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
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: Thank you so much. Welcome to the State Allocation Board meeting. Ms. Jones, will you call the roll, please?


SENATOR WILK: Present.

MS. JONES: Senator Leyva.

SENATOR LEYVA: Here.

MS. JONES: Senator Roth.

SENATOR ROTH: Here.

MS. JONES: Assemblymember Nazarian.

MR. NAZARIAN: Present.

MS. JONES: Assemblymember O'Donnell.

ASSEMBLYMEMBER O'DONNELL: Present.

MS. JONES: Assemblymember Cunningham.

Juan Mireles.

MR. MIRELES: Here.

MS. JONES: Cesar Diaz.

MR. DIAZ: Here.

MS. JONES: Daniel Kim.

Gayle Miller.

MS. MILLER: Here. Sorry.

MS. JONES: And we have a quorum.

MS. MILLER: Thank you very much. So we're
actually going to go a little bit out of order for everyone in the audience and the Board. We're going to start with the Consent item just to accommodate some schedules, if we may, and then we'll go back to the beginning of the agenda.

ASSEMBLYMEMBER O'DONNELL: Move.
MR. NAZARIAN: Second.
MS. MILLER: It's been moved by Mr. O'Donnell, seconded by Mr. Nazarian. Is there any public comment? No?
Okay. Ms. Jones, can you call the roll, please.

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: Gayle Miller.
MS. MILLER: Aye. So we're actually going to
keep that item open for Mr. Kim who's going to be joining us later. And we will now move to approval of the Minutes.

ASSEMBLYMEMBER O'DONNELL: Move.

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

MR. NAZARIAN: Second by Mr. Nazarian. Ms. Jones, can you call the roll, please.

MS. JONES: 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: Gayle Miller.

MS. MILLER: Aye.

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

MS. MILLER: Great. Thank you very much, Ms. Jones. And then we are now on Item 3, the Executive
Officer's Statement.

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

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

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

And again, the Department of Education has agreed to submit those -- excuse me -- your scores on the flow
basis to those applicants. So again, if you receive your score letters and you're in good standing with that score, you can submit your funding application to our office as quickly as possible, and again, the goal is to take all those applications and produce $250 million come spring. And we're excited about getting that worked out and some general announcements to go out today, so again, we're happy about those new timelines.

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

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

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

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

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

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

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

MS. SILVERMAN: Financials?

MS. MILLER: Yes.

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

MS. MILLER: Thank you.

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

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

And we had 80 projects that the Board did approve
in the Consent Agenda for $277 million, so we are processing and processing and processing those applications. So we're going to hit the benchmark of 1.5 billion this year. So we're on a steady pace right. So we're moving.

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

MS. MILLER: All right. Thank you. Are there any questions from the committee? Any comment from the -- any public comment? No. Thank you. Then we will move to Tab 6, the Solano County Office of Education Appeal.

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

The projects at issue have been in the works with some stops and starts for a period of about 12 years and the district has provided a timeline and it's included in
the agenda on page 181.

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

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

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

The regulations for priority funding exist for the purpose of ensuring that with our limited bond authority and cash that it's being provided to districts and projects that are ready to go -- shovel ready and can use these resources right away. Unfortunately, these projects were unable to move forward with the cash that was
made available in 2018.

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

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

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

And if you look even further, we have an additional 627 million worth of nonfinancial hardship
requests that are also ready to go but are outside of available bond authority. So an exception for the Solano projects would be inequitable to those districts that have been able to participate in accordance with the regulations.

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

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

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

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

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

MS. ESTRELLA-HENDERSON: Yes. Thank you.

MS. MILLER: Thank you.
MS. ESTRELLA-HENDERSON: Good afternoon, Madam Chair.

MS. MILLER: Hi.

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

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

These children do have the opportunity to reach amazing milestones while they are with us. We provide prevention and early intervention. We provide occupational therapy, physical therapy. We provided parenting classes. Also for our deaf and hard of hearing children, their families, we provide sign language classrooms for these children as well. You would be very proud of what they are able to accomplish when they are with us.

I will tell you that this is also a personal story. My own brother who was born before IDEA was passed was a recipient of services at TC McDaniel. He is now in
his mid-50s and because of the services that he received at TC McDaniel Early Learning Center, he was able to put on a trajectory to be able to live semi-independently with a lot of support, but this is a facility that is 50 years old and has not had a lot of upgrades in the meantime.

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

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

It seems unfathomable today that we are having to carry children in wheelchairs down steps during an emergency, but that is the reality. This facility does not
even meet CDE's safety standards and this facility is in desperate need of an upgrade.

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

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

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

The answer is we tried. We made every effort to do so desperately to complete everything in time. The first round happened in December of 2017, four years after we had applied. So our DSA plans had expired. Construction costs had exploded and so a full redesign was necessary. There was zero chance that we could have
redesigned our project and received DSA approval before fall of 2018.

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

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

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

The PIF regulations simply do not work for a County Office of Education serving children, with moderate to severely disabled children such as ours. Never would I
have imagined that children in 2019 would be using the same outdated facilities that my brother Alex was in in 1974.

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

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

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

On that, you know, obviously when we look at things in the aggregate, it sounds as though you're suggesting this may be a problem for other financial hardship projects, but many of them have been successful and we know that. So I really just want to be careful to speak so globally when what we know for a fact is the way our funding works which may need to be reformed in the future in future bonds, but that there are folks for whom
this has worked. They've managed to comply. They've managed to get it in on time.

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

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

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

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

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

MS. MILLER: Um-hmm.

MR. LENNOX: But at the time that this project went through, it wasn't clear until the Board took a vote in June of 2017, several months before the PIF process started for Solano, that they would be going through the
full list as they did. There was some question of whether all the districts would reapply. That clarity has been established, you know, subsequently.

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

The issue is what we do vis-à-vis the rest of the entire state and that's always the tradeoff unfortunately. And then I just -- you know, I think some of the delays that we've seen from all the details from the staff going back and looking at it, it does appear that there are some local choices that have been made in terms of the project on the campus you're talking about that actually aren't -- that are unrelated with actual construction projects.

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

ASSEMBLYMEMBER O'DONNELL: Madam Chair.

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

ASSEMBLYMEMBER O'DONNELL: I'm just going to jump
in here.

MS. MILLER: Yes.

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

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

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

So have there been -- have you taken a look at your own organization -- and again, I don't want to put this solely on you because my understanding is you're newer
there -- to ensure that we won't be back here in the same
situation in a year, two, three, 18 months.

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

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

MS. ESTRELLA-HENDERSON: Yes.

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

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

ASSEMBLYMEMBER O'DONNELL: -- and that's --

but --

MS. ESTRELLA-HENDERSON: I'm sorry.

ASSEMBLYMEMBER O'DONNELL: Same motherland,
different people.

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

ASSEMBLYMEMBER O'DONNELL: Right.
MS. MILLER: I find it a compliment for both of them.

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

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

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

MS. ESTRELLA-HENDERSON: Yes.

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

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

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

ASSEMBLYMEMBER O'DONNELL: Thank you.

MS. ESTRELLA-HENDERSON: Thank you very much.
MS. MILLER: Are there any other questions?

Senator Leyva.

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

MS. MILLER: Great.

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

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

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

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

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

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

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

MS. MILLER: The Board -- the committee can -- do
ASSEMBLYMEMBER O'DONNELL: I just want to clarify the timeline here.

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

ASSEMBLYMEMBER O'DONNELL: So you can do 12?

MR. LENNOX: 12.

MS. ESTRELLA-HENDERSON: Yes.

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

SENATOR LEYVA: So the motion will be 12 months.

MS. MILLER: Okay. Thank you.

ASSEMBLYMEMBER O'DONNELL: I'll second.

MS. MILLER: Seconded by Mr. O'Donnell. Any other public comment? Any other questions from the committee? No. Looking down the barrel of $700 million, I can't support it, although I understand (indiscernible). So, Ms. Jones, can you call the roll, please.
MS. JONES: Senator Wilk.
SENATOR WILK: Aye.
MS. JONES: Senator Leyva.
SENATOR LEYVA: Aye.
MS. JONES: Senator Roth.
SENATOR ROTH: Aye.
MS. JONES: Assemblymember O'Donnell.
ASSEMBLYMEMBER O'DONNELL: Aye.
MS. JONES: Assemblymember Cunningham.
ASSEMBLYMEMBER CUNNINGHAM: Aye.
MS. JONES: Juan Mireles.
MR. MIRELES: Aye.
MS. JONES: Cesar Diaz.
MR. DIAZ: No.
MS. JONES: And Gayle Miller's no.
MS. MILLER: No.
MS. JONES: That motion does carry.
MS. MILLER: But we'll still wait for Mr. Kim.
MS. JONES: And that's fine. Thank you.
MS. MILLER: Great. Thank you.
MS. ESTRELLA-HENDERSON: Thank you very much for your time. I appreciate it.
Mr. O'Donnell, you'll be happy to know that we don't have any public comment. If there's anyone that has any public
comment on Item 7, if you could please let Ms. Jones know right away. Thank you.

Okay. Go ahead, Ms. Silverman.

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

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

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

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

So again, I know we did hear a lot of concerns
from the stakeholders and a lot of interested parties. So we wanted to present some stakeholder meetings and talk about how we can change that.

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

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

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

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

We also had a conversation about different scenarios. That was raised in the second stakeholder -- first stakeholder meeting, by moving the town codes to suburban to rural, but distribute the funding proportionately by the number of applications received by locale code and then again, still go with the funding order by the highest score and by locale code.
We had the conversation also on scenario two, was
to distribute the funds by service regions and also by high
school enrollment, and again, service region, locale, and
the highest score. Scenario three was the funding
application by the highest score only and not even consider
locale codes at all and scenario four was move town codes
to suburban to rural and again, following the model of the
service region, by high school enrollment, and then service
region, locale code, and the highest score.

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

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

And that it would also equally distributed a
higher portion of applications would have been considered
in that rural category. So the clear take-away from the stakeholder meeting was to consider moving the town area locale code to suburban to rural and again, that's the recommendation that staff has at this point in time for regulatory amendments and we're seeking Board approval for that and also propose regulatory amendments to be adopted for the current open cycle.

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

So in summary, keep it short.

MR. BAREILLES: How about 15 seconds.

MS. MILLER: Okay. Deal.

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

MS. MILLER: Great. Thank you.

MR. GODLA: Steve Godla from Del Norte. We're
even more rural than Humboldt. There's less than 30,000 people in our county and the high school is classified as suburban.

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

MR. DIAZ: So move.

MS. MILLER: Moved by Mr. Diaz.

MR. MIRELES: Second.

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

MS. JONES: Senator Wilk.

SENATOR WILK: Aye.

MS. JONES: Senator Leyva.

SENATOR LEYVA: Aye.

MS. JONES: Senator Roth.

SENATOR ROTH: Aye.

MS. JONES: Assemblymember O'Donnell.

ASSEMBLYMEMBER 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: Aye.

MS. JONES: Gayle Miller.

MS. MILLER: Aye.

MS. JONES: And that motion carries.

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

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

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

Thank you.

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

ASSEMBLYMEMBER CUNNINGHAM: Aye.

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

MR. KIM: Aye.

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

ASSEMBLYMEMBER CUNNINGHAM: Not voting.
MS. JONES: Okay. Thank you. And, Daniel Kim, how do you vote on the Consent Calendar.

MR. KIM: Aye.

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

MR. KIM: Nay.

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

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

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