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CALIFORNIA STATE ALLOCATION BOARD

PUBLIC MEETING

(TELECONFERENCE)

ZIGGURAT BUILDING
707 3RD STREET
CONFERENCE ROOM 4-221
WEST SACRAMENTO, CALIFORNIA 95605

DATE: WEDNESDAY, FEBRUARY 22, 2023

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APPEARANCES:

MEMBERS OF THE BOARD PRESENT:

GAYLE MILLER, Chief Deputy Director, Policy, Department
of Finance, designated representative for Joe
Stephenshaw, Director, Department of Finance
ANA LASSO, Director, Department of General Services
JEREMY SMITH, Appointee of Gavin Newsom, Governor of the
State of California
JUAN MIRELES, Director, School Facilities and
Transportation Services Division, California Department
of Education, designated representative for Tony
Thurmond, Superintendent of Public Instruction
SENATOR SCOTT WILK
ASSEMBLYMEMBER AL MURATSUCHI
ASSEMBLYMEMBER LAURIE DAVIES

REPRESENTATIVES OF THE STATE ALLOCATION BOARD/OFFICE OF
PUBLIC SCHOOL CONSTRUCTION PRESENT:

LISA SILVERMAN, Executive Officer
BARBARA KAMPMEINERT, Deputy Executive Officer

Transcribed by: Melissa Reid, CDLT 266
eScribers, LLC
Phoenix, Arizona

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1 regarding pending litigation.

2 And before we start our agenda items today, I'd like
3 to welcome two new members. We're so thrilled that
4 you're here. Assemblymember Davies, thank you for being
5 here. And Assemblymember Muratsuchi, who is not on yet,
6 I don't believe but -- oh, there you are Assemblymember.
7 Thank you so much for joining us today. We are really
8 grateful that you're here.

9 Assemblymember Muratsuchi is replacing
10 Assemblymember O'Donnell. And Assemblymember Davies is
11 replacing Assemblymember Mays. So thank you again. This
12 is really an incredible team, who we work really hard,
13 but it's the very things that everyone in your districts
14 care so much about, making sure that all our students
15 have a safe and adequate place to go to school and we do
16 everything we can for all of the districts in the state.

17 We work a lot together. You'll hear about all the
18 funds that we ensure go out, so that these schools are
19 built. So thank you. I hope you will enjoy serving with
20 us, really appreciate your leadership, and look forward
21 to doing a lot of good work together.

22 So with that, we will establish the roll. Ms.
23 Jones, please?

24 **MS. JONES:** Yes.

25 Senator Wilk.

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Senator Laird.

Assemblymember Bonta.

Assemblymember Muratsuchi.

MS. MILLER: Muratsuchi.

MS. JONES: I got it.

ASSEMBLYMEMBER MURATSUCHI: Here.

MS. JONES: Thank you.

Assemblymember Davies.

ASSEMBLYMEMBER DAVIES: Here.

MS. JONES: Juan Mireles.

MR. MIRELES: Here.

MS. JONES: Jeremy Smith.

MR. SMITH: Here.

MS. JONES: Ana Lasso.

MS. LASSO: Here.

MS. JONES: Gail Miller.

MS. MILLER: Here.

We have a quorum. Thank you very much.

MS. JONES: Thank you.

MS. MILLER: With that, we have the minutes from the
January 25th, 2023 meeting.

Ms. Silverman, anything additional?

MS. SILVERMAN: Minutes ready for your approval.

MS. MILLER: Great. Any public comment on the
minutes? Any questions?

1 I will move approval of the minutes. May I have a
2 second?

3 **ASSEMBLYMEMBER DAVIES:** Second.

4 **MS. MILLER:** Great. Thank you, Assemblymember
5 Davies.

6 Ms. Jones, will you take the roll?

7 **MS. JONES:** Yes, I will.

8 Assemblymember Muratsuchi.

9 **ASSEMBLYMEMBER MURATSUCHI:** Aye.

10 **MS. JONES:** Thank you.

11 Assemblymember Davies.

12 **ASSEMBLYMEMBER DAVIES:** Aye.

13 **MS. JONES:** Juan Mireles.

14 **MR. MIRELES:** Aye.

15 **MS. JONES:** Jeremy Smith.

16 **MR. SMITH:** Aye.

17 **MS. JONES:** Ana Lasso.

18 **MS. LASSO:** Aye.

19 **MS. JONES:** Gail Miller.

20 **MS. MILLER:** Aye.

21 The minutes are approved.

22 Next, we'll move to the executive officer statement,
23 please, Ms. Silverman.

24 **MS. SILVERMAN:** Yes. We wanted to highlight a
25 couple great things and we're excited about this month's

1 report out. We have a current filing round open for the
2 California Preschool and Transitional Kindergarten and
3 Full-Day Kindergarten Program. That second filing round
4 opened on February 1st. It closes March 2nd. And as of
5 February 20th, we actually had \$257.7 million in
6 requests. That represents 52 applications for 30
7 districts.

8 And again, I know we have about \$360 million
9 available, and we know just like turning in your homework
10 assignment, we'll expect a flood of applications to come
11 through the door. And so that filing deadline is March
12 2nd.

13 So please, we encourage all our districts to use our
14 online application process. It's very easy and you can
15 upload all your documentation for your funding
16 application and so we're looking for a more robust number
17 to share with you at next month.

18 And then we also wanted to highlight our virtual
19 joint agency office hours. We had an office hours joint
20 agency group and it was with the Department of Education
21 and OPSC. And it was held on February 3rd. And it was
22 very -- well, I would say we had a dozen participants
23 because no appointment is needed.

24 And you can actually -- we had breakout sessions.
25 So if folks were interested about the process with

1 Department of Education or even a funding application,
2 and there was a lot of questions related to the full-day
3 kinder filing round. So again, anytime join us. We have
4 another office hours that we wanted to highlight is going
5 to be March 17th. And we're adding on another agency,
6 which is great.

7 So we'll be partnering again with the Department of
8 Education and the Division of State Architect with OPSC.
9 So March 17th from 11 to noon. No appointment needed.
10 Come join us, and we're going to help you through this
11 process or any process or any questions you have related
12 to the program. So again, we welcome all to attend and
13 participate in this great opportunity here.

14 Our next item we wanted to highlight is, we have a
15 new online project tracking system. And it's in the beta
16 environment right now. So we introduced that February
17 8th. And it's a new project tracking system that is on
18 our online environment. And it provides a lot of
19 functionality and more transparency to our districts.

20 And I know we say -- it's Fuzzy Logic. But think
21 about a Google search, right? You go into an online
22 portal and you do a search and it may be a brief name or
23 maybe an incorrect spelling, and it automatically
24 populates with project data and project information. So
25 again, we want to provide additional enhancements to our

1 online product. So you can do a lot of functionality, a
2 lot of search with basically a program grant. You can
3 find out what type of application we funded, who received
4 a fund release, what was the scope of the grant approval,
5 and again, there's a lot of great functionality there,
6 transaction history, you name it, it's there.

7 So again, we're looking for our stakeholders to give
8 us information and develop it and give us feedback so we
9 can further enhance our online portal. And again, we
10 encourage feedback to be submitted to
11 OPSCcommunications@dgs.ca.gov. So yeah. We want to
12 make this a very robust system, and so we're looking
13 forward to having feedback.

14 And our next meeting is March 22nd at 10 a.m. And
15 we're looking forward to a consent-only agenda.

16 **MS. MILLER:** Great. Thank you very much. Any
17 questions? Seeing none.

18 Any public comment? Seeing none.

19 With that, we will move to our consent agenda.

20 Ms. Silverman, please.

21 **MS. SILVERMAN:** Consent agenda is ready for your
22 approval.

23 **MS. MILLER:** Great. Are there any questions on the
24 consent agenda? Any public comment? Seeing none.

25 I'll move approval. May we have a second.

1 **ASSEMBLYMEMBER DAVIES:** Second.

2 **MS. MILLER:** Thank you, Assemblymember Davies.

3 Ms. Jones, will you take the roll?

4 **MS. JONES: MS. JONES:** Yes, I will.

5 Assemblymember Muratsuchi.

6 **ASSEMBLYMEMBER MURATSUCHI:** Aye.

7 **MS. JONES:** Thank you.

8 Assemblymember Davies.

9 **ASSEMBLYMEMBER DAVIES:** Aye.

10 **MS. JONES:** Juan Mireles.

11 **MR. MIRELES:** Aye.

12 **MS. JONES:** Jeremy Smith.

13 **MR. SMITH:** Aye.

14 **MS. JONES:** Ana Lasso.

15 **MS. LASSO:** Aye.

16 **MS. JONES:** Gail Miller.

17 **MS. MILLER:** Aye.

18 Thank you. That motion carries. Great. The

19 consent agenda is approved. Thank you very much.

20 Next, we will move to the financial reports, please,

21 Ms. Silverman?

22 **MS. SILVERMAN:** Yeah. Highlighted on page 109, we

23 just wanted to highlight to the Board that we had some

24 great releases of cash in January. So we had over --

25 close to 154 million. The districts have requested as a

1 result of having cash available through their General
2 Fund and some bond proceeds. So again, that's great news
3 for the program.

4 And then on page 111 and 112, which is our status of
5 funds, our financial reports, we wanted to highlight to
6 the Board that as part of the consent agenda, there were
7 61 projects for nearly -- close to \$206 million that was
8 approved as part of the consent agenda.

9 And I'm open to any questions. Yay, it's good news.

10 **MS. MILLER:** I know. That's amazing. What other
11 committee would you get to be on that does that much work
12 in that short amount of time? Thank you. It's great
13 news.

14 Thank you, Ms. Silverman.

15 Any questions or comments? Any public comments?
16 Seeing none.

17 We'll move to the final item on our agenda, the
18 appeal of the Santa Ana Unified School District by Ms.
19 Kampmeinert, and we will ask the Santa Ana USD's senior
20 facilities planner, Ms. Yvette Miranda to please become
21 unmute on the Zoom so we can unmute you and we can
22 address the committee.

23 Ms. Kampmeinert?

24 **MS. KAMPMEINERT:** Thank you. Good afternoon. So
25 yes, we have one appeal today for Santa Ana Unified. And

1 this is for a modernization project at Washington
2 Elementary School. The appeal can be found on page 129
3 of the agenda today.

4 And before we get into the details, I will say that
5 staff does recommend approval of this appeal. What the
6 district is requesting is a change of scope to a
7 modernization project that they're doing at the school
8 site. They originally had planned to do some extensive
9 work on the site itself and then there were also nine
10 buildings included in the modernization project. The
11 still plan to do the site work.

12 However, they have reevaluated what they need at the
13 site from an enrollment standpoint and don't believe they
14 will be needing all of the buildings to house students in
15 the future. So they'd like to change the scope to reduce
16 modernization from nine buildings down to three
17 buildings. And inside of those three buildings, they
18 have also added some plumbing features so that they could
19 convert some of the existing space so that it can serve
20 transitional kindergarten.

21 When a school district has submitted an application
22 and requests a change of scope like this, we do bring it
23 to the State Allocation Board and look at our change of
24 scope policy that the Board has used over the years, and
25 there are a couple things that staff is looking at when

1 making recommendations on these types of items. The
2 first is when a new state agency approval is required
3 because the work has changed.

4 We take a look to ensure that this isn't an issue of
5 line jumping, where one project was submitted and a
6 different project is ultimately constructed. And we
7 don't believe that that is occurring in this particular
8 instance. The bulk of the work that is in the original
9 three buildings, plus the site work is still there. The
10 district is still maintaining that scope of work. And the
11 plumbing changes that are allowing for the conversion to
12 the transitional kindergarten classrooms are minor. So
13 we don't think that this is an issue of line jumping.

14 And then the second thing that we look at is whether
15 there is an impact to funding that needs to be adjusted.
16 In the modernization program, because we are doing the
17 funding on pupil grants, the district has the choice at
18 the local level to determine where on the campus those
19 funds are spent.

20 And the one thing that we are confirming, though, is
21 whether or not the project meets the 60 percent
22 commensurate requirement. And in that, the district has
23 to demonstrate that the work -- the hard construction
24 costs inside the plans is equal to at least 60 percent of
25 the funds that are being provided for the modernization

1 apportionment. And in this case, the removal of the
2 buildings does not bring them below that threshold, so
3 they are still meeting the 60 percent commensurate
4 requirement. And so there are no issues with the
5 funding.

6 We will note that by adding the transitional
7 kindergarten classrooms, the district will have an
8 adjustment to the new construction eligibility for the
9 capacity that has been added, but that's a standard
10 function of the program and not necessarily tied to the
11 change of scope. It's just the results of the work
12 that's being done in the buildings.

13 But we do recommend approval. And if the Board does
14 approve this appeal, on attachment C, we've included the
15 apportionment funding shell, so the district would be
16 able to receive an apportionment as part of this approval
17 and they could seek their fund release for that. And we
18 have noted on the apportionment funding shell itself, the
19 change of scope so that there are no issues and there's a
20 clear audit trail for the changes to this project.

21 With that, we do have the district here available to
22 answer any questions, and I'd be happy to do so as well.

23 **MS. MILLER:** Great. Thank you very much. I really
24 appreciate that. And again, just reiterating that this
25 does have staff recommendation to approve this appeal.

1 Ms. Miranda, if you want to go ahead and unmute
2 yourself and say a few words about the appeal, knowing
3 that you have, I assume, a lot of support. And you're
4 just south of Assemblymember Muratsuchi's district so.

5 Thank you for joining us Ms. Miranda.

6 **MS. MIRANDA:** Hi. I'm so sorry. I'm at a
7 conference right now, but I just wanted to say, on behalf
8 of the district, we would like to thank the SAB and staff
9 for their assistance in moving the project forward for
10 the students. We're so excited.

11 **MS. MILLER:** Great. We really appreciate that and I
12 echo the sentiments to the team. Thank you, as always,
13 for making all of these appeals work for districts in
14 every case possible. So thank you, thank you, thank you.

15 With that, I think I will move approval with the
16 staff recommendation of the appeal. May we have a
17 second, please?

18 **ASSEMBLYMEMBER MURATSUCHI:** Second.

19 **MS. MILLER:** Great. Thank you very much.
20 Any further public comment? Sorry. Seeing none.
21 Ms. Jones, will you please call the roll?

22 **MS. JONES:** Certainly.
23 Assemblymember Muratsuchi.

24 **ASSEMBLYMEMBER MURATSUCHI:** Aye.

25 **MS. JONES:** Thank you.

1 Assemblymember Davies.

2 **ASSEMBLYMEMBER DAVIES:** Aye.

3 **MS. JONES:** Juan Mireles.

4 **MR. MIRELES:** Aye.

5 **MS. JONES:** Jeremy Smith.

6 **MR. SMITH:** Aye.

7 **MS. JONES:** Ana Lasso.

8 **MS. LASSO:** Aye.

9 **MS. JONES:** Gail Miller.

10 **MS. MILLER:** Aye.

11 The appeal is granted. Thank you very much.

12 Before we go into closed session, Ms. Silverman,
13 will you present the 90-day workload, please?

14 **MS. SILVERMAN:** Yeah. And I also wanted to just
15 quickly highlight, we had the local audit report, a lot
16 of local audit updates. And that's actually on page 138
17 through 140, before we get to the workload reports. And
18 this is just to summarize to the Board with no action
19 needed. It's just an information item, just to summarize
20 the certification of the local audits performed by the
21 Controller's Office.

22 So on page 140, we definitely wanted to highlight
23 that with the enactment of Education Code 41024, any
24 project approved after July 1st of 2017 required a local
25 audit. And just to summarize the local audits that were

1 received by the Controller's Office, there was 248
2 projects that were received by the State Controller's
3 Office and they actually certified 98 projects. 53 of
4 the those audits were audits that were received in 2022
5 and 45 of those audits were audits that were received in
6 prior years.

7 And out of the 98 audits, there were actually 8 that
8 had findings, 5 with nonmonetary findings, and 3 with
9 monetary findings. And some of the findings relate to a
10 site adjustment, so we don't necessarily determine that
11 as an ineligible expenditure rather than an audit -- or
12 excuse me -- a program adjustment because they received
13 too much site grant funds.

14 And with that, we just wanted to summarize there's
15 about nearly \$1.5 million that will be returning back to
16 the State as a results of those findings. It comes back
17 to the program and it makes additional program funds for
18 other projects.

19 And we obviously, with the enactment of Education
20 Code 41024 and the grant agreement that provides clear
21 and transparent rules and processes in place about the
22 eligible expenditures and ineligible expenditures. Also,
23 our staff participated in the K-12 audit development
24 guide, has been an effective manner of providing
25 assistance and program assistance for this program for

1 the oversight of the local audit.

2 So again, we want to thank our partners at the State
3 Controller's Office for partnering with us and ensuring
4 that there's transparency and accountability in this
5 program. And with that, I am requesting the Board to
6 just acknowledge the report.

7 **MS. MILLER:** Great. Thank you very much. Sorry
8 about that. Any other questions?

9 **MS. SILVERMAN:** Workload is ready for your approval.

10 **MS. MILLER:** Great. Thank you very much.

11 Seeing no questions, we will now -- and no public
12 comment. Just confirming that, right? Yep.

13 We'll now move into closed session pursuant to
14 Government Code Section 11126(e) for the purpose of
15 conferring with legal counsel regarding litigation. Can
16 you just give us instructions, Ms. Silverman or Ms. Jones
17 as to how the Committee should go into closed session?

18 And then, Mr. Egan, if could also let us know if we
19 need to come back or if I can just come back and report
20 out for closed session, just to folks know what to
21 expect?

22 **MS. SILVERMAN:** Right. Yes, Chair. We can come
23 back from closed session and it can just be you.

24 **MS. MILLER:** Okay. Great.

25 **MS. SILVERMAN:** And Michael, we just have a separate

1 link, correct?

2 **MR. EGAN:** That is correct. You hit leave on this
3 meeting and then you should have a second link in your
4 Outlook invites for the closed session Zoom.

5 **MS. MILLER:** Great. Thank you very much. So with
6 that, I just want to give one last call for public
7 comment. I will be the only one coming acknowledge after
8 closed session to report out.

9 So anyone wishing to comment for any reason? Seeing
10 none, the Board will adjourn into closed session and
11 should be back on this Zoom in about 10 to 15 minutes.
12 So thank you very much, everyone.

13 And welcome, again, to Assemblymember Davies and
14 Muratsuchi. Thank you.

15 (Closed session held)

16 **MS. MILLER:** Pursuant to Government Code Section
17 11126(e) for the purpose of conferring with legal counsel
18 regarding litigation, and we have nothing to report. We
19 are back in open session.

20 We're going to open the roll on the items so that
21 Senator Wilk is able to capture his vote. And I said it
22 just in time for Ms. Jones to get on the line. I
23 apologize.

24 So Ms. Jones, if you could go through the agenda
25 with the Senator?

1 **MS. JONES:** I certainly will.

2 **MS. MILLER:** Thank you.

3 **MS. JONES:** Senator Wilk, how do you vote on the
4 minutes?

5 **SENATOR WILK:** Aye.

6 **MS. JONES:** How do you vote on the consent calendar?

7 **SENATOR WILK:** Aye.

8 **MS. JONES:** And how do you vote on the Santa Ana
9 appeal item, which is recommended for approval?

10 **SENATOR WILK:** Aye.

11 **MS. JONES:** And you're all caught up. Thank you so
12 much.

13 **SENATOR WILK:** No. Thank you.

14 **MS. MILLER:** We really appreciate you Senator Wilk,
15 as always.

16 **SENATOR WILK:** Sorry for being a pain, but you know.

17 **MS. MILLER:** No. You're never --

18 **SENATOR WILK:** You can't be two places at one time.

19 **MS. MILLER:** Well, and we're on a public Zoom and we
20 always appreciate your willingness and commitment to join
21 us at these meetings. It's super important.

22 Any last public comment before we adjourn the
23 meeting? Anyone wishing to comment for any reason?

24 Seeing none.

25 Thank you. Thank you. Thank you, again. Thank you

1 to the OPSC team, and have a great week, everyone. Take
2 care.

3 (End of recording)

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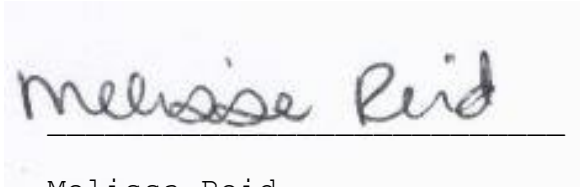
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TRANSCRIBER'S CERTIFICATE

STATE OF CALIFORNIA

This is to certify that I transcribed the foregoing pages 1 to 20 to the best of my ability from an audio recording provided to me.

I have subscribed this certificate at Phoenix, Arizona, this 9th day of March, 2023.

A rectangular box containing a handwritten signature in cursive script that reads "Melissa Reid". A horizontal line is drawn across the bottom of the signature.

Melissa Reid
eScribers, LLC

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