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CALIFORNIA STATE ALLOCATION BOARD

PUBLIC MEETING

(TELECONFERENCE)

DEPARTMENT OF HEALTHCARE SERVICES

EAST END COMPLEX

1500 CAPITOL MALL

SACRAMENTO, CA 95814

DATE: WEDNESDAY, JUNE 26, 2024

1 APPEARANCES: MEMBERS OF THE BOARD PRESENT:

2

3 CHRIS FERGUSON, Program Budget Manager, Education  
4 Unit, designated representative for Joe Stephenshaw,  
5 Director, Department of Finance

6 ANA LASSO, Director, Department of General Services

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

11 JEREMY SMITH, Governor's Appointee

12 SENATOR SCOTT WILK

13 SENATOR JOSH NEWMAN

14 SENATOR JOHN LAIRD

15 ASSEMBLY MEMBER LAURIE DAVIES (Remote Participation)

16

17 REPRESENTATIVE OF THE STATE ALLOCATION

18 BOARD/OFFICE OF PUBLIC SCHOOL CONSTRUCTION PRESENT:

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20 REBECCA KIRK, Executive Officer

21 MICHAEL WATANABE, Deputy Executive Officer

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Transcribed by:

Anthia A. Ward  
QuickCaption, Inc.  
County of Riverside  
State of California

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1                               TRANSCRIBED RECORDED PUBLIC MEETING

2   June 26, 2024

3  
4               **>> CHAIR FERGUSON:** I am calling this meeting  
5 to order.

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

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

13              In order for this meeting to run efficiently,  
14 for those participating remotely, please note the  
15 following guidelines. All attendees will be muted  
16 during the meeting. If any member of the public  
17 would like to make a comment, please use the raised  
18 hand feature in the Zoom meeting interface. I will  
19 call your name at the appropriate time and OPSC  
20 staff will request to unmute you.

21              If you are calling into the meeting and not  
22 using a computer or the Zoom link on a mobile  
23 device you will be unable to provide public  
24 comment.

1 Ms. Jones, would you please call the roll noting any  
2 members that are joining us from a remote location.

3 >> **LISA JONES:** Certainly.

4 Senator Wilk.

5 >> **SENATOR WILK:** Present.

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

7 >> **SENATOR LAIRD:** Here.

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

9 >> **SENATOR NEWMAN:** Here.

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

11 Assembly Member Davies.

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

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

14 Juan Mireles.

15 >> **JUAN MIRELES:** Here.

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

17 >> **JEREMY SMITH:** Here.

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

19 >> **ANA LASSO:** Here.

20 >> **LISA JONES:** Chris Ferguson.

21 >> **CHAIR FERGUSON:** Here.

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

23 >> **CHAIR FERGUSON:** There will not be a closed  
24 session at today's meeting. Therefore, we will move

1 on to the agenda.

2 The first item up today is the minutes.

3 Are there any public comments?

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

5 >> **CHAIR FERGUSON:** Thank you.

6 Do I have a second?

7 >> **JEREMY SMITH:** Second.

8 >> **CHAIR FERGUSON:** Great.

9 I have a motion from Senator Wilk or Member

10 Wilk.

11 And --

12 >> **SENATOR WILK:** You just demoted me.

13 >> **CHAIR FERGUSON:** Board Member Wilk.

14 >> **SENATOR WILK:** [off mic]

15 >> **CHAIR FERGUSON:** Senator Wilk.

16 >> **SENATOR WILK:** It's a title for life.

17 >> **CHAIR FERGUSON:** Excellent.

18 >> **SENATOR WILK:** [off mic]

19 >> **CHAIR FERGUSON:** Thank you.

20 Secretary, will you please call the roll?

21 >> **LISA JONES:** Certainly.

22 Senator Wilk.

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

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

1 >> **SENATOR LAIRD:** Aye.

2 >> **LISA JONES:** Excuse me for just a minute.

3 Laird, Wilk, aye.

4 Senator Laird. Laird, aye.

5 Senator Newman.

6 >> **SENATOR NEWMAN:** Aye.

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

8 Assembly Member Davies.

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

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

11 Juan Mireles.

12 >> **JUAN MIRELES:** Aye.

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

14 Jeremy Smith.

15 >> **JEREMY SMITH:** Aye.

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

17 Ana Lasso.

18 >> **ANA LASSO:** I wasn't here last month so I'll

19 abstain.

20 >> **LISA JONES:** Okay, thank you.

21 Lasso abstains.

22 Chris Ferguson.

23 >> **CHAIR FERGUSON:** Aye.

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

1           And that motion carries.

2           **>> CHAIR FERGUSON:** We'll now turn to the  
3 Executive Officer Statement.

4           Ms. Kirk.

5           **>> MS. KIRK:** Thank you, Mr. Chair.

6           There is a placeholder for the Executive  
7 Officer's Statement in the published agenda for  
8 today. For record keeping purposes we'll be  
9 providing the written version of the Executive  
10 Officer Statement in the formal agenda in the near  
11 future.

12           I wanted to provide the Board with an update  
13 on the potential for a statewide school facilities  
14 bond. We do have two education facilities bond  
15 bills remaining pending in the legislature  
16 currently. However, I would note that Assembly Bill  
17 247 was withdrawn from the Senate Appropriations  
18 Committee and rereferred to the Committee On Rules  
19 earlier this week.

20           Pursuant to Elections Code Section 9040, the  
21 last day for a legislative measure to qualify for  
22 the November 5th, 2024, general election would  
23 normally be tomorrow, June 27, 2024. However, I  
24 note that Senate President Tempore McGuire was

1 quoted in a news article this week indicating that  
2 there is some flexibility to the deadline, and that  
3 the legislature is currently working with  
4 legislative counsel and the Secretary of State  
5 toward a July 3rd deadline for placing bond  
6 measures on the ballot.

7 Staff continues to monitor any developments.

8 And we will provide further updates as they  
9 occur. Our next meeting is scheduled for Wednesday,  
10 August 28th, 2024, with the time and location to be  
11 determined and announced at a later date.

12 Thank you, Mr. Chair.

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

14 Are there any public comments about the  
15 Executive Officer Statement?

16 Any comments from board members?

17 Seeing none.

18 We will move to the consent agenda.

19 Are there any public comments on the consent  
20 agenda?

21 Seeing none. Is there a motion on the consent  
22 agenda?

23 >> **SENATOR WILK:** So moved.

24 >> **SENATOR NEWMAN:** Second.

1           **>> CHAIR FERGUSON:** I have a motion and a  
2 second.  
3 Secretary, will you please call the roll?  
4           **>> LISA JONES:** Certainly.  
5 Senator Wilk.  
6           **>> SENATOR WILK:** Aye.  
7           **>> LISA JONES:** Wilk, aye.  
8 Senator Laird.  
9           **>> SENATOR LAIRD:** Aye.  
10           **>> LISA JONES:** Laird, aye.  
11 Senator Newman.  
12           **>> SENATOR NEWMAN:** Aye.  
13           **>> LISA JONES:** Newman, aye.  
14 Assembly Member Davies.  
15           **>> ASSEMBLY MEMBER DAVIES:** Aye.  
16           **>> LISA JONES:** Davies, aye.  
17 Juan Mireles.  
18           **>> JUAN MIRELES:** Aye.  
19           **>> LISA JONES:** Mireles, aye.  
20 Jeremy Smith.  
21           **>> JEREMY SMITH:** Aye.  
22           **>> LISA JONES:** Smith, Aye.  
23 Ana Lasso.  
24           **>> ANA LASSO:** Aye.

1 >> **LISA JONES:** Lasso, aye.  
2 Chris Ferguson.  
3 >> **CHAIR FERGUSON:** Aye.  
4 >> **LISA JONES:** Ferguson, aye.  
5 That motion does carry.  
6 >> **CHAIR FERGUSON:** Great.  
7 We will now turn to financial reports.  
8 Ms. Kirk.  
9 >> **MS. KIRK:** Thank you, Mr. Chair.  
10 We have financial reports presented on pages  
11 147 through 164 of today's agenda. Available funds  
12 are reflected as of June 26th, 2024, today's date.  
13 We're happy to answer any questions.  
14 >> **CHAIR FERGUSON:** Are there any comments from  
15 board members on the financial reports?  
16 Seeing none. Are there any comments from the  
17 public?  
18 With that, we will move to the next item. That  
19 is an appeal from the Santa Rita Union School  
20 District.  
21 The District Superintendent Dr. Melissa  
22 Alderman has joined the meeting via Zoom. And the  
23 district's consultants Mr. Dan Maruccia and Ms.  
24 Arielle Percival are here in person to answer any

1 questions the Board may have.

2 Would the district like to provide any  
3 comments?

4 >> **MICHAEL WATANABE:** I can go first if you  
5 like.

6 >> **CHAIR FERGUSON:** Yeah.

7 Sorry, if OPSC could present the item and then  
8 we'll turn it over to the district for comments.

9 >> **MICHAEL WATANABE:** Thank you.

10 So the appeal for the Santa Rita School  
11 District is on page 165 of the agenda.

12 This District is requesting the State  
13 Allocation Board reinstate funding and approve an  
14 additional time extension request to the  
15 substantial progress deadlines for a School  
16 Facility Program New Construction Project.

17 Back in May of 2020, the Board approved \$4.3  
18 million in advance site and design funding for the  
19 District to get their project started. And funds  
20 were released to the District on October 8th, 2020.  
21 These funds will allow the District to build a  
22 brand-new elementary school serving K-6th grade  
23 down in Salinas.

24 Under education code statute requires a school

1 district to make substantial progress on all SFP  
2 projects within 18 months of receiving any funding.  
3 If the Board makes a finding that the school  
4 district has not made substantial progress the  
5 Board is required to rescind the apportionment.

6 The SFP regulations require the districts to  
7 receive this advanced site funding to demonstrate  
8 substantial progress within 18 months. And there is  
9 four criteria that they must meet. One is obtain  
10 final site approval. Two, complete all CEQA  
11 requirements. Three, obtain final approval of the  
12 site by CDE. And four, obtain final escrow  
13 instructions or other documentation that shows the  
14 District has entered condemnation proceedings.

15 There is only one exception to those four  
16 requirements, and that's if the District provides  
17 other evidence beyond the district's control, and  
18 the Board has to approve that finding. And in that  
19 instance, the Board is basically providing a  
20 conditional approval of substantial progress until  
21 those four requirements are met.

22 Back in March of 2022 the District did request  
23 that extension. They provided documentation that  
24 the Board approved in June of 2022 that due to

1 COVID that was extenuating circumstances beyond the  
2 control of the District that delayed the project.  
3 The Board approved their extension request which  
4 gave them a new deadline of December 6th of 2023.

5 In looking at this appeal staff took a few  
6 things into consideration as they reviewed the  
7 circumstances surrounding the project. And looking  
8 at the substantial progress deadlines, the  
9 regulations do not provide any second exemptions  
10 that are spelled out beyond the original other  
11 evidence.

12 On the chart on page 169, we've laid out what  
13 the District has done so far and what they intend  
14 to do by December 6, 2024, which they've requested  
15 as their new extension deadline to meet all of the  
16 requirements for the program.

17 In considering the grants retaining of the  
18 funding for this District, we also looked at the  
19 ability for the District to move forward. This  
20 funding is intended to buy the site and proceed  
21 with the design of the project. But they still need  
22 to come in as a financial hardship district to move  
23 the project forward with a full grant application  
24 after those plans are fully designed.

1           As your aware, through the May 31st, 2024, the  
2 SFP is currently oversubscribed by \$3.5 billion in  
3 new construction modernization funding. So we asked  
4 the District how they intend to move forward. They  
5 provided documentation to show that their estimated  
6 construction cost at this time is roughly \$33.6  
7 million, but they do have a justification study to  
8 level -- level levy 2 developer fees. And if needed  
9 if there is no new funds to the program, they would  
10 trigger level 3 fees potentially.

11           They also propose establishing a community  
12 facility's district, and if necessary also borrow  
13 certificates of participation to move the project  
14 forward. So they believe they do have a mechanism  
15 to keep the project moving forward beyond just  
16 buying the site if they are allowed to retain that  
17 funding.

18           The other thing we looked at for the District  
19 is new construction eligibility. The Board  
20 currently requires all new construction projects to  
21 demonstrate eligibility for their project at the  
22 time OPSC processes it. While their application may  
23 not be here for about five years when we process  
24 it, we did look at today's enrollment since the

1 application was first filed in 2019.

2       When the application was first filed in 2019,  
3 they had 325 pupil grants. They would need to  
4 request 163 at the minimum at the time OPSC  
5 processes the application. Today looking at their  
6 eligibility they would have at least 241 pupil  
7 grants, so they do have a viable construction  
8 project today to keep moving forward.

9       There are three large housing developments  
10 going in the city of Salinas that we reviewed.  
11 Potentially, if those continue to move forward  
12 adding 343 new dwelling units would bring the  
13 district all the way up to 310 pupil grants. And if  
14 all 2,200 units go in, potentially 887 grants. So  
15 today we do believe we have a viable new  
16 construction project now to provide those projects  
17 continue to move forward.

18       On page 172, just for illustration purposes,  
19 see the area of the school the District is planning  
20 to put these sites. It is going to be in the West  
21 Area Specific Plan on the top chart there.

22       So in kind of in conclusion, in discussing  
23 with the District in purchasing the site, it does  
24 make sense to staff prior to the infill and

1 development, that buying the site now is logical  
2 before the houses go in so you don't have to buy  
3 property outside those residential areas.

4 It does appear from the District they would  
5 have considerable delays over the last four years  
6 with litigation with the city of Salinas which  
7 concluded just shortly before their deadline.

8 We would note that if the District does buy  
9 the site and doesn't move forward with it they  
10 would be subject to an unused site fee equal to 1%  
11 of the appraised value of the site annually until  
12 they actually use it for a school. And that's if  
13 they don't use it for a school within the first  
14 five years.

15 Staff is unable to administratively approve  
16 the District's request. Under the regulations there  
17 is not a mechanism to provide a second request, but  
18 we believe the regs may not have contemplated the  
19 extenuating circumstances faced by the District for  
20 their project.

21 And with that, I'm happy to take any  
22 questions.

23 >> **CHAIR FERGUSON:** Great.

24 Before we take questions, if we could hear

1 from the District or its representatives if they  
2 would like to make any comments.

3 >> **DANIEL MARUCCIA:** Just a quick word of  
4 introduction.

5 My name is Daniel Maruccia, I'm a partner at  
6 Lozano Smith and representing the Santa Rita Union  
7 School District.

8 I would like to have the Superintendent Dr.  
9 Melissa Alderman address the Board very briefly.  
10 And myself and Ms. Percival are here to answer any  
11 questions that the Board may have as well.

12 >> **DANIEL MARUCCIA:** Dr. Alderman?

13 >> **DR. ALDERMAN:** Yes, thank you so much.

14 I appreciate the members of the Board  
15 considering our request, and I want to thank you  
16 for that. And I also really want to thank OPSC and  
17 staff especially Michael Watanabe and his team for  
18 their time and their effort and willingness to kind  
19 of work with us through the appeal process, answer  
20 all of my questions that I had along the way.

21 The summary that was given to you, it is  
22 really comprehensive of where we're at. I can give  
23 you a couple of updates. Just in the past couple of  
24 days, we're expecting final close of our escrow by

1 the end of next week. And we needed to go ahead and  
2 move on purchasing the school site.

3 As was shared with you prior, we have our plan  
4 in place for if there are, you know, funding short  
5 falls when it comes time to do school construction,  
6 we're willing to explore all of the avenues that  
7 are available to us. We're confident in saying that  
8 we'll be through this entire process with the  
9 remaining requirements by December.

10 >> **CHAIR FERGUSON:** Thank you.

11 Any questions from the members?

12 Seeing none, are there any motions?

13 >> **SENATOR LAIRD:** Can I make a comment?

14 >> **CHAIR FERGUSON:** Yes, certainly.

15 >> **SENATOR LAIRD:** Thank you, this is John  
16 Laird.

17 And this school district is generally in my  
18 region. And I think to say something that just  
19 wasn't said this directly at the staff level. There  
20 is no staff ability to approve this. This has to  
21 come to us.

22 And it is very reasonable, the way it was  
23 explained they have just done everything they can  
24 do, they are generating more revenue for this. And

1 they have moved it ahead as far as they can given  
2 the exigent circumstances, and it makes a lot of  
3 sense to approve this.

4 And so I don't know what the appropriate  
5 motion is. Is it that we uphold the appeal?

6 Is that the appropriate motion?

7 >> **CHAIR FERGUSON:** Yes, that would be to  
8 approve the District's appeal request.

9 >> **SENATOR LAIRD:** Then I would move that we  
10 approve the District's appeal request.

11 >> **SENATOR WILK:** Wilk seconds.

12 >> **CHAIR FERGUSON:** I have a motion and a  
13 second.

14 Ms. Secretary -- actually, sorry, before we  
15 call the roll, just to verify, is there any  
16 additional public comment on this item?

17 Ms. Secretary, if you would call the roll.

18 >> **LISA JONES:** Certainly.

19 Senator Wilk.

20 >> **SENATOR WILK:** Aye.

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

22 Senator Laird.

23 >> **SENATOR LAIRD:** Aye.

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

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

2 >> **SENATOR NEWMAN:** Aye.

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

4 Assembly Member Davies.

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

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

7 Juan Mireles.

8 >> **JUAN MIRELES:** Aye.

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

10 Jeremy Smith.

11 >> **JEREMY SMITH:** Aye.

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

13 Ana Lasso.

14 >> **ANA LASSO:** Aye.

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

16 Chris Ferguson.

17 >> **CHAIR FERGUSON:** Aye.

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

19 And that motion passes.

20 >> **DAN MARUCCIA:** Thank you very much.

21 >> **CHAIR FERGUSON:** Great.

22 We'll move to the final item, which is just a

23 general item about reports, discussions and

24 informational items. With that, we'll consider them

1 read.

2 Are there any additional public comments from  
3 any members of the public?

4 With that, I will adjourn the meeting.

5 [ GAVEL ]

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TRANSCRIBER'S CERTIFICATE

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF RIVERSIDE )

I, (Antha A. Ward), a person who has 25 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 July 18, 2024,

Antha A. Ward

Antha A. Ward  
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