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CALIFORNIA STATE ALLOCATION BOARD

PUBLIC MEETING

(TELECONFERENCE)

DEPARTMENT OF HEALTHCARE SERVICES

EAST END COMPLEX

1500 CAPITOL AVENUE, AUDITORIUM

SACRAMENTO, CA 95814

DATE: WEDNESDAY, APRIL 3, 2024

1 APPEARANCES: MEMBERS OF THE BOARD PRESENT:

2

3 MS. MICHELE PERRAULT, Chief Deputy Director, Policy,  
4 designated representative for Joe Stephanshaw, Director,  
5 Department of Finance.

6 ANA LASSO, Director, Department of General Services  
7 (via Zoom)

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

12 SENATOR SCOTT WILK

13 SENATOR JOSH NEWMAN

14 SENATOR JOHN LAIRD

15 ASSEMBLY MEMBER LAURIE DAVIES

16 JEREMY SMITH, Governor's Appointee

17

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

20

21 REBECCA KIRK, Executive Officer

22 MICHAEL WATANABE, Deputy Executive Officer

23

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1           OFFICE OF LEGAL SERVICES:

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3           EPHRAIM EGAN

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Transcribed by:

Antha A. Ward

QuickCaption, Inc.

County of Riverside

State of California

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TRANSCRIBED RECORDED PUBLIC MEETING

April 3, 2024

>> **MICHELE PERRAULT:** Good afternoon.

We're going to call the meeting of the State Allocation Board to order, it is 4:05.

Some housekeeping.

This meeting is being held in person in the auditorium of the East End Complex located at 1500 Capitol Avenue for anyone that would like to provide public comment in person.

This meeting is also being conducted by way of Zoom for members of the public that would like to participate remotely.

In order for this meeting to run efficiently for those participating remotely, please note the following guidelines.

All attendees will be muted during the meeting.

If any member of the public would like to make a comment, please use the raised hand feature in the Zoom meeting interface.

I will call your name at the appropriate time and OPSC staff will request to unmute you.

Also, if you're 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 at this time.

2 I would like to note that Gayle Miller will be  
3 separating from State service on March 8th.

4 I'm Michele Perrault.

5 Before we establish a quorum and start with our agenda  
6 items, I did want to take a few minutes to thank the former  
7 chair of the Board, Gayle Miller, who is here today.

8 And we'd like to present her with a resolution and an  
9 acknowledgement of her dedication and service to the State  
10 Allocation Board.

11 So Gayle, if you'd --

12 >> **GAYLE MILLER:** Come all the way up there?

13 >> **CHAIR PERRAULT:** Well, I can come down to you.

14 But before we do that, just a few - at least stand,  
15 Gayle, if you'll stand that would be great.

16 Just before it's presented, just a couple of things to  
17 note.

18 Ms. Miller was appointed by the Governor as the Chief  
19 Deputy Director of Policy for Department of Finance in May  
20 2019.

21 And she began serving as the designee for the Director  
22 of Finance on the State Allocation Board at that time.

23 During her tenure as the chair between May 2019 and  
24 January 2024, Ms. Miller assisted the State Allocation

1 Board in making apportionments and unfunded approvals  
2 totaling more than \$7 billion for more than 2300 School  
3 Facility Program projects and apportionments totaling  
4 nearly \$683 million for more than 200 projects under the  
5 California Preschool Transitional Kindergarten and Full-Day  
6 Kindergarten Facilities Grant Program.

7 She's been an instrumental member of the Board in  
8 approving the proposed regulations to aid school districts  
9 in responding to challenges that were associated with the  
10 COVID-19 pandemic.

11 And in recognition of these contributions as chair of  
12 the State Allocation Board we really express our gratitude  
13 for your commitment and wish you success as you move onto  
14 your new endeavors.

15 And before we present it, if it's okay, I would like  
16 to just say a personal note of thanks.

17 Gayle, I've been in finance just under two years and  
18 Gayle has been nothing but supportive in providing me with  
19 background and helping me to move into the position that  
20 I'm in now.

21 And so for that, I thank you both as a colleague and  
22 as a friend.

23 And so just if we could just take a few minutes if  
24 there is any other board members that would like to make

1 any comments.

2 Senator.

3 >> **SENATOR NEWMAN:** So know I speak on behalf of my  
4 Senate colleagues.

5 I will say, this is the definition of thankless work.

6 And you have, Gayle, you've done a wonderful job.

7 You've been a wonderful, calm, smart presence for the  
8 Allocations Board.

9 And you are going to be missed, but thank you for all  
10 your service.

11 >> **SENATOR LAIRD:** I can't let Josh totally speak for  
12 me.

13 It should be noted that the resolution was approved on  
14 a 7-5 vote.

15 [chuckling]

16 >> **SENATOR LAIRD:** I think that in my dotage as  
17 somebody that was a staff member for a great portion of my  
18 career and an elected official as well, I've come to  
19 appreciate not necessarily what somebody believes or what  
20 their theory is, but if they are solid people that can just  
21 get the job done and involve other people and have a brain  
22 that's operational.

23 And I didn't understand when I entered this career how  
24 rare that might be.

1           And you just are that.

2           And so I think it's not just a big loss to the  
3 Allocation Board, it's a big loss to the Department of  
4 Finance and to state government.

5           And so, I wish you well.

6           And it's just, I think, the state was just lucky to  
7 have you as long as we did.

8           **>> SENATOR WILK:** As a senior member of the Senate  
9 delegation I feel like Senator Laird should not talk for me  
10 so I'm going to talk for myself.

11          I'm going to fall a little bit short of the Adrin  
12 Nazarian tenure of services on the Board but I'm going to  
13 come close.

14          And you've been just an absolute joy to work with.

15          So professional.

16          Always bubbly.

17          And most men marry up, but your husband married way  
18 up.

19          [chuckling]

20          And I do agree with Senator Laird that is a tremendous  
21 loss for the Department of Finance and the State of  
22 California.

23          And I wish you well in your private sector endeavors.

24          If you ever need a paid intern beginning in December

1 of this year, please consider me for that position.

2 >> [off mic]

3 >> **SENATOR WILK:** I'm no dummy.

4 >> **ASSEMBLY MEMBER DAVIES:** Gayle, I just want to --  
5 I've been here now going on two years.

6 And you know was such an honor for me to be even asked  
7 to sit up here.

8 But again, to watch what you do and having served as  
9 mayor during COVID time, knowing what you had to deal with  
10 during that, you know, that took somebody to a whole other  
11 level, something that we've never been trained for.

12 And you handled it so well.

13 And again, I sat here and learned so much in the last  
14 year and a half.

15 So I thank you for the opportunity.

16 And I wish you much success in your next adventure.

17 >> **JEREMY SMITH:** Well, if anybody has been paying  
18 attention since March 2020, Gayle has been very involved  
19 and has been everywhere getting the state, helping get the  
20 state through COVID.

21 And appearing on behalf of the governor and hearings  
22 and committees, and still finding time to come to this  
23 board, which might be the most - maybe not the most  
24 important board but the board that has the most direct

1 impact on people's lives.

2 And you were always here.

3 You were always glad to be here.

4 And you ran great meetings.

5 I will say that as somebody who coached against her in  
6 u8 soccer, if she and I can deal with all those kids  
7 running around the soccer field, she can do anything.

8 And she did it, and she's done it.

9 And I would make Senator Wilk's comment about her  
10 husband.

11 I would make that into a motion if that's appropriate.

12 [chuckling]

13 [off mic]

14 [chuckling]

15 Thank you, Gayle, for everything.

16 You brought me along on this Board when I joined and  
17 taught me a lot.

18 I appreciate it and I appreciate you.

19 Thank you.

20 >> **JUAN MIRELES:** Gayle, it's been such a pleasure to  
21 serve with you, not just here on the State Allocation  
22 Board, but also on the California School Finance Authority.

23 You've done a tremendous job.

24 We will miss you, but we wish you nothing but success.

1 Thank you.

2 >> **CHAIR PERRAULT:** I think we have some comments  
3 online also.

4 >> **ANA LASSO:** Hi, Gayle.

5 It's Ana Lasso.

6 I just want to thank you for your incredible  
7 partnership.

8 And you are so gracious to me when I joined DGS to  
9 show me around the state.

10 And I had the opportunity to participate on various  
11 boards with you.

12 And you've always led with so much grace and with  
13 intelligence as everyone else claimed too.

14 And I look forward to working with you in the future.

15 So I'm going to miss you very much.

16 But I'm so happy and congratulate you for your new  
17 endeavors.

18 >> **CHAIR PERRAULT:** Any others?

19 Are we good?

20 Okay.

21 With that, I'll come down to you and present.

22 >> **GAYLE MILLER:** Can I come up, Madam Chair?

23 >> **CHAIR PERRAULT:** Yes, absolutely.

24 >> **GAYLE MILLER:** That was kind of overwhelming and

1 really unexpected.

2 I do think the credit on this board goes to OPSC  
3 staff, Lisa Silverman, Mike Watanabe, Rebecca Kirk,  
4 Ephraim, Lisa, sorry, and really the whole team.

5 I think there are people in public service, Senator,  
6 that always show up and do more than is expected.

7 And I think the examples of Barbara Kampmeiner before  
8 going down to the districts.

9 I think all of you have born witness to some of that.

10 And so when our paths cross with people that are  
11 willing to show up and take the leadership like your new  
12 executive director, like your new chair, it's truly  
13 phenomenal and it's how the work gets done.

14 So those words mean the world to me.

15 And I will definitely make sure my husband really  
16 appreciates me.

17 [ chuckling ]

18 But it is -- we all know that this work doesn't get  
19 done without phenomenal people and the fact that Michele  
20 was willing to stand up and take this position is  
21 incredible.

22 She actually knows more than I ever did about school  
23 finance and just really grateful that I've had this  
24 opportunity.

1           And thank you all very, very much.  
2           So if you don't mind a picture.  
3           [ applause ]  
4           [off mic]  
5           >> I'll let her take the picture.  
6           >> I'm technologically challenged.  
7           [off mic]  
8           >> A closeup  
9           >> Did you get it?  
10          >> Do you mind if I come up there?  
11          >> No, of course.  
12          >> That table is in the way.  
13          >> Back up.  
14          >> I'll catch her.  
15          >> Got it.  
16          >> Thank you.  
17          >> **CHAIR PERRAULT:** Are we ready, Senator?  
18          Are we good?  
19          >> Yes.  
20          You got that gavel.  
21          >> **CHAIR PERRAULT:** I guess so.  
22          All right.  
23          Thank you, again, Gayle, for everything you have done.  
24          And we will miss you.

1           So appreciate you.

2           **>> SENATOR NEWMAN:** Now get out of here!

3           [ chuckling ]

4           **>> CHAIR PERRAULT:** All right.

5           So with that, we will begin this meeting by

6   establishing a quorum.

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

8           We are noting that Assembly Member Alvarez, Assembly

9   Member Muratsuchi and Director Lasso have joined us from a

10   remote location.

11          **>> LISA JONES:** Yes, I will.

12          Senator Wilk.

13          **>> SENATOR WILK:** Present.

14          **>> LISA JONES:** Senator Laird.

15          **>> SENATOR LAIRD:** Present.

16          **>> LISA JONES:** Senator Newman.

17          **>> SENATOR NEWMAN:** Here.

18          **>> LISA JONES:** Assembly Member Muratsuchi.

19          Assembly Member Davies.

20          **>> ASSEMBLY MEMBER DAVIES:** Here.

21          **>> LISA JONES:** Assembly Member Alvarez.

22          Juan Mireles.

23          **>> JUAN MIRELES:** Here.

24          **>> LISA JONES:** Jeremy Smith.

1 >> **JEREMY SMITH:** Here.

2 >> **LISA JONES:** Ana Lasso.

3 >> **ANA LASSO:** Here.

4 >> **LISA JONES:** Michele Perrault.

5 >> **CHAIR PERRAULT:** Here.

6 >> **LISA JONES:** We have a quorum.

7 >> **CHAIR PERRAULT:** Okay, thank you.

8 Just to note, there will not be a closed session at  
9 today's meeting; therefore, we will move on to the agenda.

10 And I believe our first item is our minutes, correct?

11 >> **REBECCA KIRK:** That is correct, Madam Chair, thank  
12 you.

13 The minutes for the February 28, 2024, State  
14 Allocation Board meeting are on stamped pages 1 through 12  
15 of today's agenda.

16 If there are no questions we request that the Board  
17 approve the minutes.

18 >> **SENATOR WILK:** Wilk moves.

19 >> **ASSEMBLY MEMBER DAVIES:** Second.

20 >> **CHAIR PERRAULT:** Are there any public comments in  
21 the room or online?

22 No public comments.

23 We have a first and a second.

24 Secretary, will you call the roll?

1 >> **LISA JONES:** Senator Wilk.  
2 >> **SENATOR WILK:** Aye.  
3 >> **LISA JONES:** Wilk, aye.  
4 Senator Laird.  
5 >> **SENATOR LAIRD:** Aye.  
6 >> **LISA JONES:** Laird, aye.  
7 Senator Newman.  
8 >> **SENATOR NEWMAN:** Aye.  
9 >> **LISA JONES:** Newman, aye.  
10 Assembly Member Davies.  
11 >> **ASSEMBLY MEMBER DAVIES:** Aye.  
12 >> **LISA JONES:** Davies, aye.  
13 Juan Mireles.  
14 >> **JUAN MIRELES:** Aye.  
15 >> **LISA JONES:** Mireles, aye.  
16 Jeremy Smith.  
17 >> **JEREMY SMITH:** Aye.  
18 >> **LISA JONES:** Smith, aye.  
19 Ana Lasso.  
20 >> **ANA LASSO:** Aye.  
21 >> **LISA JONES:** Lasso, aye.  
22 Michele Perrault.  
23 >> **CHAIR PERRAULT:** Aye.  
24 >> **LISA JONES:** Perrault, aye.

1 Motion carries.

2 >> **CHAIR PERRAULT:** Thank you.

3 We'll move on to the next item, which is our Executive  
4 Officer's Statement.

5 Ms. Kirk.

6 >> **REBECCA KIRK:** Thank you.

7 The Executive Officer Statement is on page 13 of  
8 today's agenda.

9 I'm pleased to announce that we expect to have an  
10 upcoming priority funding round at the May State Allocation  
11 Board meeting.

12 The State Treasurer's Office opened a bond sale on  
13 March 26th.

14 And we do expect that the program will receive  
15 proceeds as a result of that bond sale.

16 As such, we anticipate presenting projects currently  
17 on the unfunded list for priority funding apportionments at  
18 the May State Allocation Board meeting.

19 Once we have confirmation of the amount received from  
20 the State Treasurer's Office, we will notice any proposed  
21 priority funding apportionments in advance of that meeting.

22 Additionally, at the January 24th State Allocation  
23 Board meeting, the Board directed staff to provide ongoing  
24 updates on the status of research regarding alternative

1 construction cost indices that could be used for the annual  
2 adjustment to School Facility Program grants and updates  
3 related to a potential statewide school facility's bond.

4 Staff has continued to meet with stakeholders and  
5 research is still currently underway regarding the  
6 comparison and evaluation of several construction costs  
7 indices.

8 We anticipate presenting an item with the results of  
9 staff's research on that matter at a future board meeting.

10 With the release of the governor's proposed budget in  
11 January, the administration indicated its expectation to  
12 negotiate with the legislature on a statewide school  
13 facility's bond that could be considered by the voters in  
14 the November 2024 election.

15 Two education facility's bond bills are still  
16 currently pending in the legislature.

17 Staff continues to monitor these bills and we will  
18 provide further updates over the coming months.

19 Finally, the next State Allocation Board meeting is  
20 scheduled for May 22nd, 2024, as the meeting originally  
21 planned in late April has been canceled.

22 I'm happy to address any questions.

23 >> **CHAIR PERRAULT:** Any questions from the Board?

24 Are there any public comments on this item?

1 No public comments.

2 And this is not an action item.

3 So we will go ahead and move on to the consent agenda.

4 >> **REBECCA KIRK:** Thank you, Madam Chair.

5 The consent agenda is on stamped pages 15 through 197  
6 of the agenda.

7 I would note that today's consent agenda includes  
8 apportionments totaling approximately \$183.1 million for 35  
9 School Facility Program new construction and modernization  
10 products.

11 And \$32.2 million for six facility hardship Seismic  
12 Mitigation Program projects.

13 I request the Board's approval of the consent agenda.

14 >> **CHAIR PERRAULT:** Any comments or questions?

15 >> **SENATOR NEWMAN:** Motion.

16 >> **ASSEMBLY MEMBER DAVIES:** Second.

17 >> **CHAIR PERRAULT:** Are there any public comments on  
18 the consent agenda?

19 Without any public comments, we have a first and a  
20 second.

21 Call roll.

22 >> **LISA JONES:** Senator Wilk.

23 >> **SENATOR WILK:** Aye.

24 >> **LISA JONES:** Wilk, aye.

1 Senator Laird.

2 >> **SENATOR LAIRD:** Aye.

3 >> **LISA JONES:** Laird, aye.

4 Senator Newman.

5 >> **SENATOR NEWMAN:** Aye.

6 >> **LISA JONES:** Newman, aye.

7 Assembly Member Davies.

8 >> **ASSEMBLY MEMBER DAVIES:** Aye.

9 >> **LISA JONES:** Davies, aye.

10 Juan Mireles.

11 >> **JUAN MIRELES:** Aye.

12 >> **LISA JONES:** Mireles, aye.

13 Jeremy Smith.

14 >> **JEREMY SMITH:** Aye.

15 >> **LISA JONES:** Smith, aye.

16 Ana Lasso.

17 >> **ANA LASSO:** Aye.

18 >> **LISA JONES:** Lasso, aye.

19 Michele Perrault.

20 >> **CHAIR PERRAULT:** Aye.

21 >> **LISA JONES:** Perrault, aye.

22 Motion carries.

23 >> **CHAIR PERRAULT:** Thank you.

24 We'll move on to the next item which are our financial

1 reports.

2 REBECCA KIRK.

3 >> **REBECCA KIRK:** Thank you.

4 The financial reports are on stamped pages 198 through  
5 236 of the agenda.

6 The Status of Funds Report on stamped pages 200 to 201  
7 of the agenda reflects the remaining School Facility  
8 Program funding authority of approximately \$1.5 billion  
9 that includes \$375 million in general fund currently  
10 proposed in the governor's budget, which is subject to  
11 change in the enacted budget.

12 I would also note that the financial report section  
13 includes information compiled by staff annually based on  
14 project information worksheet data, which is submitted by  
15 school districts at three points during the life of a new  
16 construction project.

17 This information is self-reported by districts and has  
18 not been analyzed or verified by staff.

19 But we wanted to bring to the Board's attention that  
20 it is available on stamped pages 217 through 236 of the  
21 agenda.

22 >> **CHAIR PERRAULT:** Thank you.

23 Are there any comments or questions from the Board?

24 Any comments or questions by the public?

1 All right, seeing none, this is not an action item.

2 We'll go ahead and move onto our appeal items.

3 Our first one is appeal of Lassen View Union

4 Elementary School District.

5 >> **REBECCA KIRK:** Thank you.

6 The first appeal is on stamped pages 237 through 262

7 of the agenda.

8 This appeal as Madam Chair mentioned, is from the

9 Lassen View Union Elementary School District, which is in

10 Tehama County, a single school district that serves K

11 through 8 pupils.

12 The District requests approval of financial hardship

13 status for the design phase of a new construction project

14 and a modernization project based upon other evidence of

15 reasonable effort as approved by the State Allocation

16 Board.

17 In reviewing the District's request, staff determined

18 that the District is levying the maximum developer fee

19 allowable under the law which is the first threshold for

20 financial hardship eligibility.

21 However, the District did not meet any of the

22 secondary criteria for standard financial hardship

23 eligibility; and therefore, submitted this appeal for the

24 Board's consideration of financial hardship status based on

1 other evidence of reasonable effort to secure a local  
2 match.

3 The District's total bonding capacity is approximately  
4 \$5,089,000, which exceeds the \$5 million threshold set in  
5 statute for financial hardship eligibility.

6 Their current bonded indebtedness is zero percent of  
7 total bonding capacity, which is below the 60% requirement  
8 in School Facility Program regulations.

9 Finally, the District has not attempted a local bond  
10 measure since March 2020.

11 At that time, the attempted \$2.7 million local bond  
12 measure failed with more than 57% of voters voting no on  
13 the measure.

14 Typically, the District's matching share for the  
15 design phase of these two projects would be approximately  
16 \$886,000.

17 However, staff found that the District only has  
18 roughly \$29,000 available to contribute to the projects.

19 If the appeal request is approved, the total financial  
20 hardship grant would be approximately \$857,000.

21 For the Board's awareness in the history of the School  
22 Facility Program, this board has considered 16 previous  
23 appeals previously requesting financial hardship status  
24 based on other evidence of reasonable effort.

1           These previous appeals are presented in attachment C  
2 on stamped pages 259 and 260 of the agenda.

3           In summary of those 16 previous appeals between 2003  
4 and January of this year, the Board approved eight of the  
5 previous appeals in full, partially approved three of the  
6 previous appeals and denied five of the previous appeals.

7           Essentially evaluating them on a case-by-case basis as  
8 the intent with other evidence of reasonable effort for  
9 financial hardship.

10          Staff has presented in this item an option for the  
11 Board's consideration to approve the District's appeal  
12 request, which would provide a financial hardship grant of  
13 approximately \$857,000 for the design phase of these two  
14 projects.

15          If the Board opts to approve the appeal request, staff  
16 does recommend that the District be required to attempt to  
17 pass a local bond measure before they submit a future  
18 appeal seeking financial hardship status for the full  
19 funding phase of these projects.

20          Happy to address any questions.

21          **>> CHAIR PERRAULT:** Thank you.

22          And I believe that we do have Lassen View Union  
23 Elementary School District Superintendent Mr. Jerry Walker,  
24 who is participating virtually.

1 Mr. Walker, did you have any comments that you wanted  
2 to address the Board before the Board votes?

3 >> **JERRY WALKER:** I don't think so.

4 Everything that was stated there pretty much sums up  
5 where we are.

6 I mean, I would like to thank the Allocation Board and  
7 OPSC for taking time to review our application.

8 >> **CHAIR PERRAULT:** All right.

9 Thank you.

10 Any comments from the Board?

11 Yes, senator?

12 >> **SENATOR LAIRD:** I had a question.

13 And it had to do with the -- this coming in two pieces  
14 and the recommendation being that the second piece not be  
15 considered until there was a bond measure considered.

16 And these are really small amounts of money relative  
17 to what we do in the universe.

18 My question was about the availability.

19 If it turns out that we don't have the school bond or  
20 legislative appropriation for additional bond money, is  
21 that second half subject to whatever the financial  
22 availability when that happens?

23 So we would be launching them off into the future and  
24 whatever the financial uncertainty is?

1           Or is there something different that applies that  
2 means the money would be available when they get to taking  
3 that other action?

4           **>> REBECCA KIRK:** Thank you for the question.

5           So at this stage the District's appeal request is just  
6 for the financial hardship approval for the design phase of  
7 the two projects.

8           But you are correct that eventually they would  
9 presumably come in seeking state funding for the full  
10 construction phase of those projects.

11           And at that point in time it would be subject to  
12 available funds or a potential future appeal request  
13 depending on how the District proceeds and their status for  
14 financial hardship eligibility at that point in time.

15           **>> SENATOR LAIRD:** So when the staff report sort of  
16 segmented it out, it was segmenting it out the way it  
17 already is design and then construction.

18           It wasn't segmenting two pieces of design.

19           **>> REBECCA KIRK:** No, it's the design phase for two  
20 projects, a new construction project and a modernization  
21 project at the same school site.

22           **>> SENATOR LAIRD:** Okay.

23           Now I'm confused slightly.

24           And I'm sorry.

1           Is the second one though a second piece of the project  
2 that might not be eligible until they attempt to bond or is  
3 just the construction not eligible until they attempt to  
4 bond?

5           **>> REBECCA KIRK:** I understand.

6           So to clarify, the staff recommendation on this appeal  
7 is that if the Board does opt to approve the current appeal  
8 today for financial hardship status on the design phase of  
9 these projects, that the District should attempt a local  
10 bond measure before coming back before the Board and  
11 seeking potentially financial hardship status for the full  
12 construction grant.

13           So essentially, financial hardship status would allow  
14 the state to provide more than the typical matching share  
15 of the project and up to 100% of the District's typical  
16 required local match.

17           **>> SENATOR LAIRD:** If we were to uphold the appeal on  
18 the design part, how long does the design take?

19           Do they design in a year but it's going to take them a  
20 year or two or three to go to the voters and that pushes  
21 that farther off into the future?

22           **>> MICHAEL WATANABE:** Yeah, they will have anywhere  
23 between 12 months to 18 months to submit a full  
24 construction app to get back in line for the full ed grant.

1 >> **SENATOR LAIRD:** Okay.

2 Thank you.

3 >> **CHAIR PERRAULT:** Other questions?

4 >> **JEREMY SMITH:** I think this might be a question for  
5 the gentleman on the phone.

6 But is there a plan in the future to go to the voters  
7 for another construction bond?

8 I know it's been since 2020.

9 So I don't know if through the Chair can ask that  
10 question of the gentleman online.

11 >> **CHAIR PERRAULT:** Mr. Walker, did you want to address  
12 the Board's question?

13 >> **JERRY WALKER:** Sure, we had discussed going out for  
14 bond in the future, we weren't planning ongoing as early as  
15 this November but since our last few meetings if that is  
16 the direction of the Board we would be more than happy to  
17 explore that option at the earliest convenience.

18 >> **CHAIR PERRAULT:** Can I actually ask a follow-up  
19 question, superintendent?

20 >> **JERRY WALKER:** Sure.

21 >> **CHAIR PERRAULT:** When you talk about going for a  
22 bond, and my apologies for not knowing sort of your bonding  
23 capacity level off the top of my head, are you guys looking  
24 at needing a -- are you looking at a two-thirds or a 55%

1 threshold bond?

2 >> **JERRY WALKER:** 55%.

3 >> **CHAIR PERRAULT:** Okay.

4 >> **ASSEMBLY MEMBER DAVIES:** Thank you.

5 The bond that you tried passing in 2020 was that a 55%  
6 vote as well?

7 >> **JERRY WALKER:** Yes, it was.

8 Correct.

9 >> **ASSEMBLY MEMBER DAVIES:** Okay.

10 I think we had this conversation when I was doing  
11 review.

12 And when we're looking at you know the attempt and to  
13 see where the loss is, and not knowing where the economy is  
14 going to be coming down there, especially this is during  
15 COVID time where I'm sure, you know, probably wasn't  
16 something people were looking at in regards to you know  
17 revenue and that.

18 Is there something we can do?

19 Because that is my concern.

20 Because we know all of a sudden we could have put the  
21 draft out there and here's the design.

22 And if it sits there three years later.

23 We were just talking about how the increase and the  
24 cost is going to be making such a difference.

1           And so is that something that we can actually at this  
2 point if we wanted to is approve the design but also then  
3 make an amendment that they don't need to have that chance  
4 of a bond.

5           Because we know that bonds can be expensive just - I'm  
6 sorry, just to even put that out there for a school  
7 district if they could even raise the money to do that.

8           And that could be financially hard for them to do  
9 that.

10          I'm just trying to see what our options are.

11          Thank you.

12          **>> MICHAEL WATANABE:** Yeah.

13          The Board has preapproved financial hardship status  
14 for the full construction phase in the past.

15          Usually it is in very unique circumstances.

16          And most of these have been tied to military base  
17 school projects where they have federal land, we knew the  
18 tax base wasn't going to change.

19          So even if they tried to bond, they would be in the  
20 same circumstance.

21          It wasn't a matter of voter approval.

22          It was more just they knew they didn't have a bond  
23 potential.

24          **>> CHAIR PERRAULT:** Other questions?

1 I would just note I do think, I mean think 2020 was  
2 four years ago.

3 And one of the questions I also had for staff was sort  
4 of demographically if that community is pretty stabilized?

5 If there has been, you know, movement in and out of new  
6 voters.

7 Personally, I think that before we see a full request  
8 that for hardship that really I think we need to see that  
9 the District has attempted at least another bond, you know,  
10 within recent.

11 And I recognize your comment about COVID.

12 But I do think that four years is quite a bit a ways  
13 in the past.

14 And so I don't know if they would have a long history  
15 of trying bonds or if 2021 was their first attempt.

16 But I do think that from my perspective, from  
17 Finance's perspective, I think we would want to see an  
18 attempt for at least that local match before we look at the  
19 full cost of construction hardship.

20 Others?

21 Before I ask for a motion, is there any public  
22 comment?

23 Okay.

24 I have no public comment.

1           So I think the motion that staff has recommended just  
2 to clarify is an approval of the hardship for the design  
3 phase only with the request that the District go back and  
4 do an attempt at a local bond prior to coming back to the  
5 Board for a full request of hardship for construction.

6           So that's the staff recommendation.

7           But is there a motion for that or any other?

8           **>> JEREMY SMITH:** I'll make that motion as you  
9 described.

10          **>> CHAIR PERRAULT:** Okay.

11          **>> ASSEMBLY MEMBER DAVIES:** I'll second it.

12          **>> CHAIR PERRAULT:** Okay.

13          We have a first and a second.

14          If we could get a roll call please.

15          **>> LISA JONES:** Certainly.

16          Senator Wilk.

17          **>> SENATOR WILK:** Aye.

18          **>> LISA JONES:** Wilk, aye.

19          Senator Laird.

20          **>> SENATOR LAIRD:** Aye.

21          **>> LISA JONES:** Laird, aye.

22          Senator Newman.

23          **>> SENATOR NEWMAN:** Aye.

24          **>> LISA JONES:** Newman, aye.

1 Assembly Member Davies.

2 >> **ASSEMBLY MEMBER DAVIES:** Aye.

3 >> **LISA JONES:** Davies, aye.

4 Juan Mireles.

5 >> **JUAN MIRELES:** Aye.

6 >> **LISA JONES:** Mireles, aye.

7 Jeremy Smith.

8 >> **JEREMY SMITH:** Aye.

9 >> **LISA JONES:** Smith, aye.

10 Ana Lasso.

11 >> **ANA LASSO:** Aye.

12 >> **LISA JONES:** Lasso, aye.

13 Michele Perrault.

14 >> **CHAIR PERRAULT:** Aye.

15 >> **LISA JONES:** Perrault, aye.

16 And that motion does carry.

17 >> **CHAIR PERRAULT:** Thank you so much.

18 Thank you, superintendent, also for being available

19 for our questions today.

20 We will go ahead and move on to our second appeal,

21 which is the appeal of Pioneer Union Elementary School

22 District.

23 I will note that Pioneer Union Elementary School

24 District, Superintendent Mrs. Patsy Oxford is here present

1 today.

2 And if she would like to, she can address the Board.

3 But I'll go ahead and let staff present first and then  
4 if you have some comments.

5 >> **REBECCA KIRK:** Thank you, Madam Chair.

6 This appeal is on stamped pages 263 through 293 of the  
7 agenda.

8 As you mentioned, the appeal is from the Pioneer Union  
9 Elementary School District located in Butte County, a  
10 single school district serving K through 8 pupils.

11 The District requests in its appeal accelerated  
12 processing and funding of a School Facility Program  
13 application for new construction funding based on an  
14 alternative eligibility methodology.

15 In September 2020, the North Complex West Zone Fire  
16 completely destroyed the District's only school site, Berry  
17 Creek Elementary School.

18 Currently the District's pupils are housed in a  
19 neighboring district located more than 30 minutes from the  
20 former Berry Creek Elementary School site.

21 The District's appeal request today has several  
22 components.

23 They are requesting new construction funding based on  
24 alternative eligibility methodology using enrollment at the

1 time of the fire in the 2019-'20 enrollment year and  
2 considering the District's lack of any facilities to house  
3 displaced students.

4 The District's enrollment at the time of the fire was  
5 56 pupils.

6 The District requests expedited processing and  
7 approval of its new construction application in advance of  
8 the current projects on the workload list and the  
9 applications received beyond bond authority lists.

10 The District also requests that the amount of a new  
11 construction grant be offset by the design funding  
12 previously approved for this project.

13 And finally, the District requests exemption from a  
14 regulatory requirement to include classrooms for which a  
15 class -- excuse me -- for which a contract was signed for  
16 the construction or acquisition of facilities in the  
17 District's gross classroom inventory.

18 Staff recognizes the District faces a unique and  
19 unprecedented circumstance with the destruction of all of  
20 its facilities more than three years ago.

21 We've presented an option for the Board's  
22 consideration to approve the District's appeal request,  
23 which would provide the District with approximately \$4.1  
24 million in additional state funding beyond the previously

1 approved design funds.

2 I'm happy to answer any questions.

3 >> **CHAIR PERRAULT:** Superintendent, before I go to  
4 questions for the Board, is there any comments you would  
5 like to make please?

6 >> **PATSY OXFORD:** Thank you.

7 Thank you so much for hearing our appeal.

8 And the senator was correct.

9 This Board effects millions of children -- sorry,  
10 families and communities, and especially in rural  
11 communities because the school district is the center of  
12 the community.

13 And that's where the rebuild is going to start for our  
14 families is at the school site.

15 And we are looking under every rock and every,  
16 anything we can to fine money to rebuild the school.

17 But OPSC, you have been wonderful helping us to figure  
18 this out.

19 We are the square peg in the round hole, and we  
20 realize that.

21 And especially in a deficit spending year, it's even  
22 more difficult.

23 So we are really, we appreciate that you're hearing  
24 our appeal and just can't thank you enough for helping us

1 out and figuring out a way around this.

2 Because it, you know, the community devastated by  
3 fire, it's, you know, it's got to come back.

4 We're not going to be the only ones.

5 And you know, we are doing everything we can to make  
6 this never happen again.

7 And a lot of districts and other people are learning  
8 from our experience.

9 And again, I wish this room was packed because your  
10 group does so much for so many people and you definitely  
11 don't get the recognition you deserve for doing all that.

12 And before I became a superintendent, I was a  
13 principal for a long time in Monterey.

14 I had no idea about the process and the wonderful  
15 things that you do.

16 And I've never rebuilt a school, but this is the best  
17 part of it is learning all the great things that are out  
18 there and that you do for all the people and your  
19 constituents.

20 As you said, they have no idea.

21 So thank you, thank you.

22 And you have any questions?

23 And I know Joe Dixon, our project manager is on Zoom  
24 as well.

1 >> **CHAIR PERRAULT:** Great.

2 Thank you.

3 Questions?

4 Yes?

5 >> **JUAN MIRELES:** Thank you, Madam Chair.

6 First, I want to thank Ms. Oxford for joining us  
7 today.

8 As I know that Berry Creek is a couple of hours away.

9 I had the pleasure of meeting Ms. Oxford over three  
10 years ago, during the North Complex Fire, since our CDE  
11 emergency services team helps schools along with Cal OES  
12 during emergencies.

13 Since then, we've been trying hard to help them to  
14 rebuild and there's been a lot of people that have been  
15 helping along the way.

16 >> **PATSY OXFORD:** Yes.

17 >> **JUAN MIRELES:** I know that I've asked a lot of  
18 people to basically volunteer their time to help this  
19 school and they have.

20 But we still have a long way to go.

21 >> **PATSY OXFORD:** Yes.

22 >> **JUAN MIRELES:** I'm glad that we're here.

23 And you know, we recognize that we have a program that  
24 helps to build schools, to modernize schools, we have

1 eligibility requirements.

2 But the program doesn't fit every situation.

3 And this, members, is a unique situation.

4 I do want to thank OPSC staff for recognizing this for  
5 what it is.

6 And again, it is a unique situation.

7 And for recognizing the need for creative solutions.

8 But I think that this money is going to help the  
9 District go a long way and rebuild the school.

10 So with that, I would like to make a motion to move  
11 the staff recommendation on the bottom of stamped page 269.

12 >> **CHAIR PERRAULT:** All right.

13 We have a motion.

14 But before we vote, is there other comments or  
15 questions?

16 >> **SENATOR NEWMAN:** I do have a question.

17 As the superintendent noted, this is an extreme  
18 situation but it's probably not unique.

19 Essentially the same issues in Paradise.

20 So to the extent that isn't a current methodology for  
21 this scale of a disaster, you know, it's probably worth  
22 considering.

23 Sadly, it's probably going to happen again.

24 My question would be, do we need legislation to do

1 that?

2 What would be entailed in, you know, adding that as a  
3 methodology for future consideration?

4 >> **PATSY OXFORD:** Can I comment on the Paradise fire?  
5 PG&E was found to have a part in that fire.

6 Our fire was a fire that had started three weeks  
7 earlier about an hour away in the federal forest land and  
8 they refused to put it out.

9 CAL FIRE came to them and said, if this fire if you  
10 get wind, it's going to go.

11 And they didn't put it out.

12 And 80-mile-an-hour winds came.

13 They lit a back fire to put it out and the winds came  
14 and took the fire down 60 miles an hour.

15 And it went down to Lake Orville, which is about an  
16 hour and a half from where it started.

17 Went down, and then turned around, the winds changed  
18 and came back up.

19 Our school did not completely burn the first time, but  
20 it completely burned the second time.

21 And we are bigger than the Campfire in acreage, three  
22 times bigger but not in population.

23 And that is a detriment to us because we don't have  
24 that larger population.

1           And the North Valley Community Foundation that we work  
2 with calls our fire "the forgotten fire".

3           Because we -- it wasn't PG&E, it was mother nature and  
4 we just, you know, we don't have that huge population to  
5 put it right in the forefront all the time.

6           **>> SENATOR NEWMAN:** Again, I appreciate that.

7           I think for rural districts like yours, it's not a  
8 question of if, it's when.

9           And so the Allocation Board will at some point in the  
10 future be considering a similar scenario.

11          So just future reference I guess as something that  
12 might be considered.

13          **>> PATSY OXFORD:** And it's very different now that the  
14 fire happened as far as they are put out immediately.

15          So there is -- have been changes made.

16          **>> CHAIR PERRAULT:** And I think the senator is correct.

17          I mean, I think we all hope it's not again, but it may  
18 very well be when.

19          And I don't know if this is something that staff kind  
20 of has any background now that you can speak to as far as,  
21 you know, we've talked a little bit about process or  
22 whether this is something you can note and come back to the  
23 committee.

24          There may be, I think at least some interest to have a

1 conversation about statutory or through regulation  
2 potentially if there's a process we need to be thinking  
3 about in the future.

4 >> **REBECCA KIRK:** Yes, I can speak to the senator's  
5 question.

6 Firstly, I would note when we refer to the uniqueness  
7 of the situation for the Pioneer Union Elementary School  
8 District and their Berry Creek School site, we did of  
9 course as you noted see a devastating wildfire impacting  
10 the community of Paradise as well.

11 In that circumstance, the impact of the school  
12 district was a little bit different than what we've seen  
13 here in Pioneer Union, specifically paradise didn't lose  
14 all of its facilities, so they were able to house displaced  
15 students in other facilities that had survived the  
16 Campfire.

17 In the case of Pioneer Union, they are a single school  
18 district and unfortunately, that school was completely  
19 destroyed in the fire.

20 And so to our knowledge it was the first circumstance  
21 in which a school district had a total loss of all of its  
22 classroom past in a single event.

23 At this time, given the sort of the uniqueness of that  
24 scenario, we wouldn't necessarily be recommending

1 regulatory changes.

2 I would note at some points in the past, I believe in  
3 the bond measure that was considered the statewide school  
4 facilities bond measure considered by the voters in March  
5 of 2020 that did not pass, I think it had some provisions  
6 that were trying to address some of these kind of natural  
7 disasters a little bit more explicitly in the program.

8 But of course, because that wasn't passed by the  
9 voters it was not adopted as a statutory change to the  
10 program.

11 >> **SENATOR NEWMAN:** Appreciate it, thank you.

12 >> **CHAIR PERRAULT:** Senator and then -- [multiple  
13 speakers]

14 >> **SENATOR LAIRD:** I want to continue on this, because  
15 I think there is a question that we're talking around.

16 And I had the misfortune of being the secretary of  
17 resources during the Paradise fire.

18 And I was there two or three days later, and I was at  
19 the elementary school where the jungle gym was the only  
20 thing that was left standing.

21 And also, in my district, the Cal Poly Forestry  
22 Program in Swanton, which is actually in Santa Cruz County,  
23 was completely destroyed by the CZU fire, everything, the  
24 forest land, the buildings, the academic buildings all

1 gone.

2       And when it came to replace it, FEMA did a little, the  
3 insurance did a little and then it was \$20 million short.

4       And so it took the state budget to step up and fill  
5 the gap to completely fund the rebuilding.

6       And whether there is one school that survives or one  
7 that doesn't, I think the real question is, in terms of  
8 climate and what happens in these fires and the schools.

9       It happens in other ways.

10       In Big Sur right now, the big slide that closed the  
11 highway to the south was right through a school district.

12       So some of the students are south of the slide and  
13 some are in the north and half of the students can't get to  
14 the school and that's a slide, that's not a fire.

15       And so, but I think the question is is what's our  
16 policy when somebody is rebuilding and they can't make it  
17 with insurance and they can't make it with disaster aid, is  
18 there a role?

19       And what I thought Senator Newman might be asking is  
20 the staff going to take a look at whether there needs to be  
21 a change in policy to decide that we have a category or we  
22 have points, or you know, because in that case you got to  
23 know that they have satisfied the insurance, they have got  
24 to satisfy the disaster aid and then is that something we

1 would consider in making it up?

2 And I think it's a matter of time before this comes  
3 multiple times.

4 And it might be good to take a look at this before  
5 that happens to know what our policy is.

6 And this is not a time that you can necessarily ask  
7 school districts to go to the voters because their property  
8 values probably just completely plunged.

9 And I mean, I'm not this disaster prone but I was on  
10 the city council and just got being done as mayor when our  
11 downtown was completely leveled by the earthquake.

12 We lost 60% of the buildings in our downtown.

13 We had a redevelopment district at 5:03 and it was  
14 bankrupt at 5:05 with nothing but the property value having  
15 sunk by the earthquake.

16 So I think this really is worthy of the staff taking a  
17 look and I support the -- what we're doing to help this  
18 school district today.

19 But I think we shouldn't wait until there is another  
20 fire before we decide what our policy is and how we're  
21 going to do this.

22 So I would suggest that staff take a look at this.

23 And it comes in so many permutations.

24 I see that you have a unique one with the one.

1           And then I have a school district that 27% of the  
2 students lived in a house that burnt down and yet most of  
3 the school survived but they now have a revenue problem.

4           And if you were asking them to rebuild something, they  
5 couldn't do it.

6           So anyway, I just think it's worth taking a look and I  
7 apologize for extending the debate because we should just  
8 vote on this motion.

9           And let this person start her five-hour drive or  
10 whatever it is.

11          But you know, that's something we're going to have to  
12 think about before we're right in the middle of it.

13          **>> CHAIR PERRAULT:** Great.

14          Mr. Mireles.

15          **>> JUAN MIRELES:** I'll just quickly offer my  
16 perspective, Senator, since I've been involved with pretty  
17 much every major disaster that impacts the school since  
18 2017 and working directly with them to help them rebuild.

19          There have been a lot and we're doing what we can on  
20 the preparedness side but inevitably there's going to be  
21 other disasters that are impact schools that are going to  
22 have to rebuild.

23          The program, the statute as written was created back in  
24 1998.

1 I do think that it would be prudent to reevaluate,  
2 we've been learning a lot, to see if the statute meets the  
3 current needs.

4 I'm not sure if that's a policy rather a statutory,  
5 you know, reevaluation to give the Board more flexibility.

6 But I do think that you know, every situation is  
7 different.

8 We've learned a lot.

9 And I think it would be prudent at least at this point  
10 to evaluate or reevaluate I should say the existing program  
11 as it relates to the numerous disasters that we've had.

12 >> **CHAIR PERRAULT:** Other comments?

13 Assembly Member?

14 >> **ASSEMBLY MEMBER DAVIES:** Yeah, I completely concur  
15 with the voice over here and I think it's very important  
16 that we look at something like this, especially when it  
17 comes to natural disasters.

18 But I want to say, this isn't just rebuilding a  
19 school, this is actually rebuilding a community.

20 And that's what is so important about that. Families  
21 will start coming back, new families will be coming  
22 back, new jobs, new businesses.

23 So there is so much more than just building a school.

24 And again, I definitely support this.

1 And good luck.

2 >> **PATSY OXFORD:** Thank you.

3 >> **CHAIR PERRAULT:** All right.

4 Any other comments from the Board?

5 >> **ANA LASSO:** I would like to speak.

6 I also concur with the senator and with Juan Mireles'  
7 statement.

8 I do think 1998 when the statute was written was a  
9 very different time in our climate.

10 And it's time to relook at what we currently have in  
11 statute to see if we can retool it to support the increased  
12 needs that we see now with emergencies coming upon  
13 emergencies.

14 But also as we look at a new bond how do we build a  
15 more resilient statute that can be flexible to address  
16 these situations.

17 So concur with my colleagues.

18 >> **CHAIR PERRAULT:** Thank you.

19 Any other comments from the Board?

20 Okay.

21 Do we have any public comments?

22 All right.

23 Seeing none, is there a motion to approve the staff's  
24 recommendation?

1 Mister -- oh, yes, we did have a motion.  
2 Thank you.  
3 We had that lively conversation and I completely  
4 forgot.  
5 We have a motion.  
6 Do we have a second?  
7 >> [off mic]  
8 >> **CHAIR PERRAULT:** We have a second?  
9 Oh, second by Senator Wilk.  
10 If we could have a roll call please.  
11 >> **LISA JONES:** Certainly.  
12 Senator Wilk.  
13 >> **SENATOR WILK:** Aye.  
14 >> **LISA JONES:** Wilk, aye.  
15 Senator Laird.  
16 >> **SENATOR LAIRD:** Aye.  
17 >> **LISA JONES:** Laird, aye.  
18 Senator Newman.  
19 >> **SENATOR NEWMAN:** Aye.  
20 >> **LISA JONES:** Newman, aye.  
21 Assembly Member Davies.  
22 >> **ASSEMBLY MEMBER DAVIES:** Aye.  
23 >> **LISA JONES:** Davies, aye.  
24 Juan Mireles.

1 >> **JUAN MIRELES:** Aye.

2 >> **LISA JONES:** Mireles, aye.

3 Jeremy Smith.

4 >> **JEREMY SMITH:** Aye.

5 >> **LISA JONES:** Smith, aye.

6 Ana Lasso.

7 >> **ANA LASSO:** Aye.

8 >> **LISA JONES:** Lasso, aye.

9 Michele Perrault.

10 >> **CHAIR PERRAULT:** Aye.

11 >> **LISA JONES:** Perrault, aye.

12 And that motion carries.

13 >> **CHAIR PERRAULT:** Thank you.

14 Thank you, again, for being here.

15 We appreciate it.

16 Okay, at this time we're going to go ahead and move to

17 our reports, discussion and information items.

18 Are there any?

19 >> **REBECCA KIRK:** Thank you, Madam Chair.

20 The reports, discussion and information items are on

21 stamped pages 294 through 343 of the agenda.

22 The information items as always include the latest

23 workload lists and applications received beyond the bond

24 authority lists.

1           Those numbers are presented as of February 29, 2024.

2           I'm happy to address any questions the Board may have  
3 regarding the reports, discussion and information items.

4           **>> CHAIR PERRAULT:** Are there any questions or comments  
5 from the Board?

6           Seeing none, are there any public comments?

7           No public comments on this item.

8           Okay, then that brings us to the end of our meeting.

9           And we are adjourned at 4:56.

10          [END OF MEETING]

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TRANSCRIBER'S CERTIFICATE

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF RIVERSIDE )

I, (Antha A. Ward), a person who has 23 years of demonstrated experience, do hereby certify:

That the proceedings herein of the California State Allocation Board, Public Meeting, were duly transcribed by me;

That the foregoing transcript is a true record of the proceedings as transcribed;

That I am a disinterested person to said action.

IN WITNESS WHEREOF, I have subscribed my name on April 3, 2024,

Antha A. Ward

Antha A. Ward  
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