

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CALIFORNIA STATE ALLOCATION BOARD
PUBLIC MEETING
(TELECONFERENCE)

ZIGGURAT BUILDING
707 3RD STREET
BOARD ROOM 6-300
WEST SACRAMENTO, CALIFORNIA 95605

DATE: WEDNESDAY, SEPTEMBER 30, 2020

TIME: 4:04 P.M.

Reported By: Peter Petty
eScribers



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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 Tom Torlakson, Superintendent of Public Instruction

SENATOR RICHARD ROTH

SENATOR CONNIE LEYVA

SENATOR SCOTT WILK

ASSEMBLYMEMBER PATRICK O'DONNELL

ASSEMBLYMEMBER AUTUMN BURKE

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

LISA JONES, Secretary

MICHAEL WATANABE

OFFICE OF LEGAL SERVICES:

MR. TOM PATTON, ASSISTANT CHIEF COUNSEL

P R O C E E D I N G S

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MS. GAYLE MILLER: We'll go ahead and get started. It's 4:05. Ms. Jones, Will you call the roll, please.

MS. JONES: Will do.

Senator Wilk.

SENATOR WILK: Present.

MS. JONES: Senator Leyva.

Senator Roth.

SENATOR ROTH: Here.

MS. JONES: Assemblymember O'Donnell.

ASSEMBLYMEMBER O'DONNELL: Here.

MS. JONES: Assemblymember Cunningham.

ASSEMBLYMEMBER CUNNINGHAM: Here.

MS. JONES: Assemblymember Burke.

Juan Mireles.

MR. MIRELES: Here.

MS. JONES: Daniel Kim.

MR. KIM: Here.

MS. JONES: Gayle Miller.

MS. MILLER: Here.

MS. JONES: We have a quorum.

MS. MILLER: We have a quorum. Thank you. Jinx.

Pursuant to Governor Newsom's Executive Order

1 N-2520 issued on March 12th, 2020 -- oh, my gosh, has it
2 been that long -- this meeting is being conducted by way of
3 teleconference. It's physically webcast from room 6-300 in
4 the Ziggurat Building in West Sacramento, for anyone that
5 wants to provide public comment in person.

6 In order for our meeting to run efficiently,
7 please mute during the meeting. If a Board Member or the
8 public would like to make a comment, please use the raise
9 hand feature in the Zoom interface. And you do that by
10 going to participants, and then there's a little raise hand
11 feature. And, of course, if you're on the Board, feel free
12 to just raise your hand.

13 If you're calling in to the meeting and not using
14 a computer or the Zoom app on a mobile device, you will be
15 unable to provide public comment, but we will definitely
16 make sure that you have -- if you want to send us anything
17 in writing, we will use it for the record.

18 Before we start for -- with our agenda item, we
19 want to take a moment to present to Cesar Diaz and
20 Assemblymember Adrin Nazarian with their resolutions. So
21 Mr. Watanabe is going to share the screen. And I'm -- I
22 have them here as well. They're actually beautiful.

23 And first I'm going to present to Assemblymember
24 Nazarian and acknowledge his dedication and service to the
25 State Allocation Board. He was appointed by former Speaker

1 John Pérez in February 2013 and served through February of
2 2020, which I think may be the longest serving State
3 Allocation Board Member, right? Is that right? I think
4 so. Or Assemblymember.

5 He has assisted the Board in making state
6 apportionments and providing unfunded approvals for over
7 \$5.82 billion worth of projects for the school facility
8 program and the other programs administered by the Board.
9 He helped shape policy that led to a decision on such
10 matters as providing the high-performance grant funding for
11 facility hardship, and seismic funding and the
12 implementation of the grant agreement. His concerns for
13 equitably and transparently distributing Prop 51 funds
14 throughout the state and project accountability, have
15 enabled the board to adjust some of the state's economic,
16 financial, and climate conditions affecting all districts
17 participating in the school facility program.

18 So deep, deep gratitude to Mr. Nazarian for his
19 work, his service to the students of California. You'll be
20 happy to know, Mr. Nazarian, that we're even moving forward
21 on our LA Unified resolution, and we -- so your presence is
22 definitely felt, as is your legacy.

23 So thank you for your service and for everything
24 you've done for the Board and the students of California.
25 And when we all go back to learning, they will do so safely

1 because of you.

2 I don't know, is it okay if we let Mr. Nazarian
3 just say a couple of words --

4 MS. JONES: Sure.

5 MS. MILLER: -- and then we'll move to Mr. Diaz?

6 MS. JONES: Yes.

7 MS. MILLER: Mr. Nazarian.

8 MR. NAZARIAN: Thank you. I was going to joke
9 and say I want to thank the Academy, since it's just down
10 the street from here. But thank you. It's been wonderful
11 working with the staff, with the rest of the Board Members,
12 and on really accomplishing some cool things. I thought
13 they were necessary, but they allowed us a bit of insight
14 into the needs of different areas in this vast state. So I
15 very much appreciate the opportunity, appreciate the trust
16 that many of you placed, and I look forward to continuing
17 my working relationship from the sidelines as best I can.
18 And I appreciate the recognition.

19 MS. MILLER: We're very grateful to you. Thank
20 you very much.

21 And now I'm going to present Cesar Diaz with a
22 resolution and his dedication of service to the State
23 Allocation Board. He is longer serving. I apologize for
24 that. Was appointed by Governor Brown in May 2012 and
25 served through the end of March 2020. And you had near

1 perfect attendance, Cesar, only missing one meeting. So
2 that's very impressive. Although I was chairing during
3 that one meeting, so you get (indiscernible).

4 MR. DIAZ: Fired.

5 MS. MILLER: You assisted the Board in making
6 apportionments and providing unfunded approval for over
7 \$6.9 billion worth of projects for the school facilities
8 program and other programs administered by the Board. You
9 were instrumental in shaping policy that led to decisions
10 on such matters as acceptance of funding applications once
11 bond authority had become exhausted, and the continued
12 funding of schools on California military bases. Your
13 concern for strict accountability of the prevailing wage
14 monitoring program and the equitability and transparency of
15 the distribution of Prop 51 funds throughout the state
16 enabled the Board to address some of the state's economic,
17 financial, and climate conditions affecting all districts
18 participating in the school facility program. And to you
19 we really thank you for your commitment, dedication,
20 conscientious service, and personally mentoring me on this
21 Board. We're happy that you're still serving the people of
22 California in the State Senate and very grateful for your
23 time on this board. So thank you very much.

24 MR. DIAZ: Thank you very much.

25 MS. MILLER: Do you want to say anything?

1 MR. DIAZ: Yeah, just really quick. I want to
2 say that it was an honor to serve with each and every one
3 of you, especially with the staff, the hardworking staff of
4 the -- of OPSC and the State Board. We did a lot of great
5 things and hopefully it's going to be smooth sailing for
6 the next bond whenever that happens, because it's going to
7 happen.

8 I am very thankful for that opportunity to work
9 with you and others, Gayle, and I appreciate this
10 recognition. Thank you.

11 MS. MILLER: We really are very grateful to you.

12 And Cesar, I know you'll be back in the building
13 to get -- this resolution is really beautiful and obviously
14 OPSC does such an incredible job. So if you can come by
15 and get it.

16 And Mr. Nazarian, just have anyone on your staff
17 coordinate. They're in my office on the first floor in the
18 Capitol.

19 So thank you both very much for your service --

20 MR. DIAZ: Thank you.

21 MR. NAZARIAN: Thank you.

22 MS. MILLER: -- to the children of California.

23 Have a good day. Yay.

24 MR. NAZARIAN: Bye.

25 MS. MILLER: Bye. Thank you again.

1 Okay. So Senator Wilk, I literally made it in
2 less than ten minutes last time, actually, when you had
3 less than perfect attendance. I just want you to know.

4 Okay. So now we're going to move on to the
5 minutes for August 28th. Are there any public comments?

6 Mr. Watanabe, you don't see anyone, right?

7 MR. WATANABE: Not on tap, no.

8 MS. MILLER: Okay. Great. May we have a motion
9 and a second to approve the minutes, please.

10 SENATOR WILK: So moved.

11 ASSEMBLYMEMBER O'DONNELL: O'Donnell moves.
12 O'Donnell seconds it.

13 MS. MILLER: Moved by Mr. O'Donnell, seconded by
14 Senator Wilk. Lisa, will you call the roll, please.

15 MS. JONES: Will do.

16 Senator Wilk.

17 SENATOR WILK: Aye.

18 MS. JONES: Senator Roth.

19 SENATOR ROTH: Aye.

20 MS. JONES: Assemblymember O'Donnell.

21 ASSEMBLYMEMBER O'DONNELL: Aye.

22 MS. JONES: Assemblymember Cunningham.

23 ASSEMBLYMEMBER CUNNINGHAM: Aye.

24 MS. JONES: Juan Mireles.

25 MR. MIRELES: Aye.

1 MS. JONES: Dan Kim.

2 MR. KIM: Aye.

3 MS. JONES: Thank you.

4 ASSEMBLYMEMBER BURKE: This is --

5 MS. JONES: And -- oh, I'm sorry.

6 MS. MILLER: Oh, hi, Ms. Burke. Do you want

7 to --

8 ASSEMBLYMEMBER BURKE: I'm here. Sorry.

9 MS. MILLER: Do you want to vote on the minutes?

10 Thank you for joining us.

11 ASSEMBLYMEMBER BURKE: Aye.

12 MS. JONES: Sorry.

13 MS. MILLER: Thank you.

14 MS. JONES: Thank you.

15 And Gayle Miller.

16 MS. MILLER: Aye.

17 MS. JONES: Thank you. Motion carries.

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

19 Ms. Silverman, your executive officer statement.

20 MS. SILVERMAN: Yes. We have a few things to

21 share. We wanted just to highlight a few items.

22 So we wanted to mention that extending the
23 emergency powers of an executive officer during a state of
24 emergency, this is an item that we have as an action item
25 tonight, so we'll cover that item, but basically, the

1 current emergency due to COVID that provides districts the
2 opportunity to extend their deadlines, that does sunset in
3 February. And recognizing that we would have to submit
4 another regulation package, we thought it would be prudent
5 to make some changes to that and we'll address that as part
6 of the action item.

7 And then the second item we wanted to address, as
8 Gayle mentioned in our comments to Adrin Nazarian, was that
9 the facility hardship amendments related to the seismic
10 mitigation program and the overhaul of the facilities
11 hardship program, those regulations were approved in May,
12 and those are now in effect as of August 31st. So that's
13 great news for the program. A lot of effort put into that.
14 It will bring some streamlining to the program. And,
15 again, we've actually been receiving some applications, so
16 that's great news. So we're looking forward to process
17 those applications in a more streamlined effect.

18 We've actually wanted to give the Board some
19 updates as far as the time extension requests from
20 districts as it related to COVID. We've actually received,
21 as of September 10th, 291 requests for an extension and,
22 again, there's probably just a few out of the outset that
23 have been denied. But most of those outset of those
24 extensions being denied, it's been normally where we're
25 working with districts or maybe the requests have been

1 maybe a little too soon.

2 So, again, we will continue to work with
3 districts, but, again, we just want to give the Board some
4 updates related to the extension requests and, again, it
5 shows and it reflects that we are understanding the
6 districts' needs in this area.

7 And we, again, want to highlight this online
8 extension request. Again, it is available online, so,
9 please, we encourage you, if you have any needs, please do
10 that online.

11 We also wanted to highlight that at the
12 August 28th Board, we had the party funding round
13 certification apportionments closed at August 28th, but we
14 also wanted to share, we received \$964 million in
15 certifications. And so that means that from July 1st
16 through December 31st, for those projects that submit a
17 certification, that you'll be eligible for the fall bond
18 sale. Well, guess what, next month, we'll be presenting
19 those projects as a result of the fall bond sale for
20 apportionment. So that's great news. Next month we'll
21 have some huge apportionments to take forward. So, again,
22 all these projects will be covered. So thank you again,
23 districts, for submitting your certifications.

24 And then the next item is highlighting -- this is
25 another action item on the agenda. We'll be presenting to

1 the Board the last filing round for Career Check, and we're
2 asking the Board to approve \$287 million. So, again, those
3 are unfunded approvals once the Board takes action on that.

4 And, again, they have the ability -- these projects will
5 have the ability to submit during the next priority funding
6 round and that opens up in November.

7 And with that, the next Board meeting is
8 October 28th at 4:00. I'll open it up to any questions.

9 MS. MILLER: Thank you. Any questions for
10 Ms. Silverman or public comment?

11 MR. WATANABE: (Indiscernible)

12 MS. MILLER: Great. All righty. Moving on, we
13 will now go to the consent calendar, please, Ms. Silverman.

14 MS. SILVERMAN: That is ready for your approval.

15 MS. MILLER: Great. Any public comments or
16 questions on the consent calendar?

17 MR. ROTH: Moved.

18 MR. MIRELES: Second.

19 MS. MILLER: Moved by, was that Mr. Roth,
20 seconded by Mr. Cunningham?

21 MR. MIRELES: Juan.

22 MS. MILLER: Oh, sorry. By Mr. Mireles.

23 Okay. Ms. Jones, do you want to go ahead with
24 the roll, please.

25 MS. JONES: Will do.

1 Senator Wilk.

2 SENATOR WILK: Aye.

3 MS. JONES: Senator Roth.

4 SENATOR ROTH: Aye.

5 MS. JONES: Assemblymember O'Donnell.

6 ASSEMBLYMEMBER O'DONNELL: Aye.

7 MS. JONES: Okay. Thank you.

8 Assemblymember Cunningham.

9 ASSEMBLYMEMBER CUNNINGHAM: Aye.

10 MS. JONES: Assemblymember Burke.

11 ASSEMBLYMEMBER BURKE: Aye.

12 MS. JONES: Juan Mireles.

13 MR. MIRELES: Aye.

14 MS. JONES: Dan Kim.

15 MR. KIM: Aye.

16 MS. JONES: Gayle Miller.

17 MS. MILLER: Aye.

18 MS. JONES: Motion carries.

19 MS. MILLER: Okay. Thank you very much. We'll
20 move on to financial reports, please.

21 MS. SILVERMAN: Yes. On page 56, we wanted just
22 to highlight some of the fund release activity. We had,
23 again, a large spring bond sale as well and we just wanted
24 to highlight on \$148 million did get disbursed in August.
25 So, again, we are definitely providing cash to the

1 districts and, again, we're looking forward to providing
2 some fund releases in the next few months as a result of
3 the fall bond sale.

4 On page 58, we definitely want to highlight
5 although we -- the Board will take action related to the
6 Career Check items, there are 17 projects that represent
7 \$25.7 million in project approvals that are part of the
8 consent agenda, and there are also a few adjustments
9 related to full-day kinder and that represents \$400,000 as
10 well. And five closeouts related to \$87,000 in projects
11 returning the funds as well. So that's part of the consent
12 agenda, so that's what we have to highlight today.

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

14 MS. SILVERMAN: Any questions?

15 MS. MILLER: Any questions from the Board or
16 public comments?

17 So Mr. Watanabe, you'll tell me if anyone's
18 raising their hand in Zoom, right?

19 MR. WATANABE: Sure. Yeah, I'll let you know.

20 MS. MILLER: Thank you for that.

21 Great. Seeing none, thank you for that. And
22 that's really exciting. That's some good news for a
23 change.

24 Okay. We'll move on to appeals. Seeing that
25 there's no questions, we'll start with the Greenfield

1 appeal, please, Ms. Kampmeinert.

2 MS. KAMPMEINERT: Yes. So that starts on page 77
3 of our agenda today and this is related to a full-day
4 kindergarten program application that the district did
5 receive approval for back in May of 2019. And there are
6 two requests for the Board's consideration. One is a change
7 of scope and the second is a timeline extension request.

8 When the district originally received its
9 approval, it had envisioned some classrooms, nine
10 classrooms, that they wanted to retrofit and make suitable
11 for full-day kindergarten use. And as the district was
12 embarking on the design process, they were taking a look at
13 the campus and looking at the master plan and determined
14 that it would actually be better to locate the kindergarten
15 classrooms in a different area of the campus, which would
16 actually be more in alignment with the CDE Title 5
17 requirements as well. So they're requesting to be able to
18 change the location of where the work is being done.
19 However, in developing this design for the new location of
20 the classrooms, the district did have some delays in
21 completing the design work. And in May of 2020, when the
22 application was due to move on to the next phase of
23 funding, the district was not quite ready, because the
24 funds had not yet been submitted and approved by the state
25 architect or by the Department of Education.

1 So in order to actually move forward with this
2 project, the district is requesting an extension to do so
3 and to be able to submit their fund release by June 30th,
4 2022.

5 Staff has reviewed the request and from the
6 change of scope perspective, we have absolutely no issues
7 with the change in where the district would like to do the
8 work. It doesn't require any additional bond funds, it's
9 still within the original intent of the project in order to
10 retrofit those nine classrooms, so we have absolutely no
11 objections there. And we also support the district's
12 request for the time extension. The district does still
13 have a need for these full-day kindergarten classrooms.
14 Yes, it was a little slower than, perhaps, it could have
15 been. The district did not meet the deadline. However, we
16 feel that it would be best to keep the funding with the
17 original applicant in this case, because we don't have
18 multiple rounds going on with this funding. There's not
19 really an opportunity to apply again. So if the district
20 is not successful in this appeal, it will not be able to
21 move forward with the project at all.

22 So we are recommending approval of the district's
23 request to change the scope and extend the timeline to
24 June 30th, 2022. And with that I'd be happy to answer any
25 questions.

1 MS. MILLER: Great. Thank you very much. And I
2 understand Greenfield USD is calling in to answer any
3 questions, but they're not speaking. So if we have any
4 questions for the district, we can ask them now. Thank you
5 for joining. We appreciate it.

6 Any questions from the Board or -- no?

7 Any public comment, Mr. Watanabe?

8 MR. WATANABE: No, none.

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

10 So I would say to the district, thank you for
11 being here to answer questions. Probably not necessary to
12 speak.

13 May we have a motion and a second.

14 ASSEMBLYMEMBER O'DONNELL: O'Donnell moves.

15 ASSEMBLYMEMBER CUNNINGHAM: Cunningham second.

16 MS. MILLER: So moved by O'Donnell. Seconded by
17 Mr. Cunningham. May we take the roll, please.

18 MS. JONES: Senator Wilk.

19 SENATOR WILK: Aye.

20 MS. JONES: Senator Roth.

21 SENATOR ROTH: Aye.

22 MS. JONES: Assemblymember O'Donnell.

23 ASSEMBLYMEMBER O'DONNELL: Aye.

24 MS. JONES: Assemblymember Cunningham.

25 ASSEMBLYMEMBER CUNNINGHAM: Aye.

1 MS. JONES: Assemblymember Burke.

2 ASSEMBLYMEMBER BURKE: Aye.

3 MS. JONES: Juan Mireles.

4 MR. MIRELES: Aye.

5 MS. JONES: Dan Kim.

6 MR. KIM: Aye.

7 MS. JONES: Gayle Miller.

8 MS. MILLER: Aye.

9 MS. JONES: Great. Motion carries.

10 MR. WATANABE: Lisa, Senator Leyva joined the
11 meeting too.

12 SENATOR LEYVA: Thank you. I was just going to
13 say that.

14 MS. MILLER: Thank you, Senator, for joining.
15 Really quickly, Senator, why don't we just go back through
16 and have you -- we'll open the roll for a few items for you
17 and then we'll get to the Pioneer Appeal.

18 SENATOR LEYVA: Thank you.

19 MS. MILLER: So on the minutes, Senator?

20 SENATOR LEYVA: Aye.

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

22 Okay. And on the consent agenda?

23 SENATOR LEYVA: Aye.

24 MS. MILLER: Thank you for that.

25 And then the Greenfield USD appeal. The staff

1 recommendation was to support the appeal to move to June
2 2022.

3 SENATOR LEYVA: Also aye.

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

5 SENATOR LEYVA: Thank you.

6 MS. MILLER: That appeal passes and now we will
7 move to the Pioneer Appeal, please, Ms. Kampmeindert.

8 MS. KAMPMEINERT: Yes. So our next appeal for
9 the Board's consideration starts on page 88 of the agenda,
10 and it is from Pioneer Union Elementary, which is a small
11 school district in Kings County. I'll provide a staff
12 presentation, and the district is on the meeting today and
13 would like to provide some comments as well.

14 The request from the district is to base its new
15 construction eligibility on an enrollment year other than
16 the year in which the application was processed. And
17 specifically, it's the 2013/14 enrollment year. And the
18 application that is the subject of this appeal is for a new
19 construction project to replace 12 portable classrooms at
20 Pioneer Elementary School. It received -- this project has
21 received approximately \$297,000 in state funds previously,
22 based on the 18/19 eligibility, because there was a tiny
23 amount of special day class pupil eligibility that was
24 available to the district. However, the district is
25 seeking an additional \$3 million in funds based on

1 eligibility that could have been generated if the past year
2 enrollment projection was used.

3 The timeline for this application begins a number
4 of years ago and actually begins with the submittal of the
5 new construction eligibility update, which was received in
6 2014, October of 2014 and that update did use the
7 enrollment information from the 2014 school year, and it
8 was a ten-year projection based on enrollment patterns at
9 the time. At the time the eligibility was submitted, we
10 were in the times where we had exhausted bond authority and
11 the Board had decided that application processing would not
12 continue until the future of the program was known. So the
13 application materials were received, but not processed and
14 the funding application was then submitted in October of
15 2016. This was still during the time when we were out of
16 bond authority and the application was submitted to the
17 applications received beyond bond authority list, which
18 required districts to include a school board resolution
19 acknowledging several factors, which is actually
20 highlighted on page 90 of the agenda, and include, in part,
21 that the bond authority is currently exhausted, future
22 state funding was not guaranteed, the criteria for
23 applications in the future may be different, and that if
24 districts opt to move forward, they do so at their own
25 discretion and the state has no responsibility for that.

1 Now, if the SFD had funding back during this time
2 period and if applications were moving forward, the
3 district would have used the eligibility projected by the
4 13/14 enrollment information under what's referred to as
5 the small school district three-year lock. And this three-
6 year lock allows small school districts to use eligibility
7 for a period of three years without having to update again.
8 And that's three years after Board approval. So that
9 October 2016 submittal date, again assuming that there was
10 bond authority and the ability to process applications,
11 that October 2016 submittal date could have fallen within
12 that three-year lock window back at that time.

13 However, that is not what occurred during that
14 time, unfortunately. Proposition 51 did not pass until
15 November 2016 and it was across several meetings in 2017
16 where the Board was discussing okay, the bond has passed,
17 we've got this list of projects that were received beyond
18 bond authority and the question was being determined, well,
19 how do we handle these lists? How do we move forward?
20 What do we do?

21 The Board ultimately decided at its June 5th,
22 2017 meeting that these projects could move over to the
23 workload list. They would maintain their date order
24 received, but for new construction projects, the new
25 construction eligibility must be current at the time that a

1 new construction funding application was processed. And
2 that was done in order to maintain the integrity of the
3 bond funds and to ensure that it was in keeping with voter
4 intent of building classrooms for unhoused students for
5 districts that did show a demonstrated need. So
6 regulations were put into place for that and since 2017,
7 all districts with new construction projects have been
8 required to provide these eligibility updates in the year
9 in which they're processed.

10 The Board did talk about the three-year lock for
11 small school districts back during this time period, but it
12 was always prospective. It wasn't looking backwards. It
13 was whether or not they could have that three-year lock,
14 which could still happen. That's still in the regulations,
15 but prospectively, not based on the prior year's enrollment
16 information.

17 So at about the same time the SAB was having
18 these discussions in 2017 to determine how to start the
19 program back up again, the district opted to move forward
20 with the project and did issue some construction contracts.
21 And the district has provided some information that
22 indicates that this was to align the project with an
23 additional modernization application that was also
24 occurring at the same site. The modernization work was
25 funded under a separate application and state funds were

1 released for this project in July of 2020.

2 The district has completed the work for both the
3 new construction and the modernization at this campus in
4 2019 through a combination of local bond funds and some
5 funding that was obtained through use of a certificate of
6 participation, the CoP instrument, that was taken out in
7 anticipation of receiving future state funding.

8 The district's new construction application was
9 being processed in 2019 and was subject to new construction
10 eligibility that was based on the 2018/19 enrollment year.
11 However, the enrollment projections from that year resulted
12 in negative eligibility. There's a chart on page 93 of the
13 agenda that shows the enrollment projection trends over the
14 years, and you can see on that chart that the 2013/14
15 enrollment was -- projection was really kind of the last
16 time period where you can see any sort of projected growth.
17 That projection was using a ten-year projection method.
18 And the mechanics of that is that it leans a little more
19 heavily on the years that were further back, as opposed to
20 the years that were more recent compared to the current
21 enrollment, so sometimes that can present some trends that
22 have started to taper off or stop at the district level.

23 So what happened is that when the 18/19
24 projection was completed, the -- those trends had not
25 continued. So 18/19 did not show the same pattern, because

1 the district was not experiencing the growth patterns that
2 it had been in years past.

3 So we have also taken a look and talked to the
4 district about -- because we were actually nearing the
5 time when 19/20 enrollment information would be available
6 -- and the district has indicated that the 19/20 enrollment
7 patterns also did not result in any increase in
8 eligibility. And given just the time frames for this
9 appeal, we've had sort of an informal opportunity to see
10 what enrollment looks like for this school year.
11 Obviously, COVID attendance patterns are impacting that,
12 but 20/21 has not resulted in an increase in enrollment
13 either.

14 The district has talked to OPSD and referenced in
15 the appeal some new dwelling units, new housing units, that
16 were going to go in in the district that were expected to
17 bring new students. Now, the program does contemplate this
18 scenario, and eligibility can be supplemented to account
19 for this. However, the dwelling units have to be supported
20 by tract maps and we were able to use 693 new dwelling
21 units to augment the enrollment projection, because those
22 were able to be verified, but even with the 693 added, the
23 eligibility projection was still negative. And we were,
24 unfortunately, not able to use any additional dwelling
25 units because they were not far enough along in the process

1 to be accounted for under the program criteria.

2 So staff does not support this appeal, because
3 there are no current scenarios using current enrollment
4 that would provide the district with sufficient new
5 construction eligibility to allow us to provide more grants
6 than the SDC grants that were already provided for the
7 projects. And on page 96, you can see that the district
8 had received the \$297,000 for just the straight SDC grants.
9 That amount will be adjusted to a little over a million
10 dollars in state funding regardless of the outcome of this
11 appeal, because if you give the state -- the SDC grants,
12 plus some site development costs, and supplemental grants
13 that are added on to the pupil grants that they did
14 receive. However, the district is requesting an additional
15 \$3 million in K-6 grants based on that 13/14 enrollment
16 projection, and we do not support this.

17 The Board has heard six prior appeals related to
18 using eligibility in a different enrollment year than that
19 in which the application is being processed. For five of
20 those appeals, staff has recommended that the Board support
21 and these are for districts that are using even more
22 current eligibility. So perhaps they were processed in
23 18/19, but during the appeal process they didn't have
24 anything 18/19, but during the course of the appeal the
25 19/20 information became available, and using the 19/20

1 information, they did demonstrate that they had an
2 enrollment need. And that makes sense because it's even
3 more current information than what we had at the time of
4 the original application, so we have supported those
5 appeals and the Board has also supported those appeals.

6 However, we have also had one additional appeal
7 back in February of 2019 that was denied that was
8 requesting to use eligibility from a different enrollment
9 year, and that was for Pleasant View Elementary School
10 District.

11 Pleasant View was in very similar circumstances
12 as Pioneer. They had also opted to move forward on a new
13 construction project while their application was on the
14 applications received beyond bond authority list, so they
15 were using older enrollment projections and assuming that
16 that was going to be okay in the future. And that's not
17 what worked out for them. So the current year enrollment
18 projections did not end up resulting in any positive new
19 construction eligibility. So they also appealed and the
20 Board did not grant that appeal. So they did not have their
21 project funded. It was also constructed. They were in the
22 facilities. They had also taken out a CoP to part fund the
23 project, but that appeal was not approved.

24 The other piece to this is that there are other
25 districts for the past three years that have been relying

1 on the requirement to update for new construction
2 eligibility. So any number of districts have come through
3 on the consent calendar. There are those that have had to
4 change how they report their eligibility, break out into
5 high school attendance areas to generate eligibility. Some
6 folks have withdrawn their applications or had their
7 application returned due to lack of sufficient eligibility.
8 Others have had to reduce the pupil grant request to be in
9 alignment with the eligibility that is current, and this is
10 all as a result of changing enrollment patterns within the
11 district.

12 So it is unfortunate that the district is in the
13 situation of having to cover the debt service that they
14 were expecting to cover with funds from the state.
15 However, we are very concerned that approving this appeal
16 would be inconsistent with the Board's direction in 2017;
17 it would be inconsistent with how things were being handled
18 for the past three years, which would be inequitable to
19 other school districts. And it would also be inconsistent
20 with the Board's action on the Pleasant View appeal
21 requesting to use the prior year eligibility.

22 So for those reasons, we do not recommend
23 approval. And with that, I'd be happy to address any
24 questions or, as I mentioned, the district is available on
25 the meeting.

1 MS. MILLER: Great. Thank you, Ms. Kampmeinert.

2 This is a tough one, because I think that was a
3 really great explanation. So I appreciate you taking the
4 time to talk about where we are.

5 I understand Mr. Paul van Loon, the
6 superintendent of Pioneer, is on to address the Board.
7 I'll have you address the Board, please, Mr. van Loon, and
8 then we'll go on to other public comment. If you could
9 just state your name for the record, please, sir.

10 MR. VAN LOON: My name is Paul van Loon. Good
11 afternoon. Thank you for the opportunity to address the
12 board. As stated earlier, I am superintendent of Pioneer
13 Union Elementary School District.

14 First, the district requested -- Pioneer Union
15 Elementary School District presented two considerations for
16 its appeals. First, the district requested funding appeal
17 to that of the revised 2014 -- 13/14 application and
18 second, as an alternative, that the Board allow the
19 district to establish its eligibility on the 2020 CBADS
20 enrollment.

21 But regarding the district's request that the
22 Board consider funding equal to that of the 2013/14
23 application period, it is recognized that the revised
24 regulations the Board implemented in June of 2017 requires
25 districts to establish eligibility when the funding

1 application is submitted. This regulation appears to be
2 negatively impacting small districts such as ours and as
3 demonstrated by the impacts on the following districts:
4 Ross Valley, a district of 2,240 students, lost
5 \$2.4 million; Pleasant View, a district of 474 students,
6 lost \$4.5 million; and Pioneer, a district of 1,578
7 students, would lose \$3 million.

8 So this regulation seems to have very little
9 impact on the state school facilities program, but has
10 large implications for smaller districts and programs
11 offered to students.

12 Our project is a case in point. The project was
13 a combination of modernization and new construction with a
14 total project cost of \$17 million. The project was paid
15 for with a \$7 million local bond, developer fees, state
16 contribution of \$3.3 million and with a certificate of
17 participation. The state's portion of the project is only
18 19.4 percent.

19 Should our appeal be granted and an additional
20 \$3 million be awarded, the state's portion would then only
21 be 37 percent of the project costs. So considering the
22 district's alternate request to base the eligibility on the
23 2020/21 CBADS enrollment as an alternate consideration, we
24 appreciate the efforts by the staff of OPSC in considering
25 this information and its request and recommendation to the

1 Board.

2 However, I believe the Board recognizes the
3 impacts of the COVID-19 pandemic on public school
4 enrollment and particularly the decline in transitional
5 kindergarten and kindergarten enrollment, which is a trend
6 statewide. Parents are choosing to delay their child's
7 start in public education, because kindergarten education
8 is noncompulsory and they don't want their child's first
9 experience in public education to be with distance learning
10 and with a teacher that their child has not established
11 rapport with. So, again, this is a trend within our
12 district, within our county, and statewide, that
13 kindergarten enrollment is on the decline.

14 Our current enrollment shows a loss of 30
15 students in TK-K compared with the previous years. So the
16 fact remains, despite the calculations, the district does
17 believe that, had it not been for the COVID-19 pandemic,
18 there would have been sufficient growth in enrollment to
19 demonstrate the increased eligibility.

20 So in conclusion, I want to thank the Board for
21 its serious consideration of this appeal and the
22 circumstances surrounding the district's case.

23 MS. MILLER: Thank you very much.

24 Any other questions from the public? Any
25 questions from the Board?

1 MR. WATANABE: O'Donnell has one.

2 MS. MILLER: Yes. Please, Mr. O'Donnell.

3 ASSEMBLYMEMBER O'DONNELL: Okay. Thank you. And
4 I appreciate the superintendent being here to make his
5 case. Listen, I didn't support the regulations, the
6 changes that got us here today, the changes in
7 requirements, but the Board did adopt them and the rules
8 are the rules, so I'm going to stick to that.

9 Just a question, have you paid off your CoP yet,
10 or will you be able to pay it off if you do not receive the
11 additional funds?

12 MR. VAN LOON: We have not paid it off. It is a
13 30-year commitment by the district.

14 ASSEMBLYMEMBER O'DONNELL: Okay. Thank you.

15 And this is a sidebar. I just want to express my
16 concerns about districts using CoPs. I get that they're in
17 a bind, but I just -- sometimes I worry that they're
18 gambling for dollars that might not come. And I'm not
19 saying you did this in this situation, I'm just -- I worry
20 about that across the state. That's another issue. That's
21 not why we're here. That's not what we're here today to
22 discuss.

23 But your district is in positive financial
24 status; is that correct, sir?

25 MR. VAN LOON: It is. Again, with looking at the

1 deferrals by the state and particularly the economy and the
2 impacts on 2021, it does present impacts to our educational
3 programming.

4 ASSEMBLYMEMBER O'DONNELL: Understood. Thank
5 you.

6 MR. MILLER: Thank you, Mr. van Loon.

7 Just a couple -- any other questions or public
8 comment? Mr. Kim, please.

9 MR. KIM: Yes. Thank you, Madam Chair.

10 Superintendent van Loon, my understanding is that
11 the school board had to make a resolution acknowledging the
12 risk when applying for funding for the program when there
13 was no bond authority available; is that correct?

14 MR. VAN LOON: It is correct and that resolution
15 was based on the information and the trends that we
16 anticipated growth.

17 MR. KIM: Okay. But at that time, weren't the
18 past four years showing that enrollment growth was going
19 down in each of those four years?

20 MR. VAN LOON: That it did, but in consideration
21 of the development that has been happening within the
22 district, as mentioned earlier, we have tentative tract
23 maps for 693 homes. It was a reasonable assumption that
24 the growth would rise and increase.

25 MR. KIM: And was that reasonable assumption

1 based on the advice and consultation from your paid
2 consultant?

3 MR. VAN LOON: In combination with that and
4 taking other considerations in -- into consideration, yes.

5 MR. KIM: It seems like a very aggressive risk to
6 take. Thank you.

7 MS. MILLER: Thank you, Mr. Kim.

8 So just a couple of comments, Mr. van Loon. And
9 I do appreciate you being here. And believe me, I have
10 been a huge advocate of small school districts. And I do
11 -- I think that the issue around these -- the current
12 regulations, as Mr. O'Donnell said, have been in place for
13 three years and I do think that we are obligated to really
14 require consistency.

15 I do want to kind of clarify that despite how all
16 of us have been impacted by COVID and completely hear what
17 you're saying about kindergarten and in-person learning,
18 and I'm living it myself, I have a huge amount of sympathy,
19 the numbers -- you know, we didn't run the numbers -- COVID
20 wasn't necessarily all that contributed to your enrollment
21 and I do just want to clarify that for the record.

22 Completely understand how this enrollment regulation that
23 the Board supported is a little bit complicated, but it is
24 what the Board has chosen to do. We have not approved
25 other appeals in the past, and I do appreciate the Vice

1 Chair's willingness to really be consistent in that way.

2 We did reject the appeal from Pleasant View and
3 the circumstances were really similar, and other small
4 school districts. So we certainly would like to continue
5 to work with you and hope that you do manage your way out
6 of this crisis and as we move forward, continue to work
7 together, depending on where the Board is.

8 I do appreciate you being here. I just wanted to
9 make those two clarifying points, just around consistency
10 and enrollment, just to make it clear that it's not all
11 COVID-related.

12 Any other questions or public comment?

13 The staff is not recommending support, but I do
14 want to make sure we know whether or not there's a motion
15 to support the Pioneer appeal. So there's no motion to
16 support the Pioneer appeal. And, again, please let us know
17 how we can work with you, Mr. van Loon, and thank you very
18 much for being here today.

19 MR. VAN LOON: Thank you for the Board's time.

20 MS. MILLER: Yeah, thank you. Take care.

21 So we'll move on now, Ms. Silverman, to item --
22 the Career Check item, please.

23 MS. SILVERMAN. Yes. I'll draw your attention to
24 page 111. So we wanted to present to the Board the
25 unfunded approval for the sixth Career Check funding cycle.

1 So it was Proposition 51 provided \$500 million for the
2 Career Check education program and we've had cycles four
3 and five that presented \$125 million in each of the cycles.
4 So this last cycle was \$250 million, and the Board set that
5 in June of 2019. Also, with that cycle, the Board also
6 created that opportunity of once we do accept the
7 applications, that we would keep the applications to a
8 certain date and that would be December 31st of 2021,
9 (indiscernible), meant that we have an attachment A-1. We
10 wanted to present to the Board \$287 million worth of
11 projects that represent 178 projects.

12 This is definitely a competitive filing round.
13 We had over 249 applications that had a score of 105 or
14 higher, and that represents over \$427 million. With the
15 timelines that we had and due to COVID, we just -- we did
16 extend the timelines for the funding applications recently
17 and extended that to the end of -- June 30th. So,
18 likewise, instead of having the timeline sunset
19 December 31st, we wanted to hold the applications to
20 June 30th of 2022.

21 And with that, we also wanted to share with the
22 Board, we still have \$792,000 of the residual funds from
23 the Career Check program, but that doesn't fully fund the
24 next project in line. And so by keeping the applications
25 and hopefully with residual funds coming in, this will

1 provide an opportunity to continue to fund the next project
2 and hopefully fully fund the next project. And, again, as
3 funds become available from the Career Check program, we
4 can fully fund the next project.

5 So with that, I'm asking the Board to provide --
6 approve the recommendations to approve attachment A-1 for
7 the \$286 million worth of projects for 178 projects and
8 also extend the filing cycle and keep those applications to
9 June 30th of 2022.

10 And with that, have any questions? Open to any
11 questions.

12 MS. MILLER: Thank you, Ms. Silverman.

13 Any questions? Any public comment?

14 MR. WATANABE: No comments.

15 MS. MILLER: Great. Thank you.

16 May we have a motion to approve the staff
17 recommendations?

18 ASSEMBLYMEMBER O'DONNELL: Move to approve.

19 SENATOR LEYVA: So moved.

20 MS. MILLER: Moved by Senator Leyva, seconded by
21 Mr. O'Donnell. Ms. Jones, will you take the roll, please.

22 MS. JONES: Certainly.

23 Senator Wilk.

24 SENATOR WILK: Aye.

25 MS. JONES: Senator Leyva.

1 SENATOR LEYVA: Aye.

2 MS. JONES: Senator Roth.

3 SENATOR ROTH: Aye.

4 MS. JONES: Assemblymember O'Donnell.

5 ASSEMBLYMEMBER O'DONNELL: Aye.

6 MS. JONES: Assemblymember Cunningham.

7 ASSEMBLYMEMBER CUNNINGHAM: Aye.

8 MS. JONES: Assemblymember Burke.

9 ASSEMBLYMEMBER BURKE: Aye.

10 MS. JONES: Juan Mireles.

11 MR. MIRELES: Aye.

12 MS. JONES: Dan Kim.

13 MR. KIM: Aye.

14 MS. JONES: Gayle Miller.

15 MS. MILLER: Aye.

16 Great. Then --

17 MS. JONES: And that motion carries unanimously.

18 MS. MILLER: There will be a lot of happy people.

19 Thank you very much.

20 And now I know you already spoke about this, but
21 if we could do -- move on to the emergency powers of the
22 executive officers during COVID.

23 MS. SILVERMAN: Yes. So just wanted to highlight
24 that -- I know we covered this briefly, but I know just
25 during the recent pandemic, we -- the Board did enact

1 regulations during this emergency to adopt the executive
2 officer the ability to provide extensions to school
3 districts. And seeing how the regulations would sunset in
4 February, and COVID is just going to -- obviously, going to
5 extend beyond this timeline, so and now we're facing
6 another -- other natural disasters, so it made sense to
7 make some regulatory amendments to go beyond COVID-19 and
8 for any stated emergency declared by the Governor of this
9 state, so those are the amendments attached, but also make
10 that a permanent regulation. And so we're seeking the
11 Board to adopt those regulations and also adopt them on an
12 emergency basis.

13 And also continue the process of submitting those
14 online requests to our office. We'll be transparent about
15 what we're going to extend, what timelines we're extending
16 and, again, make that very transparent of what we're going
17 to be approving as far as districts requests for extension.

18 So, again, we're asking the Board to approve
19 attachment B and adopt those amendments on an emergency
20 basis.

21 MS. MILLER: Thank you. And you'll report to the
22 Board which ones you extend; you'll continue to do that?

23 MS. SILVERMAN: Yeah, absolutely.

24 MS. MILLER: Thank you.

25 Any questions from the Board? Any public

1 comment, Mr. Watanabe?

2 MR. WATANABE: No comments.

3 MS. MILLER: Great. Thanks.

4 May we have a motion and a second, then, on
5 approving the emergency regulations to extend.

6 SENATOR LEYVA: So moved.

7 MS. MILLER: Moved by Senator Leyva.

8 SENATOR ROTH: Roth second.

9 MS. MILLER: Seconded by Senator Roth.

10 Ms. Jones, will you call the roll, please.

11 MS. JONES: Yes.

12 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: Assemblymember Burke.

23 ASSEMBLYMEMBER BURKE: Aye.

24 MS. JONES: Juan Mireles.

25 MR. MIRELES: Aye.

1 MS. JONES: Dan Kim.

2 MR. KIM: Aye.

3 MS. JONES: Gayle Miller.

4 MS. MILLER: Aye.

5 MS. JONES: And that is also a unanimous approval
6 of the motion. Thank you.

7 MS. MILLER: Thank you very much.

8 And I think -- are we moving on to our last,
9 almost last, item?

10 Ms. Kampmeindert.

11 MS. KAMPMEINERT: So we have one more action item
12 for the Board's consideration, beginning on page 302 of
13 your agenda, and it relates to a school district's use of
14 surplus site sale proceeds. And this is in response to
15 legislation that was recently passed that allows school
16 districts to sell surplus property and use the funds for
17 one-time purposes in the general fund. And we did see a
18 similar program back during the fiscal crisis, about a
19 little more than ten years ago, back in 2008/09, and the
20 provisions look very similar to what we're seeing today.

21 The statute actually really nicely lays out what
22 a school district needs to do if they would like to use the
23 flexibility that's provided by the statute and deposit the
24 proceeds into the general fund, but we do have a regulation
25 change for the Board's consideration, just to clarify the

1 definition of what a one-time expenditure is versus ongoing
2 expenditures. Now, we already have these definitions,
3 because the ed code right now under 17462 does allow for
4 site-sale proceeds to go into the general fund under
5 certain provisions. So we thought that this would make the
6 most sense to just go ahead and incorporate this new ed
7 code section 17463.7 into that -- the definitions that are
8 already existing, because the definition doesn't change,
9 basically.

10 So the regulation change is actually a very minor
11 addition, but we think it will help provide clarity,
12 because back when the flexibility existed the first time
13 for this option, we did get some questions from districts
14 on what constituted a one-time expenditure, so we thought
15 we'd just go ahead and do that.

16 Also, the item does lay out the process for
17 school districts on what they need to do to submit a
18 request to take advantage of this option and that is on the
19 item. It's also been listed on the OPSC website so that
20 school districts can find that and see how to participate.
21 And for those districts that are taking a look at what is
22 the best option for their district or their particular
23 site, on page 304 we've provided just a brief comparison
24 chart of the provisions that are tied to ed code section
25 17462 in comparison to the new law. And probably the

1 biggest change from a school facility programs standpoint
2 is that if they're using new provisions, then they are not
3 prohibited from participating in the school facility
4 program.

5 So it's going to be a good option for districts.
6 We will be doing an email blast to let folks know the
7 outcome of the regulations once we have action from the
8 Board and then we will also be incorporating this into our
9 presentations when we go out to county offices and school
10 districts. Well, not go out to, but through our virtual
11 methods of going out to these meetings, just to make sure
12 that as many districts as we can reach know that this
13 option is available to them.

14 So we are asking the Board to approve the
15 regulations and authorize us to file them on an emergency
16 basis so that we can get this in place as quickly as
17 possible to provide the clarity to the school districts.

18 MS. MILLER: All right. Thank you very much.

19 Any questions? Any public comment?

20 MR. WATANABE: No comments.

21 MS. MILLER: Great. Thanks.

22 May we have a motion on this item, then, please.

23 SENATOR LEYVA: So moved.

24 MS. MILLER: Thanks, Senator Leyva.

25 SENATOR ROTH: Roth second.

1 MS. MILLER: Thanks, Senator Roth.
2 Moved by Senator Leyva, seconded by Senator Roth.
3 Ms. Jones, will you call the roll, please.
4 MS. JONES: Alrighty.
5 Senator Wilk.
6 SENATOR WILK: Aye.
7 MS. JONES: Senator Leyva.
8 SENATOR LEYVA: Aye.
9 MS. JONES: Senator Roth.
10 SENATOR ROTH: Aye.
11 MS. JONES: Assemblymember O'Donnell.
12 ASSEMBLYMEMBER O'DONNELL: Aye.
13 MS. JONES: Assemblymember Cunningham.
14 ASSEMBLYMEMBER CUNNINGHAM: Aye.
15 MS. JONES: Assemblymember Burke.
16 ASSEMBLYMEMBER BURKE: Aye.
17 MS. JONES: Juan Mireles.
18 MR. MIRELES: Aye.
19 MS. JONES: Dan Kim.
20 MR. KIM: Aye.
21 MS. JONES: Gayle Miller.
22 MS. MILLER: Aye.
23 MS. JONES: And that motion carries unanimously.
24 Thank you.
25 MS. MILLER: All right. Thank you very much.

1 We'll now move -- this last item is not an action
2 item, but to our protected workload.

3 MS. SILVERMAN: Is there any questions on the 90-
4 day workload?

5 MS. MILLER: Any questions, Mr. Watanabe?

6 MR. WATANABE: No questions.

7 MS. MILLER: Nope. Okay. I think with that, we
8 can adjourn our meeting. Thank you very much, everyone,
9 and we'll see you on November --

10 MS. JONES: October 28th.

11 MS. MILLER: Great. Thanks everyone.

12 MS. JONES: At 4:00.

13 MS. MILLER: At 4:00. Take care. Thank you.

14 (Whereupon, at 4:56 p.m., the proceedings were
15 adjourned.)

16

17

18

19

20

21

22

23

24

25

