CALIFORNIA STATE ALLOCATION BOARD

STAKEHOLDERS MEETING

McBRIDE HIGH SCHOOL
AUDITORIUM
7205 Parkcrest Street
Long Beach, CA 90808

DATE: WEDNESDAY, AUGUST 14, 2019
TIME: 10:01 A.M.

Reported By: Troy Ray
eScribers
APPEARANCES:

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

LISA SILVERMAN, Executive Officer

TRACY SHARP, Supervisor, Career Tech
PROCEEDINGS

MS. SILVERMAN: Good morning, everyone. Hey, it's 10:00 o'clock -- a little slightly after 10:00 and welcome to our second public meeting on the career tech education funding distribution order. So I'm Lisa Silverman and I'm the Executive Officer for the Office of Public School Construction and next to me is Tracy Sharp and she will be leading the discussion today.

But I want to first thank Long Beach Unified for hosting this event here and they put out a generous offer a few weeks ago and I thank them for hosting us today. So Brooke, Marie, and Al Rising for taking us up on this offer and thank you for extending that offer and the many folks here that helped facilitate that today.

So thank you again, and we would like to welcome all the folks that are here in the audience and those who aren't able to be here today, thank you for joining for our webcast. So we're looking to have a very robust conversation and getting some input from you folks and Tracy will go over some deadlines that we -- if you can't join us today, if you could submit your comments to us. I believe we have a time certain and she'll go over those details.

So again, our goal is to put this funding out as soon as possible. So we have $250 million. Who wants
money. Yea. I want to give it out. So let's get this going. So here we go, Tracy.

MS. SHARP: Thank you very much, Lisa, and good morning from beautiful Long Beach here. So once again, my name is Tracy Sharp. I've been a supervisor with the Office of Public School Construction for a number of years and have enjoyed working with applicants of the career technical education facilities program since 2006 when this great program was first established by Proposition 1D and then reinfused with funds with the passage of Proposition 51.

So as Lisa mentioned, this is our second public stakeholder meeting regarding one aspect of the career technical education facilities program and that's the funding order portion of it.

As you know, after Prop. 51 passed, there were -- we've held two funding cycles and that was funding cycles four and five. Previously through Prop. 1D, we were able to fund funding cycles one, two, and three, and as cycles four and five progressed, we got -- each of those cycles had 125 million allocated to them from the total 500 million that was provided by Proposition 51.

And through those and during those cycles and afterward, stakeholders, districts, and others gave us some feedback on the results of that funding and two main things came out of it.
One was a general concern about the current methodology. In cycles one and two, we followed a service region model where the funding was distributed statewide and then within a particular region -- the 11 services regions, projects were ordered by score. Each current application gets a score from the Department of Education and then is also designated with a locale, urban, suburban, or rural.

We take those locales from the National Center for Education statistics and as we were going through cycles four and five, some districts noted that while we have three funding locales, there is a fourth that is in the NCES database called town. And currently, based on SFP regulations, the town numbers for 31, 32, and 33 are included in the suburban group, and there were some comments received that said, well, really should we take a second look at that. Should town be not grouped in suburban. Maybe there should be a consideration for grouping it in the rural category based on the locations.

So as a result of that feedback, following cycles four and five, we have had, as Lisa mentioned -- or we developed two stakeholder meetings. The first one was held July 24th, got some great comments from people who were able to attend that one, and now here we are again today.

So in preparation for these two meetings, the first one, we have a meeting report that we posted on the
website and is also provided here today. I'll be speaking
to those handouts. The first one had a full -- from
July 24th had a full history of the implementation committee
meetings that happened in 2006 as well as the State
Allocation Board item that approved our regulations. And so
those are part of the July 24th meeting report and were
referenced in the meeting agenda for today. So you have
those as backup to refer to.

So in looking at this issue and in preparation for
these meetings, staff decided -- or we decided basically to
look at the actual funding that came -- as a dataset, the
applications that came in in cycle five. And based on the
comments received about the service region model and the
potential movement of town locale codes to -- from suburban
to rural, we developed some scenarios, examples of, well,
what if things moved or what if we changed it.

We created what we call scenarios. So in your
meeting handouts for today, I'll be focusing on
Attachments I, J, and Number 1. The Attachments I and J
come from the July 24th meeting report and Attachment 1 is a
variation of what was presented at the July 24th meeting.
As a result of stakeholder comments, we had one more
scenario that evolved from it.

So what are these scenarios. As I mentioned, we
took the data from cycle five, actual applications received,
and said, okay, what was the distribution because that was one of the concerns that was mentioned is the basically equity in the distribution of funding. What was noticed is that while that lower scoring applications in the rural group, more or almost all of them got funded versus higher scoring applications in the suburban group did not get funded based on the current model which says take all of the applications, look at their scores received from their grant application review with the Department of Education, and fund in order of representing each locale -- the highest scoring application from each locale and doing sort of a round robin.

And as you go through those, because of the sheer numbers of, you know, less rural applications and a fair number from the suburban group and a fair number from the urban group, what resulted you can see if I refer -- bring your attention to Attachment J -- has a series of tables there -- is that of the projects funded, we had an even distribution based on the current funding model of projects funded, but the total projects submitted is much higher.

So we had 91 in the urban category, 106 in the suburban category, and 23 submitted in the rural category, and you can see the percentage there of projects funded is, as I mentioned, you know, predominantly the rural category was -- more of them or almost all of them were funded versus
the other.

So with that -- those stakeholder comments in mind, we created these various scenarios and the data represented in the tables on Attachment 5 represents how -- if we made certain changes to the funding order, how would that play out.

So in the first scenario, we just said, okay, based on the suggestion, let's move all of those projects that would have been in the town grouping to suburban. How would the funding fall out and that resulted in moving 28 applications from the suburban category to the rural category and then you can see in the -- how many projects would be funded.

It changes the distribution of funding for the rural category and the others a bit. And then we move onto scenario two. It takes into consideration, well, what if we went back to the original style we considered the service region model.

The original service region model said take the total funding available in a cycle, prorate it by the high school enrollment for that region -- and there's a 11 service regions -- and then use the funding model within each to allocate the funds. So that was scenario two, incorporating service regions into the current funding order.
And you can see the layout or how the distribution of funding occurs there on Attachment J under scenario two. Another way of distributing the funding is in scenario 3A. If we just went straight score, the statute requires that projects be reviewed by the Department of Education. They get a score. If you have a minimum score of 105, you can submit a funding application to OPSC and if it was just based on highest score, locales at that point would not be taken into consideration. But this table represents what that model would result in, how the layout -- or how those funds would be distributed.

And we see in that one the suburban category ends up with more projects funded and then urban and then rural.

So taking that scenario 3A of just looking at score and adjusting it just a little bit for purposes of just looking at how would the distribution be if we moved town to suburban -- or town from suburban to rural, what would the funding distribution look like in scenario 3B.

We haven't changed it. We're still working off of the highest score, but if we -- if those projects -- definitions -- the locale definitions changed, how would the distribution be as far as types of projects and their locale. And so scenario 3B represents that distribution.

Scenario 4 then takes another turn and adds back in the service region model. So we have the service region
model applied to the urban/suburban locale and scoring, but now town has moved into the rural area locale for this one. And you can see the change in the distribution.

So we presented these scenarios on July 24th in Sacramento and got some comments on them and one of the comments that came out afterward is a scenario that we had not considered beforehand or put into our options. So that's where, if you look at Attachment 1, you see a variation in the scenario where -- we call it 1B. It moves town from the suburban locale to the rural locale and as a further change, it looks at it and says let's consider putting the -- taking the funding for 125 million and prorate it based on the number of applications that come in for each locale and then go through the funding order process.

This came from stakeholders -- this suggestion. So you see the funding there, 125 million, is prorated by the number of applications in each group and it provides a -- once again, the distribution of projects funded is represented there in scenario 1B on Attachment 1.

For purposes of demonstrating the distribution regionally is one the things that in the original planning for in cycles one and two is how do we spread the funding that's available statewide. That's where that regional -- the 11 service regions came from.
You'll see on Attachment K how we've taken each one of the funding models and said if we apply this funding model or scenario as it were, where do funds end up at that point on a regional basis if we're -- based on those scenarios.

So Attachment K is informational in that it demonstrates the regional distribution of funding with each of those variables applied to the scenarios.

So I know there's a lot of data there to absorb and a bunch of attachments and hopefully, you've had an opportunity to look at that maybe look at that before the meeting or if you didn't, you're kind of absorbing it now.

We also included in today's meeting report a summary of the comments that we received from the July 24th meeting and that's in the August 14th meeting report. Our goal is to take those comments as well as what we receive today, kind of summarize those, and moving forward, take them to the Board.

The Board's heard some comments at our past meetings about this issue. It did in June designate the next sixth cycle to utilize all the remaining -- or allocate all the remaining 250 million. The dates for that will be announced hopefully sometime soon. We're working on that.

But with those factors in mind, I would like to open it up to questions and public comment at this time. So
in giving your public comment here, what I would ask is as you come up, give your name for -- it'll help us keep track of where our comments are coming from and follow up as needed. And we'd really like to hear your thoughts on any of these scenarios that we've presented or if you have a new idea on something that hasn't been considered here.

These are certainly -- the options are truly unlimited. We've taken some examples here based on the cycle five data as our, you know, kind of jumping off point and so we look forward to your thoughts on where we are right now. We have a microphone right here at the base of the stage and so at this time, feel free to come up, and even if you just have a question or need a clarification on something we've presented or in our packet here, questions are welcome as well.

MR. ISBELL: Good morning. My name is Don Isbell. I'm the Director of Career Technical Education for Santa Ana Unified School District in Orange County. We're currently about the second largest school district in Orange County servicing approximately 50,000 students; Capistrano right around 51,000 students as well to give you an idea for the two largest districts in the county.

I think I could speak on behalf of both of us. We'd also like to be moved to rural. We may have challenges in being able to do that, but I think that's actually
something that it does lead to in that in urban districts, addressing the Southern California region, you know, whether it's LA, Long Beach, our many different communities that we've got here locally, that we definitely, as far as the way the numbers have been playing out, seen a disparity in the way that our students are being serviced as far as four new CTE facilities, that due to the way the distribution works, it is wonderful and it's providing additional resources towards our Central Valley and Northern regions which often get ignored, often within sequences where this has happened in the past as far as funding for other types of activities.

And I think the intent of the imbalance was, is knowing they didn't have necessarily the resources or the ability to be able to pull together an application that maybe would be strong to a committee, that that had been something that is early on and what has been a reason for part of this way of addressing it.

Since now virtually every rural project has been funded that had a score that qualified, I think we should be looking at a potential new option and that would be of just removing that. I think we've given balance for our Central Valley, for our Northern region to be able to fund those many important projects that they do have, but the idea was that we were trying to build equity across the system.
Maybe we need to be taking a look at that a little bit differently and being able to look at the scores and now looking at the application based on their individual merit as opposed to looking at individual regions.

And I think that should give some better equity for some of the urban districts which honestly have not had as large of a share due to the way the current funding cycle works.

I have my -- Jeremy Cogan is our Director of Facilities. Jeremy.

MR. COGAN: I'm not as tall as Don, so I'll pick up the mic. Good morning. I'm Jeremy Cogan, Director of Facilities Planning for Santa Ana Unified, and I'll echo some of what Don said.

I can't help but think of the cartoon that maybe some of us have seen of the three children trying to watch a baseball game and the first pane of the cartoon is equality because they're all standing on the same platform, but one child is taller, one child's medium size, one child is short. So they can't all see over the fence to the baseball game.

The second pane of the cartoon is equity and equity, they're given different platforms to stand on so they can all see over the fence, and of course, the last pane is without barriers because the fence is simply
removed.

And I thought it was so apropos, that cartoon, to this urban/rural/suburban locale comment. I agree with my colleague and with some of my colleagues in other districts around the state that when it comes to funding these programs, if we look at the voters in California that approved Proposition 51, the voters weren't delineated by urban, rural, and suburban.

If we look at the taxpayers that are paying for Proposition 51, we're not changing the amount of tax based on urban, rural, and suburban. In fact, the suburban and urban communities are probably contributing more to that tax base in support of Proposition 51.

I'm very much in support of any efforts you can take to expedite the process and I think it was said earlier that you want to get these funds in the hands of school districts as fast as possible.

One of the things that school districts are fighting a very uphill battle with right now is cost escalation. Projects are getting more costly at and increasing rate. We have a strong and vibrant economy and as a result of that economy, construction costs are changing rapidly.

Projects that might have been submitted in round four that were then resubmitted in round five probably cost
5 to 10 percent more to build now. Projects that will be submitted in round six will be the same issue.

So in a perfect world, we would take all of those applications from round five that received a passing score and we wouldn't wait until the May or June SAB meeting to fund those. We'd fund them right now and we'd get those on the street right now for design and construction because ultimately it would save quite a bit of tax money statewide by pursuing those projects earlier.

Obviously, from the standpoint of equity as opposed to equality, we'd like see that areas where we're serving a large number of high school students that those high school students have that opportunity.

Scenario 2 and scenario 4 appear to be provide more of that and I'm certainly open to hearing comments from others and learning more about the scenarios through the course of today's commentary before giving any final recommendation on that, but we believe that we'd really like to see the grant application score -- which by the way, and I think others have mentioned this too, considers high school enrollment, industry needs, and labor market trends.

So that CDE process is already looking at that.

We'd like to see those scores be set up in such a way -- the OPSC process set up in such a way that recognizes those high scoring applications. As my colleague Don
mentioned earlier, if we were rural, every single one of our projects would have been funded and so unfortunately that wasn't the case, but we're very much in support of the efforts you're doing.

We appreciate very much you having the stakeholder meeting in Southern California today. That's a huge support to us as many of us can't get up to Sacramento and we appreciate all the efforts you're doing to try to fund these projects as rapidly as possible. Thank you.

MS. SHARP: Anyone else have thoughts on the subject, current scenarios, or other options?

MS. SAPINOSO: Good morning. My name is Erin Sapinoso. I'm with the Los Angeles Unified School District. Thank you for this opportunity for comment and regarding the funding order for career technical education facilities program, Los Angeles Unified School District supports scenario 1B as an alternative strategy for promoting equity in funding order.

LAUSD agrees with removing National Center for Education statistics locale codes of 31, 32, and 33 from suburban area and reclassifying them to rural area. LAUSD also agrees with determining the proportion of submitted applications based on locale, rural, urban, and suburban. For each current cycle, determining the corresponding maximum monetary allotment each locale can
receive given the grant authority for the cycle and
apportioning grants based on California Department of
Education application scores within each locale up to the
maximum amount.

Thank you again for the opportunity to comment.

MS. SHARP: Thank you. I would also like to add
that, as Lisa mentioned earlier, as part of our meeting
announcement on our webpage, we are, for those of you who
couldn't be in Sacramento or were not able to attend today's
meeting or maybe you just need a little more time to gather
your thoughts, if you would like to submit written comments,
there is a dedicated CTE email address as part of the
meeting notice that you can submit a -- send a letter, send
an email from your district representing your thoughts on
it.

We would like to have those if possible by this
Friday to help -- to give us time to gather our thoughts and
make a complete report prepared for the State Allocation
Board's consideration. So if possible, we'd love to get
your written comments by this Friday to that email address
that's on there. Or if you find my email address on the
website as part of our directory or Ms. Silverman's, it will
certainly get to us as well. So we appreciate those written
comments very much as well for anybody who might be watching
and for those who are in attendance.
Looks like we have another speaker. Please join us.

MR. PACE: Tom Pace representing San Bernardino. It's casual Tuesday for us -- or Wednesday. I'm not sure. I've been on vacation for a couple weeks.

I just wanted to say that many in the Los Angeles area consider San Bernardino rural. So like my colleague from Santa Ana, we'd love to be considered a rural community. We too represent 50,000 students. We are an urban area.

I would say that the distribution has not landed in our favor. Of all of our applications, every one of them received a qualifying score and had we been rural, would have been funded. We have only had one of our applications funded.

The majority of our applications scored in the high 120s. I would say looking at the previous funding cycles, many high schools received -- in the rural area, a single high school I think received more than eight applications.

I would look at limiting the amount of applications per high school so that you get an equal distribution amongst high schools within a district. I would say that the more that we file, I think the intention is to build a brand new high school where each wing is a CTE
component. I would say that it's looking for individualized areas that need specific investment. I think merit should stand on its own rather than locale.

I agree with my colleagues from Los Angeles. Of the proposed options, I would say 1B favors urban, but we're open to other ideas as well. Thank you.

MS. SHARP: Thank you for your comments. Any other attendees -- you're welcome to come up and as I said, I welcome questions as well. If there was something that -- in this that you would like clarification on, please feel free.

And maybe what I'll add too, something that came up as we were talking earlier that was part of our item -- our report to the State Allocation Board when we took the discussion forward in June regarding the next cycle, something that was in there that we want to make sure is broadly known I that if you have a score letter from cycles four or five going into cycle six that you are content with, you believe it's a good score and you can use that score letter moving forward to support your application in cycle six.

There is a caveat to that, though, is that that score letter represents the grant application that was submitted to CDE at the time and received that score. So we wouldn't accept changes to that application. It would have
to be the CDE grant application that achieved that score, would be there to support your funding application to OPSC. So it wouldn't allow for changes of scope or budget or industry sector or anything like that. But you can use it.

So moving forward, as I mentioned, we don't have solidified dates at the moment for cycle six of when you would have the opportunity to resubmit grant applications to Department of Education and then to OPSC, but those score letters are still valid when they come in with the same grant application.

And we do understand that that may or -- you know, it's a local decision to use that because we have heard you mention from a number of you outside of the actual public comment that costs are escalating. So that is a point that is important if you're looking at your grant application to consider those costs.

And if you're reapplying because you didn't get funded previously, changing up your budget is definitely something you'd want to take into consideration.

MS. SAPINOSO: Hi again. I had questions about -- I know that you had just said that there's no solidified deadlines for cycle six. Do you have an estimation as to when this might be moving forward given the stakeholder meetings, where you're presenting to SAB, and then when those deadlines might occur?
MS. SILVERMAN: So the goal is actually to take a policy item to the Board in a matter of weeks and whether or not we have some recommendations as a result of your feedback because your feedback is really important about the funding order. So that's really vital on how we receive the remaining 250-.

So again, depending on the feedback we receive by Friday, we're hoping to share some thoughts with the Board on how we'd like to proceed, if they want to change -- if there's a desire to change the funding order. So that's one item we need to knock out that recommendation.

And then if it does follow through with a regulation change -- and that's something that we would proceed as well. So that would be the second component of that, if the Board is fine with changing the funding order.

And then what we really have goals is to announce at our August Board meeting is the timelines. Absolutely with -- you know, and that is coupled with Department of Education.

So their application timeline is coupled with our funding timeline. We're actually hoping that they mirror the same timelines as last year. So that's really our goal is the same mirrored process. So that's what we're shooting for.

I can't commit to that at this point in time
because, you know, it's a multi-agency process and we're open and we all want to eat cake at the same time, but, yeah, our goal is to get those to mirror the same timeline.

So really 250- is what we want to get out as quickly as possible and to streamline that process as quickly as possible as well and again, our goal is to bring, if there are any, changes to the Board as rapidly as possible as well, so you know what the funding order is going to be and that makes it a very clear process for you as well.

So -- and hopefully the scenarios were clear as far as how this all shakes up and how this potentially shakes up for the future. And if you folks didn't have an opportunity to file this last round, here it is. One and done. Your opportunity to file for this round is open now. So let's not drag. Let's dust those applications off if you haven't done already. Let's apply for the program because we want to do whatever we can to invest in the future of our kids.

So let's not sit around. Let's do it. So let's get the kids the education they need and let's have the facility we want to build. So again, let's have a robust conversation. Let's bring this forward. So we're looking forward to having these applications pushed through and across the finish line.
I'm not sure. Does anyone else want to comment or -- no? All righty. Yes. We'll give the gentleman a few more minutes.

MR. LAMPKIN: So my name is Dr. Edgar Lampkin and I am the Superintendent of Williams Unified School District, located an hour north of Sacramento. So I am a lone wolf here.

I have applied for the CTE FP funding over the last two rounds. In the first round, our funding qualification was missed by one point with a score of 124 and qualified -- the qualification was 125.

I appealed it and was denied. Even though there was a high number of suburban grants funded because of the higher number and the competition with suburban areas, we did not get funded.

For the second round, based on the data that I received from CDE and looked at the most recent postings of schools that were denied funding on this round, it is my belief that the categorization model that OPSC used was unfair to schools designated town locale.

Furthermore, I feel it is inevitable -- or excuse me. I feel it is inequitable to depressed communities that further lack resources and bond power due to its low socioeconomic demographic because that is not taken into account or seen as a criteria for selection.
Any school designated as town was placed in the category of suburban and because of this, a computer driven -- I believe it's a computer driven designation by NCES, no humans really have looked at these designations or labels.

I find it kind of ludicrous that Oxnard, Elk Grove, Kern Union, San Lorenzo Valley, and other schools in high population areas were designated by NCES as rural while Williams and Kelseyville were designated in the suburban category as town.

Williams is truly rural with a population of about 5,300 and no more than 15,400 in our entire county. So we're very small. But according to the NCES model, we aren't considered rural.

Of course, this large district and others in rural will be funded and because we are in the suburban category, we are not funded.

In reflection, I see a problem with the current methodology in addition to a problem of socioeconomic disparities not being considered. I feel it is not fair and puts smaller and high socioeconomically depressed school districts at a disadvantage by being placed in the suburban category.

I truly hope that some consideration can be made to help address this situation. Your proposals are
attempting to address more equitably the allocation of funding based on region or NCES codes. However, I do not see OPSC taking into consideration communities that are depressed socioeconomically and so small that state funding match is essential to accomplish CTE projects in such communities.

My small highly rural school district with 92 percent of our students being low socioeconomic was designated as town and placed in suburban in the last go-round. If it had been designated as rural, we would probably have been funded.

As OPSC decides on the changes of funding order, please consider also taking into account small, depressed communities as a criteria. Our voice is small in the big picture of California. Nevertheless, I came here all the way from Williams, California, a small rural community to speak on their behalf. Thank you.

MS. SHARP: Thank you for your comments. I appreciate it. Anybody else? All right. Well, if that's the end of our public comment here -- last chance. Going once, going twice. All right. Everybody appears to be satisfied with the comments that they have given so far. So I think with that, we can close the meeting, a little earlier than planned.

And once again, thank you for your participation
and please feel free to put any additional comments in writing. We have this webcasted. It's livestreamed and it will be saved on our website. We also will have a transcript of it and so, you know, there's lots of documentation, I guess is what I'm saying, of everything that we heard and then, of course, anything you choose to add via written communication after the fact.

We very much appreciate your time in coming here today and I know -- well, for myself personally, the school year kicks off for my family tomorrow and I'm sure it's kicking off for many of you this week and in the coming couple of days. So hope you all have a great school year and we look forward to the next steps in this conversation.

Thank you for coming.

(Whereupon, at 10:44 a.m., the proceedings were adjourned.)
TRANSCRIBER'S CERTIFICATE

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IN WITNESS WHEREOF, I have subscribed my name on
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