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CALIFORNIA STATE ALLOCATION BOARD

PUBLIC MEETING

STATE CAPITOL  
ROOM 444  
SACRAMENTO, CALIFORNIA 95814

DATE: WEDNESDAY, AUGUST 28, 2019

TIME: 4:05 P.M.

Reported By: Peter Petty  
eScribers

1 APPEARANCES:

2 MEMBERS OF THE BOARD PRESENT:

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

5 DANIEL KIM, Director, Department of General Services

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

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

10 SENATOR SCOTT WILK

11 SENATOR CONNIE LEYVA

12 SENATOR RICHARD ROTH

13 ASSEMBLYMEMBER ADRIN NAZARIAN

14 ASSEMBLYMEMBER PATRICK O'DONNELL

15 ASSEMBLYMEMBER JORDAN CUNNINGHAM

16 REPRESENTATIVES OF THE STATE ALLOCATION BOARD PRESENT:

17 LISA SILVERMAN, Executive Officer

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

LISA SILVERMAN, Executive Officer

20 BARBARA KAMPMEINERT, Deputy Executive Officer

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

23 TOM PATTON, Assistant Chief Counsel

24

25

P R O C E E D I N G S

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2  
3 MS. MILLER: Thank you so much. Welcome to the  
4 State Allocation Board meeting. Ms. Jones, will you call  
5 the roll, please?  
6 MS. JONES: Certainly. Senator Wilk.  
7 SENATOR WILK: Present.  
8 MS. JONES: Senator Leyva.  
9 SENATOR LEYVA: Here.  
10 MS. JONES: Senator Roth.  
11 SENATOR ROTH: Here.  
12 MS. JONES: Assemblymember Nazarian.  
13 MR. NAZARIAN: Present.  
14 MS. JONES: Assemblymember O'Donnell.  
15 ASSEMBLYMEMBER O'DONNELL: Present.  
16 MS. JONES: Assemblymember Cunningham.  
17 Juan Mireles.  
18 MR. MIRELES: Here.  
19 MS. JONES: Cesar Diaz.  
20 MR. DIAZ: Here.  
21 MS. JONES: Daniel Kim.  
22 Gayle Miller.  
23 MS. MILLER: Here. Sorry.  
24 MS. JONES: And we have a quorum.  
25 MS. MILLER: Thank you very much. So we're

1 actually going to go a little bit out of order for everyone  
2 in the audience and the Board. We're going to start with  
3 the **Consent** item just to accommodate some schedules, if we  
4 may, and then we'll go back to the beginning of the agenda.

5 ASSEMBLYMEMBER O'DONNELL: Move.

6 MR. NAZARIAN: Second.

7 MS. MILLER: It's been moved by Mr. O'Donnell,  
8 seconded by Mr. Nazarian. Is there any public comment? No?  
9 Okay. Ms. Jones, can you call the roll, please.

10 MS. JONES: Certainly. Senator Wilk.

11 SENATOR WILK: Aye.

12 MS. JONES: Senator Leyva.

13 SENATOR LEYVA: Aye.

14 MS. JONES: Senator Roth.

15 SENATOR ROTH: Aye.

16 MS. JONES: Assemblymember Nazarian.

17 MR. NAZARIAN: Aye.

18 MS. JONES: Assemblymember O'Donnell.

19 ASSEMBLYMEMBER O'DONNELL: Aye.

20 MS. JONES: Juan Mireles.

21 MR. MIRELES: Aye.

22 MS. JONES: Cesar Diaz.

23 MR. DIAZ: Aye.

24 MS. JONES: Gayle Miller.

25 MS. MILLER: Aye. So we're actually going to

1 keep that item open for Mr. Kim who's going to be joining  
2 us later. And we will now move to approval of the **Minutes**.

3 ASSEMBLYMEMBER O'DONNELL: Move.

4 MS. MILLER: It's been moved by Mr. O'Donnell.

5 MR. NAZARIAN: Second by Mr. Nazarian. Ms.

6 Jones, can you call the roll, please.

7 MS. JONES: Senator Wilk.

8 SENATOR WILK: Aye.

9 MS. JONES: Senator Leyva.

10 SENATOR LEYVA: Aye.

11 MS. JONES: Senator Roth.

12 SENATOR ROTH: Aye.

13 MS. JONES: Assemblymember Nazarian.

14 MR. NAZARIAN: Aye.

15 MS. JONES: Assemblymember O'Donnell.

16 ASSEMBLYMEMBER O'DONNELL: Aye.

17 MS. JONES: Juan Mireles.

18 MR. MIRELES: Aye.

19 MS. JONES: Cesar Diaz.

20 MR. DIAZ: Aye.

21 MS. JONES: Gayle Miller.

22 MS. MILLER: Aye.

23 MS. JONES: And we'll leave the open too.

24 MS. MILLER: Great. Thank you very much,

25 Ms. Jones. And then we are now on Item 3, the **Executive**

1 **Officer's Statement.**

2 MS. SILVERMAN: So we have a few things to share  
3 tonight and we're super excited about this. We have a bond  
4 sale happening next week. Yea. So as part of the  
5 Governor's commitment to push out \$1.5 billion in the next  
6 budget year or this coming budget year, we have upwards of  
7 750 million to \$800 million to disburse sometime in  
8 September. So we're excited about that activity next  
9 month. So just want to share that with the Board.

10 Also we wanted to share with the Board that we  
11 had two stakeholder meetings to discuss the funding order  
12 and that took place on July 24th in September and in Long  
13 Beach on August 14th. So we got a lot of good feedback  
14 from our stakeholders to talk about the change in funding  
15 order. So we'll be discussing that later.

16 Also we're really excited about working with some  
17 timelines with the Department of Education. So the sixth  
18 cycle filing round has opened officially. And so we have  
19 some timelines to share with Department of Education. Your  
20 applications are due on or before December 2nd. Likewise,  
21 your applications for funding, if you have scores of 105 or  
22 higher, are due to the Office of Public School Construction  
23 by April 6th.

24 And again, the Department of Education has agreed  
25 to submit those -- excuse me -- your scores on the flow

1 basis to those applicants. So again, if you receive your  
2 score letters and you're in good standing with that score,  
3 you can submit your funding application to our office as  
4 quickly as possible, and again, the goal is to take all  
5 those applications and produce \$250 million come spring.  
6 And we're excited about getting that worked out and some  
7 general announcements to go out today, so again, we're  
8 happy about those new timelines.

9 MS. MILLER: Great. And just a shout-out to all  
10 of your work going all over the state meeting with people,  
11 organizing people, kind of teaching people how to appear  
12 before us, it's been really amazing. So to you and Barbara  
13 and the rest of your team, thank you for taking the time to  
14 do that.

15 MS. SILVERMAN: Yeah. We're excited about that.  
16 So it was fun. And we also wanted to highlight the Board  
17 took action in April for nearly \$222 million and those  
18 apportionments, we did quite a job in liquidating that  
19 cash. Nearly \$196 million did go out.

20 We had nine applications related to Career Tech.  
21 They have a different timeline, so they have until April  
22 of 2020 to come in and then we have 11 projects, about  
23 \$14 million, they didn't come in for their cash, but that's  
24 okay. They didn't jeopardize their apportionments at all.  
25 They are related to charter projects, so they have some

1 more time to come in.

2 And then our next meeting is September 25th at  
3 2:00 o'clock and that's when we're going to take action on  
4 the bond sale.

5 MS. MILLER: Great. Thank you. So it's really  
6 important that we have a quorum that day.

7 MS. SILVERMAN: Yes. We have a quorum, right.

8 MS. MILLER: Okay. Is there any public comment  
9 on that report? No. Okay. Great. Then we will move to  
10 Item 5, right?

11 MS. SILVERMAN: Financials?

12 MS. MILLER: Yes.

13 MS. SILVERMAN: And we just have one tab now. We  
14 just merged it because I always merge it anyway. So --

15 MS. MILLER: Thank you.

16 MS. SILVERMAN: So the difference in that is just  
17 want to highlight that we dispensed in June and July upward  
18 about \$140 million which is great news, again just related  
19 to that activity of cash being activated.

20 And I wanted to highlight on page 139, the Board  
21 did take action on the reservation of funds for the program  
22 for the three years and that is highlighted there on  
23 page 139. So just to -- the reservation of funds is posted  
24 for \$44 million. So just that as well.

25 And we had 80 projects that the Board did approve



1 in the Consent Agenda for \$277 million, so we are  
2 processing and processing and processing those  
3 applications. So we're going to hit the benchmark of 1.5  
4 billion this year. So we're on a steady pace right. So  
5 we're moving.

6 And I just wanted to highlight on page 140 that  
7 we actually added another column to the full-day kinder and  
8 that conforms with the Budget Act, the \$300 million that's  
9 there and so we wanted to add that line as well. And  
10 60 million is the goal is for October to be disbursed for  
11 the next round of full-day kinder.

12 MS. MILLER: All right. Thank you. Are there  
13 any questions from the committee? Any comment from the --  
14 any public comment? No. Thank you. Then we will move to  
15 Tab 6, the **Solano County Office of Education Appeal**.  
16 Ms. Kampmeinert. So close.

17 MS. KAMPMEINERT: Beginning on Tab 6 on page 158  
18 of your agenda, today we have an appeal for two  
19 applications for Solano COE for the TC McDaniel Early  
20 Learning Center. There's one new construction and one  
21 modernization project, and both applications did qualify  
22 for financial hardship.

23 The projects at issue have been in the works with  
24 some stops and starts for a period of about 12 years and  
25 the district has provided a timeline and it's included in

1 the agenda on page 181.

2           And the basis of the appeal right now, in 2018,  
3 the applications failed to participate in the priority  
4 funding process two times and per the regulations, were  
5 automatically rescinded.

6           Originally the COE was requesting that the  
7 projects be reinstated on the basis of some regulatory  
8 terms that were somewhat unrelated to the projects which is  
9 what you actually have reflected in your written item, that  
10 the COE has notified staff that the request has been  
11 modified to instead ask for exemption from the priority  
12 funding process, reinstatement to the unfunded list, and  
13 permission to change the scope of the project to bring it  
14 in alignment with the project funding.

15           Staff is unable to support the COE's request for  
16 a number of reasons. First, we don't actually feel that  
17 this is an issue with the priority funding mechanism and we  
18 actually believe that the regulations are working as  
19 intended when the Board adopted them back in 2012.

20           The regulations for priority funding exist for  
21 the purpose of ensuring that with our limited bond  
22 authority and cash that it's being provided to districts  
23 and projects that are ready to go -- shovel ready and can  
24 use these resources right away. Unfortunately, these  
25 projects were unable to move forward with the cash that was

1 made available in 2018.

2           And when the regulations were initially approved,  
3 we do believe that the Board had considered the impacts to  
4 financial hardship applicants when making the decision to  
5 go ahead and implement the priority funding process.

6           We took a look at the data specifically from 2017  
7 when we were processing under Proposition 51 to current day  
8 and there have been -- if you're looking just at the  
9 applications that are similar to this project, there have  
10 been 59 full funding apportionments for financial hardship  
11 projects and only three have been unable to participate in  
12 the priority funding process and were rescinded. Of those  
13 three, two are the projects that we're talking about today  
14 and the remaining project was a health and safety project  
15 that had some larger issues related to the design to  
16 correct the health and safety problem.

17           So we don't feel that it's warranted for that  
18 reason, but we also feel that an exemption would be  
19 inequitable to other districts. If you look at the  
20 acknowledged list, we have 182 million in funding requests  
21 from financial hardship districts that are ready to move  
22 forward, yet they're outside of the available bond  
23 authority.

24           And if you look even further, we have an  
25 additional 627 million worth of nonfinancial hardship

1 requests that are also ready to go but are outside of  
2 available bond authority. So an exception for the Solano  
3 projects would be inequitable to those districts that have  
4 been able to participate in accordance with the  
5 regulations.

6 Further, we do have a concern that approving an  
7 item on a case-by-case basis outside of an established  
8 regulatory process could open the Board to claims of  
9 inequitable and disparate treatment and these types of  
10 claims are always rather problematic when they do come  
11 forward.

12 So for these reasons, we are unable to support  
13 the COE's request.

14 MS. MILLER: All right. Thank you very much.  
15 And just to be clear, there is no valid application  
16 currently, right?

17 MS. KAMPMEINERT: Correct. The plans have  
18 expired and the projects have been rescinded and taken off  
19 of any sort of list that we have.

20 MS. MILLER: Right. So all the folks with valid  
21 applications are still in this pool waiting. Thank you for  
22 that. Public comment, please, and anyone else that wants  
23 to come up from Solano, please feel free to come on up.

24 MS. ESTRELLA-HENDERSON: Yes. Thank you.

25 MS. MILLER: Thank you.

1 MS. ESTRELLA-HENDERSON: Good afternoon, Madam  
2 Chair.

3 MS. MILLER: Hi.

4 MS. ESTRELLA-HENDERSON: My name is Lisette  
5 Estrella-Henderson and I'm the Solano County Superintendent  
6 of Schools. I am, of course, here today to speak to you on  
7 behalf of our appeal request.

8 Before I do that, I do want to tell you a little  
9 bit about TC McDaniel Early Learning Center. This Early  
10 Learning Center for children with moderate to severe  
11 disabilities was built over 50 years ago. For all of those  
12 years, it has provided educational services to Solano  
13 County's three to five year olds with moderate to severe  
14 disabilities.

15 These children do have the opportunity to reach  
16 amazing milestones while they are with us. We provide  
17 prevention and early intervention. We provide occupational  
18 therapy, physical therapy. We provided parenting classes.

19 Also for our deaf and hard of hearing children, their  
20 families, we provide sign language classrooms for these  
21 children as well. You would be very proud of what they are  
22 able to accomplish when they are with us.

23 I will tell you that this is also a personal  
24 story. My own brother who was born before IDEA was passed  
25 was a recipient of services at TC McDaniel. He is now in

1 his mid-50s and because of the services that he received at  
2 TC McDaniel Early Learning Center, he was able to put on a  
3 trajectory to be able to live semi-independently with a lot  
4 of support, but this is a facility that is 50 years old and  
5 has not had a lot of upgrades in the meantime.

6           We have children who are in these facilities that  
7 are the same facility that my brother experienced 45 years  
8 ago. These days, the state is doing more than ever for our  
9 special education students and learning environments  
10 matter. Learning environments matter.

11           We have carefully maintained TC McDaniel Center,  
12 but it is still not ADA compliant. Our exits still have  
13 stairs meaning that students in wheelchairs must be carried  
14 down the steps during an emergency. Our drop-off zone is  
15 crowded with vehicles and students because we are adjacent  
16 to an elementary that, by the way, has just recently gone  
17 through a whole new remodel and so if you're talking about  
18 equity, you're talking about children who are typically  
19 developing children in facilities who have recently been  
20 remodeled and you have three- to five-year-old children who  
21 are in facilities that are in dire repair and need of  
22 repair.

23           It seems unfathomable today that we are having to  
24 carry children in wheelchairs down steps during an  
25 emergency, but that is the reality. This facility does not

1 even meet CDE's safety standards and this facility is in  
2 desperate need of an upgrade.

3 As a County Office of Education, we are  
4 prohibited by law from raising local revenues from school  
5 bonds. We are totally reliant on the state bond program  
6 which makes us a financial hardship district.

7 I will be the first to concede that the  
8 priorities in funding or the PIF process works for the  
9 majority of districts -- for the vast majority of  
10 districts, but it falls short for financial hardship  
11 applications from a County Office of Education which  
12 account for 25 percent of all rescissions since 2013.

13 Our case typifies the reasons why without local  
14 resources we can't prefund our construction and await state  
15 reimbursement. We can't submit applications, wait years  
16 for a new statewide bond, and then cover, as you can all  
17 imagine, skyrocketing construction costs using local  
18 dollars, which leads to the question why didn't we just  
19 participate in the PIF rounds just like everyone else.

20 The answer is we tried. We made every effort to  
21 do so desperately to complete everything in time. The  
22 first round happened in December of 2017, four years after  
23 we had applied. So our DSA plans had expired.  
24 Construction costs had exploded and so a full redesign was  
25 necessary. There was zero chance that we could have

1 redesigned our project and received DSA approval before  
2 fall of 2018.

3           While our school district had local resources to  
4 get it done, it's literally impossible for us to do so. So  
5 today I am respectfully pleading for you to reinstate our  
6 two rescinded projects and place those projects on the  
7 unfunded list. From there, we would participate in one of  
8 the next two priority in funding rounds.

9           In reality, this means that we will have  
10 approximately 12 months to get it all done and the state's  
11 bond authority will not be tied up indefinitely. The  
12 alternative, if you can't help today, is that it will be  
13 virtually impossible for our kids to have modernized  
14 facilities. The next opportunity we will have is 2023 and  
15 that is if the state bond passes and we will again have  
16 outdated design plans and be right back where we started  
17 with exploding construction costs.

18           In the meantime, a new generation of children  
19 will have passed through TC McDaniel Early Learning  
20 Center's doors in outdated facilities, the very facilities  
21 that my brother was in 1974. And it's not the fault of the  
22 incredible children that we serve.

23           The PIF regulations simply do not work for a  
24 County Office of Education serving children, with moderate  
25 to severely disabled children such as ours. Never would I



1 have imagined that children in 2019 would be using the same  
2 outdated facilities that my brother Alex was in in 1974.

3 Thank you so much for your consideration. I  
4 really appreciate your time.

5 MS. MILLER: Thank you very much and I think the  
6 story of your brother is so beautiful and he obviously has  
7 an incredible legacy and I think so many of us have stories  
8 of someone that's gone through special ed and it's the  
9 reason the state has invested billions and clearly will  
10 continue to do more because of that -- because there are  
11 ways in which our system has fallen short in the past and  
12 the issue we have before us today is how this has worked  
13 for other folks and where other folks are in the line.

14 And as compelling as the story is, it's always  
15 difficult when we're making decisions on a statewide basis  
16 and the very same people could be in line that have  
17 actually managed to comply with the PIF standards.

18 On that, you know, obviously when we look at  
19 things in the aggregate, it sounds as though you're  
20 suggesting this may be a problem for other financial  
21 hardship projects, but many of them have been successful  
22 and we know that. So I really just want to be careful to  
23 speak so globally when what we know for a fact is the way  
24 our funding works which may need to be reformed in the  
25 future in future bonds, but that there are folks for whom

1 this has worked. They've managed to comply. They've  
2 managed to get it in on time.

3 And then just to be a hundred percent clear, you  
4 know, the County Office of Education's plan approvals  
5 expired in 2005 and the State Allocation Board put the  
6 projects on the acknowledged list in 2017. So I want to  
7 just make sure we have just all the facts straight.

8 Mr. Lennox, did you want to add anything to that?

9 MR. LENNOX: Thank you, Chair. In general, I  
10 would concur with what you said and what the superintendent  
11 said that the PIF process works for the vast majority of  
12 districts including financial hardships.

13 What's really unique here is that TC McDaniel was  
14 on the very front end of -- in 2013, this point in time  
15 when we ran out of bond funding. So that meant that they  
16 were very first in line when it came to actually releasing  
17 the bond authority in 2017 and 2018.

18 I don't anticipate you'll see a lot of cases like  
19 this post 2017, '18 because everyone was on notice at that  
20 point.

21 MS. MILLER: Um-hmm.

22 MR. LENNOX: But at the time that this project  
23 went through, it wasn't clear until the Board took a vote  
24 in June of 2017, several months before the PIF process  
25 started for Solano, that they would be going through the

1 full list as they did. There was some question of whether  
2 all the districts would reapply. That clarity has been  
3 established, you know, subsequently.

4 MS. MILLER: Yeah. You know, I think again I  
5 want to keep to the facts especially in terms of statewide  
6 need and, you know, there's \$700 million worth of projects  
7 on the acknowledged list. Several dozen of those are  
8 hardship. I mean I think the issue is not that --  
9 obviously, you know, your story is again so compelling.

10 The issue is what we do vis-à-vis the rest of the  
11 entire state and that's always the tradeoff unfortunately.

12 And then I just -- you know, I think some of the delays  
13 that we've seen from all the details from the staff going  
14 back and looking at it, it does appear that there are some  
15 local choices that have been made in terms of the project  
16 on the campus you're talking about that actually aren't --  
17 that are unrelated with actual construction projects.

18 So, you know, it's hard for us from up here to  
19 know what's going on on the ground, but there have been  
20 local choices that perhaps if those had been different  
21 could have put you in a different place here today. So I  
22 think --

23 ASSEMBLYMEMBER O'DONNELL: Madam Chair.

24 MS. MILLER: -- that's true. Yes, Mr. O'Donnell.

25 ASSEMBLYMEMBER O'DONNELL: I'm just going to jump

1 in here.

2 MS. MILLER: Yes.

3 ASSEMBLYMEMBER O'DONNELL: I don't think we have  
4 a process problem. What we have is a staff level  
5 incompetence problem. Okay? And I'm a little nervous.  
6 You had me before you walked in here, but the way you kind  
7 of presented the problem was it was like something that we  
8 created.

9 Listen, we're here to help you. There is a  
10 process. Other districts can do it. For some reason,  
11 yours didn't. Now I understand it was before you were  
12 there. So can you walk me through -- has there been  
13 changes made so that a situation like this wouldn't occur  
14 again because you're asking us to step out of our normal  
15 policy, our normal process and kind of give you guys a pass  
16 here, and if we're going to do that, we need to know that  
17 you're not going to be back to us within a couple years.

18 You want 18 months. I think it should be a year,  
19 quite frankly. I don't think you should get more than a  
20 year. I have a problem with even a year because there's a  
21 lot of people in line that did this right and your  
22 district -- County Office did not.

23 So have there been -- have you taken a look at  
24 your own organization -- and again, I don't want to put  
25 this solely on you because my understanding is you're newer

1 there -- to ensure that we won't be back here in the same  
2 situation in a year, two, three, 18 months.

3 MS. ESTRELLA-HENDERSON: Yes, Assemblymember  
4 Cunningham, I really appreciate your question and it's a  
5 very good question and I will tell you that we have made  
6 staff changes. I am a new county superintendent to the  
7 County Office of Education and I can't speak for the  
8 decisions that were made before, but I can speak to my  
9 commitment to making this right on behalf of the --

10 ASSEMBLYMEMBER O'DONNELL: Fortunately, you're  
11 speaking to them now. That's why we're here because  
12 someone before you and ultimately the organization's  
13 responsible no matter what day it is --

14 MS. ESTRELLA-HENDERSON: Yes.

15 ASSEMBLYMEMBER O'DONNELL: -- going back, going  
16 forward. Name's Assemblymember O'Donnell.

17 MS. ESTRELLA-HENDERSON: Oh, I'm --

18 ASSEMBLYMEMBER O'DONNELL: -- and that's --  
19 but --

20 MS. ESTRELLA-HENDERSON: I'm sorry.

21 ASSEMBLYMEMBER O'DONNELL: Same motherland,  
22 different people.

23 MS. ESTRELLA-HENDERSON: I apologize. I  
24 apologize for that.

25 ASSEMBLYMEMBER O'DONNELL: Right.

1 MS. MILLER: I find it a compliment for both of  
2 them.

3 ASSEMBLYMEMBER O'DONNELL: But either way, you  
4 know, again, I wouldn't want to go beyond a year  
5 personally. Do you need more than a year?

6 MS. ESTRELLA-HENDERSON: No. We will get this  
7 done within a year and I appreciate your questions and it's  
8 a valid concern and I am here to make it right and I have  
9 made staff changes since I've been onboard.

10 ASSEMBLYMEMBER O'DONNELL: Okay. And again, I  
11 want to really highlight that others have done this --

12 MS. ESTRELLA-HENDERSON: Yes.

13 ASSEMBLYMEMBER O'DONNELL: -- and others have  
14 done it right and for some reason, your organization didn't  
15 and that's why we're here today. I don't want to just say  
16 we're on the process, the process -- if there needs to be  
17 tweaks to the process, I'm quite open to that.

18 But let's just admit that there were mistakes  
19 made, see what we can do to serve the children of your  
20 county the best we can, and then move forward. So thank  
21 you.

22 MS. ESTRELLA-HENDERSON: I absolutely concede to  
23 that.

24 ASSEMBLYMEMBER O'DONNELL: Thank you.

25 MS. ESTRELLA-HENDERSON: Thank you very much.

1 MS. MILLER: Are there any other questions?  
2 Senator Leyva.

3 SENATOR LEYVA: Thank you, Madam Chair. I think  
4 your case actually illustrates that the priorities in  
5 funding is not a one size fits all and I think that we need  
6 to have a space as a Board to make exceptions. So when --  
7 at the appropriate time, I would actually like to make a  
8 motion that we support the appeal for Solano County.

9 MS. MILLER: Great.

10 ASSEMBLYMEMBER O'DONNELL: So just a  
11 clarification, Madam Chair. Is that 18 months or 12  
12 because you said you could do it in 12. Is that accurate?

13 MS. ESTRELLA-HENDERSON: We have made the  
14 commitment to do so.

15 ASSEMBLYMEMBER O'DONNELL: Okay. Is your motion  
16 for 18 or 12? I can support 12.

17 SENATOR LEYVA: I didn't have a timeline in my  
18 motion.

19 ASSEMBLYMEMBER O'DONNELL: I think a motion --  
20 doesn't it ask for 18? Was the --

21 MS. MILLER: The County's asked us for 18. The  
22 Board --

23 ASSEMBLYMEMBER O'DONNELL: But you can do it in  
24 12?

25 MS. MILLER: The Board -- the committee can -- do

1 anything.

2 ASSEMBLYMEMBER O'DONNELL: I just want to clarify  
3 the timeline here.

4 MR. LENNOX: Thank you for the clarification.  
5 We've talked with OPSC staff to clarify, but it's not been  
6 made clear for the rest of the committee members. They  
7 asked us to reinstate the project -- two projects to the  
8 unfunded list which would place those projects back on the  
9 PIF process that's forthcoming. So in effect, by the time  
10 that they need to have all of their DSA approved and  
11 everything, that's a 12-month process from now. It would  
12 not be the 18 month.

13 ASSEMBLYMEMBER O'DONNELL: So you can do 12?

14 MR. LENNOX: 12.

15 MS. ESTRELLA-HENDERSON: Yes.

16 MS. MILLER: So, Senator Leyva, do you want to --  
17 is the motion --

18 SENATOR LEYVA: So the motion will be 12 months.

19 MS. MILLER: Okay. Thank you.

20 ASSEMBLYMEMBER O'DONNELL: I'll second.

21 MS. MILLER: Seconded by Mr. O'Donnell. Any  
22 other public comment? Any other questions from the  
23 committee? No. Looking down the barrel of \$700 million, I  
24 can't support it, although I understand (indiscernible).  
25 So, Ms. Jones, can you call the roll, please.



1 MS. JONES: Senator Wilk.  
2 SENATOR WILK: Aye.  
3 MS. JONES: Senator Leyva.  
4 SENATOR LEYVA: Aye.  
5 MS. JONES: Senator Roth.  
6 SENATOR ROTH: Aye.  
7 MS. JONES: Assemblymember O'Donnell.  
8 ASSEMBLYMEMBER O'DONNELL: Aye.  
9 MS. JONES: Assemblymember Cunningham.  
10 ASSEMBLYMEMBER CUNNINGHAM: Aye.  
11 MS. JONES: Juan Mireles.  
12 MR. MIRELES: Aye.  
13 MS. JONES: Cesar Diaz.  
14 MR. DIAZ: No.  
15 MS. JONES: And Gayle Miller's no.  
16 MS. MILLER: No.  
17 MS. JONES: That motion does carry.  
18 MS. MILLER: But we'll still wait for Mr. Kim.  
19 MS. JONES: And that's fine. Thank you.  
20 MS. MILLER: Great. Thank you.  
21 MS. ESTRELLA-HENDERSON: Thank you very much for  
22 your time. I appreciate it.  
23 MS. MILLER: You're welcome. Moving onto Tab 7.  
24 Mr. O'Donnell, you'll be happy to know that we don't have  
25 any public comment. If there's anyone that has any public

1 comment on Item 7, if you could please let Ms. Jones know  
2 right away. Thank you.

3 Okay. Go ahead, Ms. Silverman.

4 MS. SILVERMAN: Okay. Yeah. We just wanted to  
5 highlight that on Tab 7, page 183, the conversation we've  
6 been having over the last few months has been **Career Tech**,  
7 and we wanted to discuss the funding order and how we  
8 proceed with the funding order criteria.

9 And so the program concern was really equity in  
10 the distribution of the funds, and so it was established in  
11 the third cycle that -- and the regulations have been  
12 established since the start of the program, that the -- how  
13 we achieve the equity has been through the locale code.

14 And so the first two cycles focused on the  
15 service regions and then the funding -- the recent funding  
16 has been through the locale code and by scores. So we have  
17 received over 220 applications and we wanted to highlight  
18 on page 185 that distribution of funds in the last cycle.

19 And so we had over -- 90 percent of our  
20 applications did come from urban and suburban locales and  
21 10 percent of those applications came from the rural  
22 locales, although 95 percent of those applications were  
23 funded for the rural locales and only 26 percent came from  
24 urban and 23 percent were funded for suburban.

25 So again, I know we did hear a lot of concerns

1 from the stakeholders and a lot of interested parties. So  
2 we wanted to present some stakeholder meetings and talk  
3 about how we can change that.

4           So again, the distribution of funds was  
5 accordingly and as you can see, the rurals did have a lower  
6 score as a result of the suburban and locale codes being at  
7 different distribution rates. So that was a concern was  
8 the lower scores coming from the rural community.

9           So we wanted to highlight that. And what we did  
10 present to the stakeholder group was a number of different  
11 options and I wanted to share that with you on page 185.

12           So the response we did hear was -- the concern  
13 was to move the town locale code as identified in the NCS  
14 and move that to the suburban to rural and by doing that,  
15 you actually do change a funding order.

16           So we presented that as scenario one, was to move  
17 the town code to suburban to rural and retain the current  
18 funding order and again, that's keeping the locale code.

19           We also had a conversation about different  
20 scenarios. That was raised in the second stakeholder --  
21 first stakeholder meeting, by moving the town codes to  
22 suburban to rural, but distribute the funding  
23 proportionately by the number of applications received by  
24 locale code and then again, still go with the funding order  
25 by the highest score and by locale code.

1           We had the conversation also on scenario two, was  
2 to distribute the funds by service regions and also by high  
3 school enrollment, and again, service region, locale, and  
4 the highest score. Scenario three was the funding  
5 application by the highest score only and not even consider  
6 locale codes at all and scenario four was move town codes  
7 to suburban to rural and again, following the model of the  
8 service region, by high school enrollment, and then service  
9 region, locale code, and the highest score.

10           After the conversation we had with the  
11 stakeholder group, overwhelming -- we had the conversation  
12 and on page 188, I want to direct your attention. So the  
13 concerns by changing -- overwhelming consensus by the codes  
14 to consider the locale codes, by placing the town codes  
15 from suburban to rural, that did change the funding order  
16 criteria.

17           And so we wanted to highlight that change in  
18 itself in the matrix on the top of page 188. And so it  
19 really did change the distribution of -- if we had changed  
20 that earlier. And so the scores for the rural communities  
21 would have had to have been higher. Instead of 111 as  
22 reflected in the earlier funding cycle, we would have to  
23 raise to scores to 129.

24           And that it would also equally distributed a  
25 higher portion of applications would have been considered

1 in that rural category. So the clear take-away from the  
2 stakeholder meeting was to consider moving the town area  
3 locale code to suburban to rural and again, that's the  
4 recommendation that staff has at this point in time for  
5 regulatory amendments and we're seeking Board approval for  
6 that and also propose regulatory amendments to be adopted  
7 for the current open cycle.

8 MS. MILLER: Great. Thank you. So before we get  
9 started on open comment, if -- sorry -- Steve Godla and  
10 Jack Bareilles want to come on up. This is our third time  
11 speaking about this. We've had robust conversation. We  
12 appreciate how important this is to folks. We did have the  
13 stakeholder meetings around the state and we have included  
14 all of the feedback we've gotten in the agenda.

15 So in summary, keep it short.

16 MR. BAREILLES: How about 15 seconds.

17 MS. MILLER: Okay. Deal.

18 MR. BAREILLES: I'm Jack Bareilles from Northern  
19 Humboldt Union High School District where Arcade and  
20 McKinleyville. We are six hours north of here. We're  
21 suburban apparently. We're in favor of being qualified as  
22 a rural school as are all of the schools in northwestern  
23 California.

24 MS. MILLER: Great. Thank you.

25 MR. GODLA: Steve Godla from Del Norte. We're

1 even more rural than Humboldt. There's less than 30,000  
2 people in our county and the high school is classified as  
3 suburban.

4 MS. MILLER: Great. Thank you very much. Thank  
5 you. Thanks for keeping it brief. Is there any other  
6 public comment? Is there a motion?

7 MR. DIAZ: So move.

8 MS. MILLER: Moved by Mr. Diaz.

9 MR. MIRELES: Second.

10 MS. MILLER: Seconded by Mr. Mireles. Ms. Jones,  
11 can you call the roll.

12 MS. JONES: Senator Wilk.

13 SENATOR WILK: Aye.

14 MS. JONES: Senator Leyva.

15 SENATOR LEYVA: Aye.

16 MS. JONES: Senator Roth.

17 SENATOR ROTH: Aye.

18 MS. JONES: Assemblymember O'Donnell.

19 ASSEMBLYMEMBER O'DONNELL: Aye.

20 MS. JONES: Assemblymember Cunningham.

21 ASSEMBLYMEMBER CUNNINGHAM: Aye.

22 MS. JONES: Juan Mireles.

23 MR. MIRELES: Aye.

24 MS. JONES: Cesar Diaz.

25 MR. DIAZ: Aye.

1 MS. JONES: Daniel Kim.

2 MR. KIM: Aye.

3 MS. JONES: Gayle Miller.

4 MS. MILLER: Aye.

5 MS. JONES: And that motion carries.

6 MS. MILLER: Great. Thank you. So we're almost  
7 done. We have one more item on Tab 8.

8 MS. SILVERMAN: Yeah. This is the **Information**  
9 item. We have the 90-day workload and we also have the  
10 appeal log.

11 MS. MILLER: Great. Thank you. Are there any  
12 questions on Tab 8, information items? Any public comment?  
13 Great. Thank you. So before we adjourn, we're just going  
14 to go back through -- Mr. Kim, just so you can vote, but  
15 for the rest of the group, that concludes our business.  
16 Thank you.

17 MS. JONES: So, Assemblymember Cunningham, how do  
18 you vote on the Minutes?

19 ASSEMBLYMEMBER CUNNINGHAM: Aye.

20 MS. JONES: Okay. And, Daniel Kim, how do you  
21 vote on the Minutes?

22 MR. KIM: Aye.

23 MS. JONES: Thank you. Assemblymember  
24 Cunningham, how do you vote on the Consent Calendar.

25 ASSEMBLYMEMBER CUNNINGHAM: Not voting.

1 MS. JONES: Okay. Thank you. And, Daniel Kim,  
2 how do you vote on the Consent Calendar.

3 MR. KIM: Aye.

4 MS. JONES: And then, Daniel Kim, how do you vote  
5 on Solano COE? And that was to approve the district's  
6 appeal.

7 MR. KIM: Nay.

8 MS. JONES: Okay. And you're all caught up.  
9 Thank you so much.

10 MS. MILLER: Great. Thank you. We are  
11 adjourned.

12 (Whereupon, at 4:39 p.m., the proceedings were  
13 adjourned.)

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