbara, for your time for speaking with me about your intention to perhaps even have a second stakeholders meeting after the July 24th meeting and prior
to presenting a recommendation to SAB regarding the funding model.

Also thank you for explaining how it is possible to implement for the sixth funding cycle if there were changes. This is very important to many districts and I am glad that the funding model is going to be revisited and I do expect a good turnout in the July 24th meeting (indiscernible) there are a variety of concerns that we have discussed in our meetings related to the funding model.

One suggestion is to reevaluate town locales and perhaps reclassify them as rural so that they can be moved out of the suburban category.

Another suggestion is to allocate funds proportional to the number of applications submitted by each locale and under that model, rural schools would only be competing against rural schools. Suburban schools would only be competing against other suburban schools, et cetera.

And of course, these are just two of many of the suggestions that stakeholders will bring forward at the July 24th meeting, and I plan to attend and I look forward to participating.

As Board members, I appreciate your engagement and awareness of these issues --

ASSEMBLYMEMBER O'DONNELL: Madam Chair, could we just kind of keep it to the motion.
MS. MILLER: Yes.

ASSEMBLYMEMBER O'DONNELL: I think we're getting pretty wide here.

MS. MILLER: Yes. That's a fair point, Mr. O'Donnell. Do you want to wrap it up because again you have a motion and a second.

MS. SHAEER: Yes. Actually, these final points are I think important.

MS. MILLER: So I think, Ms. Shaeer, I'm going to recommend that maybe we end it there and, Ms. Patterson, if you have any final comments --

MS. SHAEER: Yes. Can I just say one final thing.

MS. MILLER: One final thing.

MS. SHAEER: Yes. Thank you. I'm glad that everyone is in support and I really just want to emphasize that we need to expedite the process and the timelines to get the money out.

MS. MILLER: Absolutely. I think everyone agrees with you. So let's stop there and then --

MS. SHAEER: Wonderful.

MS. MILLER: Thank you.

MS. SHAEER: Thank you. I appreciate the motion and the second and will move on.

MS. MILLER: Thank you. Thank you. So we have -- Mr. Mireles, maybe --
MR. MIRELES: Just a quick comment.

MS. MILLER: Yes.

MR. MIRELES: On OPSC's defense, the reason why the item was late because we were working together coming up with a proposal and, yes, we were exploring the possibility of using existing scores because we know that there's a lot of high quality programs out there.

As you noted, there are some concerns from legal counsel, not just the SAB's rep, from ours and that's why we have this option before you.

So we thank OPSC for their patience and we look forward to working together to jointly administer the program.

MS. MILLER: Great. Thank you. I appreciate that. And to Ms. Silverman and Ms. Kampmeinert, thank you taking the time to really expedite this program.

So we have -- I can't remember. We have a motion by Senator Roth and a second by Mr. O'Donnell. May we please -- any other public comment? No. Thank you. May we please take the roll on the $250 million allocation.

MS. JONES: Yes.

SENATOR ROTH: Senator Wilk.

SENATOR WILK: Aye.

MS. JONES: Senator Leyva.

SENATOR LEYVA: Aye.
MS. JONES: Senator Roth.

SENATOR ROTH: Aye.

MS. JONES: Assemblymember Nazarian.

MR. NAZARIAN: 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: Daniel Kim.

MR. KIM: Aye.

MS. JONES: Gayle Miller.

MS. MILLER: Aye.

MS. JONES: And this motion carries.

MS. MILLER: Great. Thank you very much and thank you for being here. We have our final informational item by Ms. Silverman. That's it.

MS. SILVERMAN: (Indiscernible) if the members want to vote for the other open items, Consent Agenda.

MS. MILLER: Oh, we can. I think -- are there members -- if you voted on everything, please feel free to go. We have a couple items we have --

MS. JONES: The Minutes for Senator Leyva, how do you vote on the Minutes?
SENATOR LEYVA: I'd love to.

MS. JONES: How do you vote?

SENATOR LEYVA: Aye.

MS. JONES: Okay. Thank you. And also while I have you here, can you tell me how you vote on the Consent.

SENATOR LEYVA: Aye.

MS. JONES: Okay. Thank you. And then Assemblymember O'Donnell, I need your vote on the Minutes.

ASSEMBLYMEMBER O'DONNELL: Aye.

MS. JONES: And on Consent.

ASSEMBLYMEMBER O'DONNELL: Aye.

MS. JONES: Okay. That wraps that up. Thank you.

MS. MILLER: Great. Is that everyone? Thank you very much. This meeting is adjourned.

(Whereupon, at 5:39 p.m., the proceedings were adjourned.)
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