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CALIFORNIA STATE ALLOCATION BOARD
PUBLIC MEETING
(TELECONFERENCE)

ZIGGURAT BUILDING
707 3RD STREET, 8TH FLOOR
BOARD ROOM 8-100
WEST SACRAMENTO, CALIFORNIA 95605

DATE: WEDNESDAY, MAY 27, 2020
TIME: 4:04 P.M.

Reported By: Peter Petty
eScribers

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APPEARANCES:

MEMBERS OF THE BOARD PRESENT:

GAYLE MILLER, Chief Deputy Director, Policy, Department of Finance

DANIEL KIM, Director, Department of General Services

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 PATRICK O'DONNELL

ASSEMBLYMEMBER JORDAN CUNNINGHAM

ASSEMBLYMEMBER AUTUMN BURKE

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

P R O C E E D I N G S

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MS. MILLER: It looks like we are okay to get it started. Thank you, everyone, for joining us. We're going to call the meeting of the State Allocation Board to order. Pursuant to Governor Newsom's Executive Order N-25-20 issued on March 12th, 2020, a lifetime ago, this meeting is being conducted by way of a teleconference. The meeting is being physically webcast from Room 8-100 in the Ziggurat Building in West Sac. for anyone who would like to provide public comment in person.

In order for this meeting to run efficiently, please note the following guidelines. All participants will be muted during the meeting. If any Board member or the public would like to make a comment, please use the raise hand feature in the Zoom meeting interface and we will call your name at the appropriate time.

So for those of you that haven't used Zoom before, if you go to the bottom of your screen or wherever your toolbar is and you hit participant, in that you can see a raised hand. So you can see that I just raised my hand and then I can lower my hand the same way. So -- and that way we know if you want to talk.

If you are calling into the meeting and not using a computer or the Zoom application on a mobile device, you

1 will be unable to provide public comment, so if you're able
2 to please call and use the Zoom interface so that we can
3 call on you when appropriate.

4 So first, Ms. Jones, if you could please call the
5 roll so we can establish a quorum.

6 MS. JONES: Good. I will. Thank you. Senator
7 Wilk.

8 SENATOR WILK: Here.

9 MS. JONES: Senator Leyva.
10 Senator Roth.

11 Assemblymember O'Donnell.

12 ASSEMBLYMEMBER O'DONNELL: Here.

13 MS. JONES: Assemblymember Cunningham.
14 Assemblymember Burke.

15 ASSEMBLYMEMBER BURKE: Here.

16 MS. JONES: Thank you. Juan Mireles.

17 MR. MIRELES: Here.

18 MS. JONES: Daniel Kim. I know he's there.

19 MS. MILLER: Yeah, but he has to --

20 MS. JONES: Dan.

21 MS. MILLER: You're muted.

22 MR. KIM: Yeah, Kim's here.

23 MS. JONES: Thank you, Dan.

24 Gayle Miller.

25 MS. MILLER: Here.

1 MS. JONES: We have a quorum.

2 MS. MILLER: Thank you, Ms. Jones. We have a
3 quorum. Now, we're going to move to the Minutes, please,
4 that are on pages 1 to 10 of your packet. Are there any
5 public comments on the Minutes? I'm making sure I don't
6 see any raised hands. May we have a motion, please, for
7 approval of the minutes.

8 MR. KIM: Motion to approve.

9 MS. MILLER: Moved by --

10 ASSEMBLYMEMBER BURKE: Second.

11 MS. MILLER: -- Mr. Kim. Seconded by Ms. Burke.
12 Ms. Jones, will you call the roll, please.

13 MS. JONES: Certainly. Senator Wilk.

14 SENATOR WILK: Aye.

15 MS. JONES: Assemblymember O'Donnell.

16 ASSEMBLYMEMBER O'DONNELL: Aye.

17 MS. JONES: Assemblymember Burke.

18 ASSEMBLYMEMBER BURKE: Aye.

19 MS. JONES: Juan Mireles.

20 MR. MIRELES: Aye.

21 MS. JONES: Daniel Kim.

22 MR. KIM: Aye.

23 MS. JONES: Gayle Miller.

24 MS. MILLER: Aye. Thank you. The Minutes are
25 adopted. Next --

1 MS. JONES: Excuse me. Chair, would --

2 MS. MILLER: Yes.

3 MS. JONES: -- you like me to leave it open in
4 case we get additional members?

5 MS. MILLER: Oh, yes, please, Ms. Jones. Thank
6 you. We'll leave that open until -- and see if we get a
7 couple more members that we were expecting to join.

8 Ms. Silverman, can we move to the Executive
9 Officer's Statement, please.

10 MS. SILVERMAN: Yes. So we're happy to share
11 tonight that part of the agenda is an action -- is for the
12 priority funding apportionments. So that means nearly
13 \$812 million are available for cash -- to cash your
14 projects in, which is great news. So that's 266 projects
15 as part of the action items in the agenda and with that,
16 just to mind folks that there is timelines associated with
17 accessing your cash. So you have until August 25th to come
18 in with your funding release documentation.

19 So the next item we wanted to share is the time
20 extension request. The Board adopted emergency regulations
21 and we obviously extended out some timelines associated
22 with the program related to the priority in funding and
23 also other general extensions related to the program.

24 If districts are having some challenges meeting
25 our deadlines or timelines associated, so far we've

1 extended the timelines for 67 districts. So I know on the
2 report itself it says 61, but we had 67 districts come in
3 for those extensions. So that's great.

4 We actually turned those around and about a
5 quarter of those extensions related to processing the grant
6 applications. I would say on the most part there are about
7 two to three weeks' extension requests associated with
8 processing timelines, and we've been working with districts
9 very closely to ensure that their project is -- doesn't
10 stall.

11 So -- and we'll catch up with some of those
12 districts and bring them to the June Board or the August
13 Board, but again, we're happy that this process is still
14 working and we're working with districts on their
15 timelines.

16 And the next item we wanted to share were the
17 priority funding round opened and if you have an unfunded
18 approval that was approved from January 1st all the way
19 through the end of August, August 25th, you actually will
20 have an opportunity to submit a certification during the
21 open certification round. So that is opened May 13th and
22 that's extended to August 28th.

23 So we'll remind folks as we have other projects
24 moving forward and we'll send out reminders to those
25 districts to join us in the fall bond sale. So it's really

1 critical that we get these certifications in so they'll be
2 eligible for the fall.

3 And our next meeting's June 24th and we look
4 forward to doing that via Zoom.

5 MS. MILLER: Great. Thank you, Ms. Silverman.
6 And just as a heads-up, the rooms in the capitol and other
7 rooms, because of the social distancing limits, are
8 restricted which is why we're going to continue meeting by
9 Zoom. So we appreciate your patience.

10 Ms. Jones, Senator Leyva is here.

11 MS. JONES: Great.

12 MS. MILLER: And then, Senator, do you vote on
13 the Minutes?

14 SENATOR LEYVA: Yes, please.

15 MS. JONES: How do you vote --

16 MS. MILLER: How do you vote on the Minutes?

17 SENATOR LEYVA: Aye.

18 MS. MILLER: How do you vote -- oh, aye. Thank
19 you.

20 SENATOR LEYVA: Sorry.

21 MS. MILLER: Thank you. We'll continue to leave
22 that open until we get Mr. Cunningham who's joining us
23 today too. Are there any public comments on the Executive
24 Officer's Statement? It's nice to have some good news.

25 Okay. I don't see any public comment. So we

1 will go onto our Consent Agenda, please, Ms. Silverman.

2 MS. SILVERMAN: The Consent Agenda is ready for
3 your approval, and just to highlight, there's 91 -- excuse
4 me -- \$91 million in unfunded approvals for 28 projects.
5 So that's great news and a couple closeouts. So with that,
6 we'll have that ready for your approval.

7 MS. MILLER: Great. Good work on that. Are
8 there any public comments on the Consent Agenda? Seeing
9 none, is there a motion and a second on the Consent Agenda?

10 SENATOR LEYVA: So moved.

11 MR. MIRELES: Second.

12 MS. MILLER: Moved by Assemblymember Leyva.
13 Seconded by Mr. Mireles. Ms. Jones, will you call the
14 roll, please.

15 MS. JONES: Senator Wilk.

16 SENATOR WILK: Aye.

17 MS. JONES: Senator Leyva.

18 SENATOR LEYVA: Aye.

19 MS. JONES: Assemblymember O'Donnell.

20 ASSEMBLYMEMBER O'DONNELL: Aye.

21 MS. JONES: Assemblymember Burke.

22 ASSEMBLYMEMBER BURKE: Aye.

23 MS. JONES: Juan Mireles.

24 MR. MIRELES: Aye.

25 MS. JONES: Dan Kim.

1 MR. KIM: Aye.

2 MS. JONES: Gayle Miller.

3 MS. MILLER: So we will leave that open as well
4 to see if Mr. Cunningham joins. Any -- and we'll move on
5 now to the Financial Reports, please.

6 MS. SILVERMAN: Yes. So on page 72, we just
7 wanted to share with the Board we've been taking a lot of
8 documentation electronically, which is great. We actually
9 had \$12 million move as a result of the fund release
10 requests. Additionally -- and I did share with you -- as a
11 part of the action item taken on page 74 and 75 was the
12 91 -- over \$91 million in consent that's also tucked in
13 that approval as well.

14 And to that extent, I'm open to any questions.

15 MS. MILLER: Great. Thank you. Are there any
16 questions from the Board? Any public comment on those?
17 Seeing none, thank you very much for that, Ms. Silverman.

18 Okay. So we will now move -- the next item that
19 Ms. Kampmeinert will introduce for us from Lompoc Unified
20 in Santa Barbara, and I do want to alert Lompoc that we
21 missing a couple members. Do you want us to move -- I see
22 a few folks on. I just want to make sure that you get the
23 most members possible. We're missing one member,
24 Mr. Cunningham. Do you want us to move you to the end of
25 the agenda to see if he is able to join?

1 I don't mean to call on you, Mr. Karbula, but
2 you're the only one I see from Lompoc on my screen. Would
3 you like us to wait and see if Mr. Cunningham is able to
4 join or do you want to go ahead and get started now?

5 DR. KARBULA: No. My superintendent and Doug
6 Sorum, my maintenance and operation member, are present. I
7 hate to speak for my superintendent, but I do believe we'd
8 like to maximize our opportunity. We know it takes a
9 certain number of votes. If you --

10 MS. MILLER: Yeah. I apologize. Oh, there you
11 are, Mr. Sorum. I'm sorry I didn't see you. Did you want
12 to wait until the end of our agenda to see if
13 Mr. Cunningham comes?

14 MR. SORUM: That's quite all right. I will agree
15 with Dr. Karbula. We want to maximize our chance here, and
16 so I suggest that we move to the end of the Consent Agenda.

17 MS. MILLER: Okay. So we're going to go ahead
18 and move you to the end of the agenda, so you'll wait just
19 a little bit longer, and with that, we will move to the
20 Porterville Unified/Tulare appeal and we will come back to
21 Lompoc. Is that okay, Ms. Silverman?

22 MS. SILVERMAN: Yeah. Let's do that.

23 MS. MILLER: Okay.

24 MS. SILVERMAN: So on page 170, we wanted to
25 highlight to the Board that we did receive an application

1 for funding related to Porterville Unified's request for
2 new construction and that was for 11 classrooms, 2
3 kindergarten classes and 9 one through six classrooms. And
4 they were eligible for funding at the time they submitted
5 their application back in March of 2016, although that was
6 a unique environment we were in because at the time we
7 didn't have bond funding and then again projects were
8 placed on the acknowledged list, and when districts were
9 submitting their projects and we didn't have bond
10 authority, there was also some (indiscernible) with their
11 project that they had a Board approval -- a resolution
12 sharing that there was no commitment of future funds.

13 So with that, we actually started processing
14 their app back in May of 2019 and this is obviously after
15 Prop. 51 was enacted. And the district did submit an
16 updated eligibility related to their application and that
17 reflected a 2018-'19 enrollment.

18 And so at the time we were reviewing their
19 application, that enrollment did reflect a negative
20 eligibility for their project. So as a result, we were --
21 we actually sent the district their application back
22 because it didn't justify the application in itself.

23 The district -- back in June of 2017, the Board
24 took a position that with the new applications that were
25 taken onto the workload list that it did require an updated

1 eligibility as a result during that processing.

2 The district did appeal that in January of 2020.

3 So to that extent, we were working with the district on
4 their appeal. They actually did provide us updated
5 eligibility which is great news. We're happy that that
6 eligibility for the '19-'20 enrollment did reflect a
7 positive eligibility and enough eligibility to actually
8 support their application.

9 So I wanted to get your attention on page 174 and
10 we just -- here's a demonstration or a chart on the swings
11 in the eligibility for their K-6 grant, just a reflection
12 of the dip, but then it also surged with the '19-'20
13 update. So that's great news for the district and we just
14 want to show -- also share with the Board Attachment C,
15 there's a history of the Board's actions taken as a result
16 of these updated eligibility requests as we processed
17 applications.

18 There was actually three requests that were
19 approved by the Board using the current eligibility. The
20 most recent one was McFarland in December of 2019.

21 There was actually one item that actually did
22 result in not approving -- the Board didn't approve their
23 enrollment and the district at the time didn't want to use
24 their updated eligibility, but they wanted to use that
25 current enrollment eligibility at the time they submitted

1 their app.

2 So at this time, we're seeking -- staff supports
3 the current enrollment projection for the '19-'20 year and
4 we're seeking -- we have the support and we're seeking
5 Board approval.

6 MS. MILLER: Great. Thank you very much,
7 Ms. Silverman. Are there any questions from the Board on
8 this request?

9 SENATOR LEYVA: So moved.

10 ASSEMBLYMEMBER O'DONNELL: Second.

11 MS. MILLER: Moved by Senator Leyva. I'm sorry.
12 Who seconded it?

13 ASSEMBLYMEMBER O'DONNELL: O'Donnell.

14 MS. MILLER: Seconded by Mr. O'Donnell. Any
15 additional public comment. Porterville's on the phone if
16 anyone has questions, but there's no need to
17 (indiscernible). Nothing, right? Michael? No one's
18 raising their hands, right?

19 UNIDENTIFIED SPEAKER: No, nothing
20 (indiscernible).

21 MS. MILLER: Okay. Great. All right.
22 Ms. Jones, will you call the roll, please.

23 MS. JONES: Certainly. Senator Wilk.

24 SENATOR WILK: Aye.

25 MS. JONES: Senator Leyva.

1 SENATOR LEYVA: Aye.

2 MS. JONES: Assemblymember O'Donnell.

3 ASSEMBLYMEMBER O'DONNELL: Aye.

4 MS. JONES: Assemblymember Burke.

5 ASSEMBLYMEMBER BURKE: Aye. Can you hear me?

6 Aye.

7 MS. JONES: Yes. Thank you. Juan Mireles.

8 MR. MIRELES: Aye.

9 MS. JONES: Dan Kim.

10 MR. KIM: Aye.

11 MS. JONES: Gayle Miller.

12 MS. MILLER: Aye. And again, we have enough
13 votes, but we will keep that open as well. Thank you,
14 Ms. Jones. Okay. Moving on, we are now going to priority
15 funding for school construction apportionments.

16 MS. SILVERMAN: So on page 181, just want to
17 highlight to the Board that we're excited again about the
18 priority apportionments as a result of the bond sale. So
19 we're introducing 266 projects for your approval.

20 With that, we just wanted to highlight to the
21 Board and also acknowledge that the districts that they do
22 receive their apportionments, but there's also several
23 conditions and we want to acknowledge those conditions as a
24 result.

25 So the district, once they are approved for the

1 appportionment, they have 90 days to submit their fund
2 release request for the date of the appportionment and
3 failure to submit that within the 90 days could rescind
4 that approval. And once they have two strikes, meaning
5 that they didn't perfect on a prior appportionment, then
6 their project will be automatically rescinded.

7 Also just a condition that the fund release
8 requests are due August 25th. So again let's be -- we're
9 going to be mindful of the timeline. So we'll be giving
10 districts regular updates about coming in for their program
11 cash.

12 And again, we just wanted to highlight that you
13 have to submit your grant agreement as a condition of your
14 appportionment as well. So with that, we just wanted seek
15 the Board's approval for Attachment B for the
16 \$811.7 million in project approvals as part of the
17 recommendation and a second recommendation (indiscernible)
18 that all applications receiving appportionments are subject
19 to the new construction grant adjustment pursuant to
20 Education Code 17072.11(b) and are not considered full and
21 final until the Board has made the adjustment.

22 And with that, we're seeking your approval.

23 SENATOR ROTH: So moved.

24 MS. MILLER: Thank you. Moved by Senator Roth.

25 MR. MIRELES: Second.

1 MS. MILLER: Seconded by Mr. Mireles. Any
2 questions or public comment at all? Seeing none,
3 Ms. Jones, can you call the roll, please.

4 MS. JONES: Yes, I will. Thank you.
5 Senator Wilk.

6 SENATOR WILK: Aye.

7 MS. JONES: Senator Leyva.

8 SENATOR LEYVA: Aye.

9 MS. JONES: Assemblymember O'Donnell.

10 ASSEMBLYMEMBER O'DONNELL: Aye.

11 MS. JONES: Assemblymember Burke.

12 ASSEMBLYMEMBER BURKE: Aye.

13 MS. JONES: Juan Mireles.

14 MS. MILLER: We couldn't hear you, Juan.

15 MR. MIRELES: Aye.

16 MS. MILLER: Thank you.

17 MS. JONES: Thank you. Dan Kim.

18 MR. KIM: Aye.

19 MS. JONES: Gayle Miller.

20 MS. MILLER: Aye. So we will keep that open as
21 well for our last member. Next we'll move to the proposed
22 regulations for facility hardship. We appreciate your
23 patience on this item and all of OPSC's work on this. It's
24 been great. Ms. Kampmeinert.

25 MS. KAMPMEINERT: Yeah. Thank you. We have for

1 your consideration proposed regulations including a new
2 form for the facility hardship program. And this is a
3 health and safety program and we've had this program around
4 throughout the life of the school facility program.

5 And we have, in the last few years, realized that
6 there are some challenges with administering the program's
7 areas where we wanted to clarify things in regulations and
8 basically just kind of take a look at the program and
9 basically restructure it to make it a little more user
10 friendly and address some of the funding gaps that we have
11 started to see.

12 So in January of this year, so beginning of this
13 year, we held some stakeholder meetings to discuss the new
14 format for the regulations and some of the changes and we
15 want to thank all of the stakeholders that did participate.
16 We got a lot of feedback and that was very helpful to us in
17 shaping the regulations and we were able to incorporate the
18 majority of the feedback that we did receive from
19 stakeholders.

20 And then we had drafted an item for the Board's
21 consideration around February. So this item is largely the
22 same as what was published to the February meeting, but we
23 did receive some additional feedback from stakeholders in
24 the last few months that has been incorporated as well.

25 On page 1 -- excuse me -- 517 of the agenda, we

1 have a chart that highlights some of the more notable
2 changes to the program. One thing you'll notice is just
3 the entire restricting of the program regulations and that
4 was to make it easier for folks to understand what you need
5 to do to apply for this particular type of funding and to
6 fully explain what the funding model looks like. So that's
7 why the changes look so big because we've taken the
8 original program concepts and made them in a format that is
9 a little bit easier to understand.

10 But some of the other things that we have done --
11 one of them more noteworthy, for these projects -- for the
12 health and safety projects, we were noticing that a lot of
13 districts were struggling to get their rehabilitation
14 projects in the cost allowances that the program had
15 historically provided which were done at an -- what's
16 called an F2 level of difficulty.

17 So we had been working with the Sierra West group
18 to -- they provide our cost estimating tools and looking at
19 the level of difficulties and what we are proposing is that
20 rather than fund at a F2 level, we take these projects to
21 an F3 level of difficulty which results in additional
22 funding for each of the cost estimates. That seems to be
23 more in line with what districts are experiencing in these
24 critical projects that have to be done and don't always
25 follow the nice time schedule when you can plan for health

1 and safety issues. You just kind of have to get them done.

2 So we've increased the funding to that level and
3 then also we have added some consistency to ensure that all
4 projects are able to receive the supplemental grants that
5 are otherwise provided in the program. There were some
6 areas in the regulations where it was unclear if certain
7 types of projects qualified for particular grants. So we
8 have aligned all of that.

9 Also for the first time, we have included some
10 language on portable buildings because upon occasion we do
11 get applications where portable buildings have health and
12 safety issues and the way the regulations existed
13 previously or as they exist now, it's very difficult to
14 qualify for portables because the funding level is really
15 aimed at permanent construction.

16 But we wanted to ensure that there was a
17 mechanism to allow districts to address anything coming up
18 in those types of buildings as well. So there's a new
19 threshold where it determines whether we fix the portable
20 classroom or whether funding is provided for replacement of
21 the portable classroom because sometimes that just makes
22 more sense. So that's in the regulations as well.

23 I also wanted to highlight that the regulations
24 now include the ability for school districts to choose how
25 they use their funding.

1 So as the Board has seen over the past couple of
2 years, we've had a number of appeals where districts have
3 qualified to replace their facilities under the program,
4 but circumstances at the local level make it so that's
5 maybe not the direction the district wants to go down.

6 Maybe the replacement funding that the State is
7 offering is not going to be sufficient for what they'd like
8 to do and maybe it's just a building that they would prefer
9 to keep due to its construction type, so they'd really like
10 to rehabilitate it.

11 In these regulations, there is now the option
12 without an appeal for a district to choose to use
13 replacement funding for rehabilitation work. So that is --
14 that should help streamline the process for those types of
15 applications.

16 We also wanted to point out that for classrooms
17 that are demolished or replaced, we have allowed for
18 districts to qualify for replacement of these facilities
19 and for purposes of not having enough pupils necessarily to
20 get the replacement funding because you don't need all the
21 classrooms, we're not going to hold those classrooms
22 against you from an eligibility perspective. So they come
23 off your baseline if they can no longer be used for K-12
24 purposes.

25 We also have included some language about timing

1 of when applications can be submitted to ensure that we are
2 keeping with the intent of addressing imminent health and
3 safety needs as opposed to projects that may have been
4 completed ten or more years ago. We did get some great
5 stakeholder feedback on that about allowing sort of a grace
6 period if something unusual pops up for the district where
7 the application cannot be submitted in the new timelines.

8 We thought that was a good idea. So if the
9 district demonstrates unusual circumstances, then OPSC will
10 have the ability to still accept the application and
11 process it.

12 And we also have included a standard format for
13 the cost estimate. This should help districts understand
14 how to apply to the program and know what dollar amounts to
15 use. The cost estimate format will be required and it is
16 using values from the Sierra West Cost Estimating book.

17 In the event that something is not listed in that
18 book, there is the option for the district to still include
19 that particular line item material, action, whatever it is
20 and then provide supporting documentation for that cost.

21 We also wanted to note that -- I'm going to move
22 down to page 520 and we have had an increase in projects
23 that have had mold mitigation. We have included some
24 regulations there to outline a little bit about what needs
25 to be done if you're submitting an application for mold

1 mitigation.

2 Because that's a relatively new area for the
3 program, we have found that it's very helpful to talk to
4 school districts about potential (indiscernible) of funding
5 applications. So we've included a requirement that you
6 reach out to OPSC so that we can do a site visit, whether
7 that's in person or virtual through one of these types of
8 platforms like Zoom.

9 That way we are able to go out and talk to the
10 district and help in the planning stages because we've had
11 a couple cases where the mold's been mitigated before we
12 had a chance to talk about funding impacts and it may have
13 led to different decisions from the district's standpoint.

14 So that is included as well.

15 I do want to clarify it's not the intent that
16 OPSC staff will be entering any buildings that are declared
17 unsafe. We really just want to have a meeting with the
18 district and get an idea of the magnitude of the issue.

19 And then going down page 523, I would point out
20 that there's a chart of all of the different things that we
21 received from stakeholders that were incorporated into the
22 regulations.

23 Like I mentioned earlier, we did get a lot of
24 really helpful feedback. So that is all incorporated.

25 There are a few items listed on page 525 and 526

1 that we did receive comments from stakeholders. The
2 majority of these were worked through with the folks that
3 were requesting the changes, but they are the areas that we
4 did not incorporate for various reasons and I can go into
5 detail on that if anybody has specific questions, but --
6 and then also we have included a few technical edits just
7 to align the regulations in other sections.

8 We are actually very excited about these
9 regulations. We think this is going to be a great change
10 for the program. We tend to see an uptick in these type of
11 applications when we are running out of bond authority. So
12 this is going to be very helpful in providing clarity.

13 We are recommending that the Board adopt the
14 regulations and allow us to file them on an emergency basis
15 so that we can get these in place as soon as possible and
16 that will allow districts that are contemplating a facility
17 hardship application now to make a decision about whether
18 they want to go forward now or if they want to wait until
19 these regulations take effect so that they can take
20 advantage of the higher cost allowances for the
21 rehabilitation projects or for some of the other additional
22 grants that have been added.

23 And -- yeah. And really the intent is just to
24 make it easier to understand and ensure that we're aligning
25 with the intent of the statute and provide costs in

1 alignment with what districts are facing. And I would be
2 happy to answer any questions.

3 MS. MILLER: Thank you, Ms. Kampmeiner.

4 SENATOR LEYVA: -- motion to approve.

5 MS. MILLER: Thank you, Senator Leyva. Any
6 questions. Mr. O'Donnell, was that you seconding or a
7 question?

8 ASSEMBLYMEMBER O'DONNELL: I'll second.
9 O'Donnell second.

10 MS. MILLER: Great. Thank you, Mr. O'Donnell.
11 Any questions or any public comment? Just a huge shout-out
12 to the staff. This was an incredible amount of work and
13 really incorporated a lot of input from a lot of different
14 people. So thank you very much, Ms. Kampmeiner and
15 Ms. Silverman and your entire team.

16 Having a regulation like this go without
17 controversy is a huge deal. So thank you for that.

18 So we have a motion by Senator Leyva, a second by
19 Mr. O'Donnell. Ms. Jones, will you call the roll, please.

20 MS. JONES: I sure will.

21 Senator Wilk.

22 SENATOR WILK: Aye.

23 MS. JONES: Senator Leyva.

24 SENATOR LEYVA: Aye.

25 MS. JONES: Assemblymember O'Donnell.

1 ASSEMBLYMEMBER O'DONNELL: Aye.

2 MS. JONES: Assemblymember Burke.

3 ASSEMBLYMEMBER BURKE: Aye.

4 MS. JONES: Juan Mireles.

5 MR. MIRELES: Aye.

6 MS. JONES: Dan Kim.

7 MR. KIM: Aye.

8 MS. JONES: Gayle Miller.

9 MS. MILLER: Aye. Mr. Cunningham, that was
10 perfect timing. We were waiting for you to hear the Lompoc
11 appeal, but first, can we just go through and make sure
12 that you're added onto all the different items we've
13 already voted on. We kept the roll open for you.

14 Okay. Why don't we do the Minutes first, please,
15 Ms. Jones.

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

18 ASSEMBLYMEMBER CUNNINGHAM: Aye.

19 MS. JONES: Okay. How about the Consent
20 Calendar.

21 MS. MILLER: Let me just -- the Minutes are
22 adopted. Okay. Now Consent, please.

23 MS. JONES: Consent Calendar?

24 ASSEMBLYMEMBER CUNNINGHAM: Aye.

25 MS. MILLER: Calendar is adopted.

1 MS. JONES: Porterville Unified, the appeal item?

2 ASSEMBLYMEMBER CUNNINGHAM: Aye.

3 MS. JONES: Thank you.

4 MS. MILLER: Porterville appeal is adopted.

5 MS. JONES: Priorities in school construction
6 funding, the apportionments, how do you vote on that?

7 ASSEMBLYMEMBER CUNNINGHAM: I got muted for a
8 second. I am not voting on that as to avoid the appearance
9 of a conflict.

10 MS. JONES: Okay.

11 MS. MILLER: So the apportionments are adopted.

12 MS. JONES: Are you abstaining then?

13 ASSEMBLYMEMBER CUNNINGHAM: Yes.

14 MS. MILLER: Yes, Mr. Cunningham is --

15 MS. JONES: Yes. Okay. I just want to make
16 sure.

17 MS. MILLER: Thank you.

18 MS. JONES: And then our last item we just heard
19 was for the facility hardship and seismic mitigation
20 program regulations. How do you vote?

21 ASSEMBLYMEMBER CUNNINGHAM: Aye.

22 MS. JONES: Thank you.

23 MS. MILLER: Those regulations are adopted.

24 Thank you. So with that, we have one item left before we
25 adjourn and that is the Lompoc Unified appeal, so, Mr.

1 Sorum, I think I'm going to hand it over to the staff and
2 then if you guys just all want to get prepared to make some
3 comments to the Board, we want to make sure you get a full
4 time to appear and appeal before the Board.

5 So, Ms. Kampmeinert, can you start us off,
6 please.

7 MS. KAMPMEINERT: Yes. Absolutely. The Lompoc
8 appeal starts on page 94 of the agenda today and this is
9 the request from the district for financial hardship status
10 under other evidence for a full-day kindergarten facilities
11 grant program application that was submitted for the Arthur
12 Hapgood Elementary School site.

13 And just a little background. In the full-day
14 kindergarten facilities grant program, the statute outlines
15 that there is priority provided to applications from
16 districts that have -- that meet the qualifications for
17 financial hardship status as well as those districts that
18 have a high percentage of students that qualified for free
19 and reduced priced meals.

20 And in the event that the program is
21 oversubscribed where we have more applications than
22 funding, these points are used to help determine which
23 applications are funded and in which order.

24 The district requested consideration for
25 financial hardship status for this application and I will

1 note that the points associated with the financial hardship
2 status do make the determination as to whether or not the
3 application will be funded.

4 However, the district did not meet the
5 administrative criteria for approval as outlined on
6 page 96. So what we can show you here on page 96 in the
7 blue chart, there are things outlined in statute and
8 regulation that would allow us at the staff level to grant
9 the financial hardship status, including whether the
10 district has a bonding capacity of less than 5 million. If
11 that's the case, there's an automatic review for financial
12 hardship status.

13 In this case, the district's total bonding
14 capacity is at 130 million. Another path would be if the
15 district's bonded indebtedness is at least 60 percent. In
16 this case, the district is at 17 percent which is below the
17 threshold.

18 And then the third criteria is if the district
19 has passed a Proposition 39 bond within the two previous
20 years and the keyword there is passed and the district has
21 been unable to pass a local bond in the past two years. So
22 they did not meet any of the administrative criteria.

23 Therefore, we, at the staff level, denied the
24 financial hardship status.

25 As part of the appeal request, the district has

1 provided information related to the recent attempts to pass
2 bonds at the local level and we have included that as a
3 chart on page 95 and they actually -- it's unfortunate, but
4 they got very close back in 2018. We were just a couple
5 percentage points away from passing the bond.

6 However, the attempts to pass a bond isn't the
7 qualifier in the statute and regulations. It's actually
8 having done so.

9 We do note that the district has tried. However,
10 we don't feel that this is sufficient evidence in this case
11 to qualify under the other evidence criteria.

12 There are some concerns that this would serve as
13 a disincentive for local communities to pass bonds if
14 financial hardship is seen as the backstop if a bond does
15 fail, and we believe that this is contrary to what the
16 statute for financial hardship intends.

17 And this also, in our opinion, becomes an equity
18 issue with the other applicants for the full-day
19 kindergarten facilities grant program. Because the statute
20 does outline that financial hardship status was one of the
21 things that are prioritized in the program, we have a
22 number of applicants that are not receiving funding because
23 they don't meet that criteria and they don't have a high
24 enough percentage of students receiving the free and
25 reduced meals.

1 So we're seeing that the district in sort of the
2 same category as the rest of those districts and we don't
3 know that it would be fair to provide the financial
4 hardship other evidence.

5 We do note that the district has provided some
6 information as well about the status and the condition of
7 the facilities throughout the district and those are
8 included with the district's appeal documents in the agenda
9 with the photographs and we acknowledge that there is a
10 large amount of facilities work that needs to be done
11 throughout the district.

12 However, we would point out that while there's
13 work that needs to be done, the financial hardship status
14 that's being requested today would not address the needs of
15 those other facilities because it would relate only to the
16 full-day kindergarten application that we have in hand.

17 And the scope of that application is -- there is
18 an existing full-day kindergarten program at that site and
19 the scope would be to construct classrooms that were built
20 specifically for kindergartners so the full-day
21 kindergarten program could operate in traditional
22 kindergarten classrooms.

23 But it would not address the needs that the
24 district has identified in the appeal request.

25 When we are considering the financial hardship

1 other evidence types of appeals, staff is careful to look
2 at each set of circumstances on its own and we have
3 provided an attachment to the item as shown and the
4 different circumstances throughout the life of the program
5 and where the Board has landed in various circumstances.

6 We came to a different recommendation a few
7 months ago for a district that was facing some health and
8 safety challenges and had no options to go forward other
9 than the financial hardship route. We just don't feel that
10 in this circumstance that the -- that it would be
11 appropriate to grant the appeal.

12 We don't feel that the information is compelling
13 enough to get to a staff support position. So while we
14 wish that we had enough funding for everybody under this
15 program, unfortunately, we don't and we are recommending
16 that the Board not approve this appeal request.

17 The funding would still be used for other
18 applicants in the program. So in the event that this
19 appeal is not granted, we have Alisal School District that
20 would use the funding to convert a part-day program to a
21 full-day kindergarten program. So the funding can still be
22 used even if the appeal is not granted.

23 And with that, I would hand it over to the
24 district for additional comments, unless anybody has any
25 questions on the staff presentation.

1 MS. MILLER: If we could move to the district,
2 please. Mr. Sorum, I hope I'm calling on the right folks.

3 It's hard to see everyone on my screen, but feel free to
4 call on whoever from your district you'd like to present.

5 MR. SORUM: Thank you, Ms. Miller. We're going
6 to have Superintendent McDonald start us off, okay?

7 MS. MILLER: Great. Thank you. Mr. McDonald, if
8 you want to go ahead and unmute your microphone and please
9 make a presentation.

10 MR. McDONALD: Yeah. Thanks, everybody, for
11 letting us be here today. Our quick opening statement:
12 Lompoc Unified School District believes that our financial
13 hardship program -- or that the financial hardship program
14 was intended to aid districts who cannot contribute the
15 full match for projects like LUSD who has applied for the
16 kindergarten grant funding and hardship for the matching
17 funds.

18 LUSD collects the maximum allowable developer
19 fees. However, those funds wouldn't put a dent in the
20 district's most recent \$220 million needs assessment.

21 Like was stated, over the last five years, we
22 have failed to pass a bond. We were close, but we didn't
23 make it and a previous time, we -- at the 11th hour, one of
24 the Board members backed out and as you know, we need four
25 out five for a 55 percent and we actually got like a 59,

1 but needed a 67 percent threshold.

2 So in about 100- to 150-mile radius, we're the
3 only school district that currently doesn't have a bond --
4 the only K-12 district that doesn't and the last bond that
5 was passed in Lompoc was 2002.

6 We believe that we meet the criteria for the
7 hardship program under Statutes 1775.10(b).1.(B) and
8 1775.15(d).5 as well as Regulation 1859.81(c)(5). Today,
9 we're simply asking this body to consider awarding a
10 hardship based on other evidence of reasonable effort.
11 Thank you.

12 MR. SORUM: Okay. Good evening, everyone. Doug
13 Sorum, lifetime Lompoc residence, a long-time LUSD
14 employee, and current director of M&O. I want to piggyback
15 off what Superintendent McDonald said.

16 Thank you for allowing us to address you this
17 afternoon. I'm just going to give you a brief summary of
18 the history of Lompoc and Lompoc Unified School District.

19 Of course, the city itself was incorporated in
20 1888. However, the growth of this area didn't really begin
21 until about 1958 when our neighboring Army base, which was
22 Camp Cooke, transformed into Vandenberg Air Force Base and
23 thousands of young airmen like my father deployed to the
24 area.

25 So as a result, the base's neighboring

1 communities, Vandenberg Village, Mission Hills, and Lompoc,
2 they all grew and LUSD expanded and constructed 16 schools
3 throughout the area.

4 So for about the next 30 years, Vandenberg,
5 Lompoc, and LUSD's student population continued to expand.

6 Throughout the Cold War, that expansion was further aided
7 with NASA's space shuttle program which was planning a west
8 coast launch of the shuttle from Vandenberg. That brought
9 thousands of aerospace contractors and their families to
10 the area to support the construction of slip six (ph) and
11 the eventual scheduled launch of the Shuttle Discovery.

12 Now, of course, we all know about the tragedy in
13 1986 when the Shuttle Discovery launched out of Cape
14 Canaveral, endured a fatal malfunction. That explosion
15 coupled along with the end of the Cold War led to NASA
16 cancelling plans for their west coast launch here at
17 Vandenberg and the Department of Defense conducting massive
18 downsizing of many bases like Vandenberg, which caused the
19 neighboring community of Lompoc to dive into a recession
20 from which it never really has recovered.

21 So our facilities serve approximately 10,000
22 Pre-K through 12 students as well as adult education
23 students living in Lompoc, Vandenberg Village, Mesa Oaks,
24 Mission Hills, Vandenberg Air Force Base, and all the rural
25 areas adjacent to those communities.

1 Our first school which was Lompoc Elementary
2 which is now known as El Camino Adult Ed, it was
3 constructed in 1936. Our original Lompoc High School,
4 which is now Lompoc Valley Middle School, was constructed
5 in 1950, and our newest school, our baby, Miguelito
6 Elementary was constructed and opened in 1969 and so she is
7 now 51 years old.

8 In total, LUSD now has nine elementary schools,
9 two middle schools, two high schools, a continuation high
10 school, an adult ed facility, a K-6 charter, and our
11 central administrative complex and central kitchen which
12 support all those schools.

13 So some of the early students in Lompoc like
14 myself were very fortunate. We were raised in a period
15 when all the classrooms, the cafeterias, gymnasiums,
16 offices, restrooms, playgrounds, playing fields, everything
17 was in new, pristine condition. We have fond memories of
18 our teachers, the smell of new, fresh painted walls, shiny,
19 immaculate flooring, ivory white sinks, shiny plumbing
20 fixtures, brand new fixtures, and pristine playing fields
21 and gymnasiums that we used during school, in the
22 afternoon, and in the evening and on the weekends for
23 interscholastic sports, youth football, youth baseball, and
24 basketball teams.

25 So of those early Lompoc students who still

1 reside in the Lompoc area, most of us are pretty horrified
2 by the terrible conditions that Lompoc students have to
3 endure in our schools today.

4 So our facilities are constructed on just a
5 little over 290 acres of land and the buildings themselves
6 encompass more than 1.2 million square feet of floor space.

7 So with that, I'm going to pass the mic over to
8 Dr. Karbula who's going to walk us through the PowerPoint
9 which contains a whole lot of pictures of the facilities
10 which we won't get into all of those pictures, but we do
11 want to give you kind of a summary of that PowerPoint.

12 MS. MILLER: Great. Thank you. And if you could
13 maybe -- just because, you know, time is tight, we
14 definitely want to move through the PowerPoint as quickly
15 as possible, please. Thank you for those presentations.
16 Do you want to go ahead and show your screen then,
17 Mr. Karbula?

18 DR. KARBULA: Yes. So -- yeah. Thank you guys
19 very much. My name is John Karbula. I am the assistant
20 superintendent for business services. I'm going to be
21 really brief.

22 Our fiscal situation is such that when you look
23 at the amount of revenue generated by our COLA and then the
24 way that that COLA gets eaten into by special ed, PERS and
25 STRS retirement, and declining enrollment, we actually lose

1 in the next few years anywhere between 2- and \$5 million.

2 So our expenses exceed our COLA by those amounts.
3 Given that situation and the fact that we have been
4 unsuccessful with a bond, we have virtually no money to
5 contribute to a program such as this.

6 We all know that this is about the kids. We,
7 every single day, make lemonade out of lemons in terms of
8 our budget. We do it for the kids.

9 We are asking respectfully from the Board that
10 you understand the -- and you've seen our financials. I'm
11 not going to go into the detail -- that we have done
12 everything possible to give money to our maintenance and
13 operations department.

14 It is a drop in the bucket compared to what is
15 needed and we simply have no fiscal capacity to support the
16 50 percent grant that this would require.

17 That is why we are appealing to you under the
18 other circumstances clauses and we believe that we have a
19 strong appeal.

20 I won't, as Mr. Sorum said, go through the
21 pictures, but we gave the strong visual evidence of what
22 our facilities look like.

23 So I would close by saying we do the best job
24 possible with extremely limited financial capacity and we
25 hope that you will see our appeal as a strong appeal and

1 work together with us for the children of Lompoc Unified
2 School District. Thank you very much.

3 MS. MILLER: Great. Thank you very much. Are
4 there any questions from the Board?

5 ASSEMBLYMEMBER CUNNINGHAM: I have a few comments
6 if the --

7 MS. MILLER: Yes, please, Mr. Cunningham.

8 ASSEMBLYMEMBER CUNNINGHAM: All right. I want to
9 thank everybody from Lompoc Unified that is appearing on
10 this Zoom call. Thank you for your hard work on this
11 appeal. I know a lot of staff hours went into it.

12 If you'll indulge me for a brief minute. You
13 know, I grew up playing football and baseball in
14 Atascadero. We'd take the bus down to play at the Lompoc
15 facilities. I had an uncle that was stationed at
16 Vandenberg Air Force Base. I have a lot of fond memories -
17 -

18 MS. MILLER: Mr. O'Donnell, do you want to mute
19 your microphone?

20 MR. CUNNINGHAM: Come on, Patrick. I'm trying to
21 tell a heartwarming story here.

22 MS. MILLER: I am very heart warmed. Atascadero
23 football, taking a bus.

24 ASSEMBLYMEMBER CUNNINGHAM: Well, Lompoc -- it's
25 a special place and it's a unique place and I would just

1 like to put out there for the Board's consideration that,
2 you know, they are charging the maximum developer fees.

3 The November 2018 bond effort earned 52.89
4 percent, so it was certainly a few percentage points lower
5 than the 55 percent threshold.

6 In terms of raw votes, though, that's only a
7 couple hundred votes. It was 8,417 yes versus 7,498 no,
8 but consider this because Lompoc School District's in a
9 different situation than any other school district in my
10 assembly district.

11 Many of the parents that are in the service in
12 the Air Force that live at the Vandenberg Air Force Base,
13 on base, send their kids to school in Lompoc, but they are
14 not registered voters in Lompoc. They are registered in
15 Texas or North Carolina or Georgia or another place that --
16 you know, where they're permanent residents and they
17 vote -- many of them -- trust me, I know -- many of them
18 vote back home and they vote absentee because they're
19 coming out to Vandenberg to serve and live on the base for
20 sometimes two years, sometimes three, sometimes four.

21 But they send their kids to be educated in Lompoc
22 schools. So I would submit to you so you have a situation
23 where a lot of parents aren't able to vote for these bonds,
24 even when their kids are in the school district being
25 educated by the educators there and, yes, those facilities

1 are really old.

2 I've seen them. I have toured them. They
3 haven't changed a lick since, you know, I was going down
4 there for ballgames 25 years ago.

5 So, you know, I just want to add that information
6 for the Board's consideration. So in my view, if all of
7 the parents were able to vote for these bonds, they would
8 have had no problem getting the 55 percent threshold and
9 that coupled with the maximum developer fees that they're
10 already assessing, I think would put their appeal in very
11 good standing.

12 So I would like to at the appropriate time make a
13 motion that we grant their appeal on the basis of other
14 evidence as approved by the Board and note also they are
15 cash strapped and they are willing to contribute some of
16 their own funds to see this project through completion.

17 So thank you for your indulgence and your time.

18 MS. MILLER: Yes. Thank you, Mr. Cunningham, and
19 I'm glad you were here and I'm glad the people of Lompoc
20 had the good sense to elect you. I do think that it is --
21 you know, this project is important. I -- you know, I know
22 we're a broken record on this, but when you're looking at
23 finite resources as we all are right now, the district is
24 able to house full-day kindergarten unlike a lot of other
25 folks.

1 Students are in safe classrooms unlike a lot of
2 other districts and approving financial hardship for this
3 project appears to be inequitable to the other districts
4 that have applied for the full-day kindergarten program and
5 funding that does not meet the requirements for financial
6 hardship assistance.

7 So, you know, I think it's important that we
8 understand that they can currently operate this full-day
9 program and as we know, there are plenty of places in the
10 state where that is just not possible.

11 So we can't support it and I appreciate Lompoc
12 showing up and I appreciate, Mr. Cunningham, that you were
13 able to be on the line.

14 With that, is there any further public comment.
15 Mr. Cunningham has moved the approval of the item to
16 approve the appeal under other evidence.

17 Senator Wilk, did you have a question?

18 SENATOR WILK: I do not.

19 ASSEMBLYMEMBER O'DONNELL: O'Donnell has a
20 question.

21 MS. MILLER: Oh, sorry, Mr. O'Donnell. Yes,
22 please.

23 ASSEMBLYMEMBER O'DONNELL: Can you clarify the
24 motion? Is the motion to support the staff recommendation
25 to deny the appeal or --

1 MS. MILLER: No. We don't (indiscernible) to
2 support the staff recommendation. The motion is to approve
3 the appeal under other evidence so they would in fact --

4 ASSEMBLYMEMBER O'DONNELL: Okay. Understood.

5 MS. MILLER: Thank you. Any other public comment
6 or is there a second on that motion?

7 SENATOR WILK: Senator Wilk will second the
8 motion.

9 MS. MILLER: Great. Thank you, Senator. So that
10 has been moved and seconded. Ms. Jones, can you call the
11 roll, please.

12 MS. JONES: Certainly.

13 Senator Wilk.

14 SENATOR WILK: Aye.

15 MS. JONES: Senator Leyva.

16 SENATOR LEYVA: No.

17 MS. JONES: Assemblymember O'Donnell.

18 ASSEMBLYMEMBER O'DONNELL: No.

19 MS. JONES: Assemblymember Cunningham.

20 ASSEMBLYMEMBER CUNNINGHAM: Aye.

21 MS. JONES: Assemblymember Burke.

22 ASSEMBLYMEMBER BURKE: Aye.

23 MS. JONES: Juan Mireles.

24 MR. MIRELES: No.

25 MS. JONES: Dan Kim.

1 Gayle Miller.

2 MS. MILLER: Gayle Miller, no. Mr. Kim, we
3 didn't hear you.

4 MR. KIM: No.

5 MS. JONES: Thank you. The motion does not
6 carry.

7 MS. MILLER: So that motion fails. We appreciate
8 you being here today. Thank you very much.

9 Okay. So with that, we are done with our
10 business for the day. Anything else before the committee,
11 Ms. Silverman?

12 MS. SILVERMAN: (Indiscernible) the agenda and we
13 look forward to our next meeting.

14 MS. MILLER: Great. Thank you very much. Just
15 to note that the next meeting is on June 24th. For the
16 assembly, I know that (indiscernible). And any other
17 public comment before we adjourn the meeting?

18 Seeing none, this meeting is adjourned. Thank
19 you, everyone.

20 (Whereupon, at 4:47 p.m., the proceedings were
21 adjourned.)

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