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CALIFORNIA STATE ALLOCATION BOARD

PUBLIC MEETING

(TELECONFERENCE)

DEPARTMENT OF HEALTHCARE SERVICES

EAST END COMPLEX

1500 CAPITOL AVENUE

SACRAMENTO, CA 95814

DATE: WEDNESDAY, SEPTEMBER 25, 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 JOSH NEWMAN

13 ASSEMBLY MEMBER LAURIE DAVIES

14 DAVID ALVAREZ (Remote Participation)

15 ASSEMBLY MEMBER AL MURATSUCHI (Remote Participation)

16

17 REPRESENTATIVES OF THE STATE ALLOCATION

18 BOARD/OFFICE OF PUBLIC SCHOOL CONSTRUCTION PRESENT:

19

20 REBECCA KIRK, Executive Officer

21 MICHAEL WATANABE, Deputy Executive Officer

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Transcribed by:

Antha A. Ward

QuickCaption, Inc.

County of Riverside

State of California

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1 Senator Wilk?
2 Senator Laird?
3 >> **LISA JONES:** Senator Newman?
4 >> **SENATOR NEWMAN:** Here.
5 >> **LISA JONES:** Assembly Member Muratsuchi?
6 >> **ASSEMBLY MEMBER AL MURATSUCHI:** Here.
7 >> **LISA JONES:** Assembly Member Davies?
8 >> **ASSEMBLY MEMBER DAVIES:** Here.
9 >> **LISA JONES:** Assembly Member Alvarez?
10 >> **ASSEMBLY MEMBER ALVAREZ:** Here.
11 >> **LISA JONES:** Juan Mireles?
12 >> **JUAN MIRELES:** Here.
13 >> **LISA JONES:** Jeremy Smith?
14 >> **JEREMY SMITH:** Here.
15 >> **LISA JONES:** Ana Lasso?
16 >> **ANA LASSO:** Here.
17 >> **LISA JONES:** Chris Ferguson?
18 >> **CHAIR FERGUSON:** Here.
19 >> **LISA JONES:** We have a quorum.
20 >> **CHAIR FERGUSON:** The Board will now meet in Closed
21 session, pursuant to Government Code Section 11126 at
22 subdivision e, for the purpose of conferring with, and
23 receiving advice, from Legal Counsel regarding pending
24 litigation.

1 All Board Members please follow Ms. Jones to the
2 adjoining conference room. Remote members will join the
3 Closed session with the assistance of OPSC's Communications
4 Team.

5 The open meeting will continue upon adjournment of the
6 Closed session.

7 Apologies, just please note that the Closed session
8 will be for the purpose of conferring with and receiving
9 advice from Legal Counsel regarding pending litigation
10 entitled California School Finance Authority, et al. v.
11 Today's Fresh Start Incorporated et al., Los Angeles County
12 Superior Court case 23STCP03750.

13 >> **CHAIR FERGUSON:** Thanks. Pursuant to Government Code
14 Sections 11126(e)(1) and (E)(2)(A). The State Allocation
15 Board has met in closed session to confer with and receive
16 advice from Legal Counsel regarding pending litigation. The
17 closed session has concluded and the board provided
18 direction to the Executive Officer regarding the pending
19 litigation. We will now commence with the open meeting of
20 the State Allocation Board. Ms. Kirk, please proceed.

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

22 The minutes for the June 26, 2024, meeting are on
23 stamped pages 1-9 of the agenda.

24 And I would like to request that the board approve the

1 minutes.

2 >> **CHAIR FERGUSON:** Are there any public comments on
3 the minutes?

4 Seeing no comments, --

5 >> Motion to move the minutes.

6 >> Second.

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

8 Secretary, will you please call the roll?

9 >> **LISA JONES:** Certainly.

10 Senator Newman?

11 >> **SENATOR NEWMAN:** Aye.

12 >> **LISA JONES:** Assembly Member Muratsuchi?

13 >> **ASSEMBLY MEMBER MURATSUCHI:** Aye.

14 >> **LISA JONES:** Assembly Member Davies?

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

16 >> **LISA JONES:** Assembly Member Alvarez?

17 >> **ASSEMBLY MEMBER ALVAREZ:** Juan Mireles?

18 >> **JUAN MIRELES:** Aye.

19 >> **LISA JONES:** Jeremy Smith?

20 >> **JEREMY SMITH:** Aye.

21 >> **LISA JONES:** Ana Lasso?

22 >> **ANA LASSO:** Aye.

23 >> **LISA JONES:** Chris Ferguson?

24 >> **CHAIR FERGUSON:** Aye.

1 >> **LISA JONES:** That motion carries.

2 >> **CHAIR FERGUSON:** Ms. Kirk, please proceed.

3 >> **MS. KIRK:** Thank you. I would like to draw your
4 attention to the Executive Officer's statement, which is on
5 pages 10 and 11 of today's agenda.

6 Firstly, since our last meeting was held in late June,
7 I'm pleased to provide an update that on July 3rd, Assembly
8 Bill 247 was chaptered, which places a statewide school
9 facilities bond bill on the November 2024 general election
10 ballot.

11 The measure has qualified as Proposition 2 on the
12 ballot.

13 If it's passed by the voters, in part it would provide
14 \$10 billion to construct and modernize education
15 facilities, of which \$8.5 billion dollars is set aside for
16 transitional kindergarten through secondary educational
17 facilities.

18 In addition, Proposition 2 would grandfather
19 applications submitted on or before October 30, 2024,
20 requires submission of a five-year school facilities master
21 plan, as a condition of participating in the School
22 Facility Program.

23 Establishes a points-based determination and sliding
24 scale for the required state and local match for school

1 facility program projects.

2 Establishes a new program for the testing and
3 remediation of lead in water fountains and faucets on
4 school sites. And establishes several new supplemental
5 grants, as well as authorizes the State Allocation Board to
6 provide interim housing assistance, following specified
7 natural disasters.

8 These are just a few of the provisions of that
9 proposed bond.

10 If the Act is passed by voters in the November
11 election, staff will present an item at the December 3rd
12 State Allocation Board meeting, regarding initial timelines
13 and considerations for implementation.

14 I'm also pleased to announce that October 1st will be
15 the effective date of regulations that the board previously
16 approved. Which extend the timeline on fund release for
17 applications to the Preschool, Transitional Kindergarten
18 and Full-Day Kindergarten Facilities Grant Program. Those
19 applications that received apportionments in the third and
20 fourth filing round and any potential future round are able
21 to access this increase.

22 We also have our meeting schedule set for the
23 remainder of this year. After today, our next meeting will
24 be held on October 23rd. And the final meeting of the year

1 will be held on December 3rd.

2 I'm pleased to answer any questions.

3 >> **CHAIR FERGUSON:** Thank you, Ms. Kirk. This is not an
4 action item. Are there any questions or comments from Board
5 Members about the Executive Officer's statement?

6 Seeing none, are there any public comments regarding
7 the Executive Officer's statement?

8 We will now proceed to the consent agenda, Ms. Kirk.

9 >> **MS. KIRK:** Thank you, Mr. Chair. The consent agenda
10 is on stamped pages 12-194 of today's agenda and includes
11 nearly \$400 million in new apportionments for 70 projects
12 throughout California.

13 I would like to request that the board approve the
14 consent agenda.

15 >> **CHAIR FERGUSON:** Are there any comments or questions
16 from Board Members on the consent agenda?

17 If I may quickly, just to confirm, are there any
18 public comments on the consent agenda?

19 Seeing none, I have a motion -- I believe I heard a
20 second?

21 >> I'll second.

22 >> **CHAIR FERGUSON:** Excellent. Secretary, will you call
23 the roll?

24 >> **LISA JONES:** Certainly.

1 Senator Newman?
2 >> **SENATOR NEWMAN:** Aye.
3 >> **LISA JONES:** Newman aye.
4 Assembly Member Muratsuchi?
5 >> **ASSEMBLY MEMBER MURATSUCHI:** Aye.
6 >> **LISA JONES:** Muratsuchi aye.
7 Assembly Member Davies?
8 >> **ASSEMBLY MEMBER DAVIES:** Aye.
9 >> **LISA JONES:** Davies aye.
10 Assembly Member Alvarez?
11 >> **ASSEMBLY MEMBER ALVAREZ:** Aye.
12 >> **LISA JONES:** Alvarez 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 Chris Ferguson?
23 >> **CHAIR FERGUSON:** Aye.
24 >> **LISA JONES:** Ferguson aye.

1 That motion does carry.

2 **>> CHAIR FERGUSON:** Thank you, Ms. Kirk. If you could
3 please proceed?

4 **>> MS. KIRK:** Thank you. We have financial reports on
5 stamped pages 195-212 in today's agenda. And I'm happy to
6 address any questions there may be.

7 **>> CHAIR FERGUSON:** Are there any questions or comments
8 from Board Members?

9 Seeing none, are there any questions or comments from
10 members of the public?

11 We will now proceed to the appeals on today's agenda.

12 Mr. Watanabe, if you could please proceed.

13 **>> MR. WATANABE:** Thank you. I'm on page 213 of the
14 agenda. The first appeal we have before you is Rockford
15 Elementary School District. Rockford Elementary School is a
16 one-school school district in Tulare County. This serves
17 grades K-8. 2023-2024 enrollment was roughly 282 pupils.
18 This district is requesting the board reinstate the
19 modernization apportionment and approve additional funding
20 for their project to use up all modernization eligibility
21 they had at the time their application was submitted.

22 Back in 2012, the district submitted the design
23 application for 100 pupil grants. At the time they
24 submitted their full construction grant application they,

1 again, requested 100 pupil grants, which is all they had at
2 their baseline eligibility at the time.

3 With the application the board approved their funding
4 in August of 2023. The district had one year to submit a
5 fund release authorization to get under construction for
6 that project and their deadline was August 22 of 2024.

7 This appeal request, if approved by the board at 2023
8 grant amounts, would amount to another \$1.7 million or so
9 to this school district.

10 Background for modernization eligibility funding is
11 site-specific for each school district. It uses an
12 enrollment of students on the site, compared with ages of
13 the buildings on the site. That creates your modernization
14 eligibility baseline, but is not a guarantee of funding.
15 You must submit a funding application to our office.

16 The baseline can be updated over time for changes in
17 enrollment and also additional buildings that become of
18 age.

19 But again, it is not a funding application. Once the
20 district submits the funding application they can submit
21 any number of pupil grant requests on that, as long as they
22 reach the minimum that is required in regulation.

23 Under our program, the minimum that you can ask for in
24 K-8 is 101 pupil grants but because they only have 100

1 grants that is what they are funded at.

2 After this district was apportioned in August 2023, it
3 came to our attention that OPSC staff had not processed two
4 eligibility updates for the district. Had we processed
5 those eligibility updates for the District, it would have
6 amounted roughly to 363 pupils available to the district.

7 However, because the original funding application only
8 asked for 100 pupil grants they are not allowed to increase
9 their application to request all of their grants.

10 They would have had to step out of line, submit a new
11 funding application at that point to ask for all 363
12 grants.

13 In talking with the district it appears it was an
14 oversight on the district's part to ask for those
15 additional pupil grants. We point out that had staff
16 processed the eligibility applications, it would have
17 bumped them to the minimum 101 as a requirement of
18 regulation. But that actually would have resulted in a loss
19 of \$42,000 to the district's current fund. So because it
20 was our error for that part, we're not pursuing that at
21 this time.

22 Resubmittal of the application is fundamental from a
23 part of our program.

24 In early days of our program, as school districts

1 submitted applications, if there were fatal flaws in their
2 application, what they would have to do is get out of line
3 and get back in line. And when we had lots of funding for
4 our program, that's not an issue, we process it right away.

5 But given we are processing applications several years
6 in arrears, getting out of line is not as easy as it used
7 to be.

8 As you know we are slated to run out of funding
9 authority in our program somewhere around February 2025.

10 Currently, our Applications Received Beyond Bond
11 Authority list is through August 31st, we are roughly \$3.9
12 billion over subscribed between new construction and
13 modernization alone.

14 If the district were to resubmit and submit an
15 application today, it is unknown at this time when they
16 would be funded for the entirety of their pupil grants, but
17 it is an option to them, to not lose the pupil grants, they
18 can apply for that at any time.

19 At the end of the day, as a conclusion for this
20 particular project, staff doesn't support the district
21 request. It's a fundamental part of our program in terms of
22 line jumping. Asking for a set amount of grants and then
23 asking for an increase after the fact amounts to line
24 jumping in our program. So we do not support the district's

1 request.

2 We do -- staff recommends from the board, we
3 recommend the board reinstate their apportionment as-is,
4 with today's date. Give them a new 365 days. They submitted
5 their appeal request back in February. They have been
6 waiting for the board's decision on how to handle their
7 appeal request since that time.

8 They have indicated they can't move forward with their
9 project. The scope of this project involves electrical
10 upgrades throughout the campus, roofing upgrades so they
11 can put HVAC on campus, that has never had HVAC in the
12 central valley down there.

13 So the one year would give them an opportunity to
14 mature their project. If they have to de-scope their
15 project, take out short-term loans to cover their project,
16 they have a variety of options available to them, or wait
17 out and see what happens in future funding available to the
18 program. But at this time we can't support that.

19 The district is online if there are questions, as well
20 as their consultants.

21 >> **CHAIR FERGUSON:** Thank you, Mr. Watanabe. The
22 district and their representatives joined via Zoom. They
23 are Ms. Caron Borba. The superintendent/principal, Mr. Owen
24 Alvarez, the consultant, and Mr. Douglas Janssen, the

1 architect.

2 Will the district or representatives like to provide
3 any comment?

4 >> Hi, my name is Caron Borba, I'm the
5 Superintendent/Principal at Rockford School.

6 We are a very neat school district and have a lot of
7 students with a lot of needs.

8 Our main concern is that our children deserve to have
9 air-conditioning in their classrooms.

10 If you want to enhance their learning, we need to
11 definitely be able to have them in an environment that is
12 healthy for them to learn.

13 So I ask that you will grant the funding for us, so we
14 can move forward.

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

16 Are there any comments or questions from Board
17 Members? I do have just, you know, an initial question,
18 that is --

19 When would, just procedurally, this sounds like the
20 consultant that was assisting the district may have
21 overlooked this? Or what is the sort of fact pattern that
22 led the district to be unaware that they might be eligible
23 for more?

24 >> **MR. WATANABE:** Yeah, they had submitted eligibility

1 updates in 2014 and 2018. So we haven't processed those
2 there would be 363 pupils as a baseline. But, when we
3 process their funding applications we typically process
4 those eligibility applications. We didn't in this
5 particular case. But even if we had, the district only
6 requested 100 grants on their funding application, so
7 that's the cap at what they are. We've been consistent in
8 our program. We don't allow changes to that pupil grant
9 request, except to bring them up to that 101 minimum
10 grants. But like I said, they can always withdraw the app
11 or submit a second modernization app for the rest of the
12 project.

13 >> **ANA LASSO:** Yes, so I would like to just state that
14 I am very sympathetic with the district's circumstances
15 being in a -- it's, you know, a financial hardship
16 school. And I understand there were some delay in getting
17 the back and forth of communication. But I also understand
18 that jumping the line would really set a precedent. And I
19 would say that, given the limited amount of funds that we
20 have to give out, I would recommend going with staff's
21 recommendation to go with the original amount that's
22 already been -- been -- that reinstates the original
23 apportionment.

24 Knowing that there's a bond that's going to be coming

1 in November, at least gives us some opportunity for the
2 school district to reapply later on.

3 So, I just would personally move to approve staff's
4 recommendation, Option 1, which reinstates the district's
5 original apportionment as approved by the board last year.
6 And provides the district, you know, this opportunity to go
7 forward as their original application.

8 >> **CARON BORBA:** Excuse me? Can I speak again? We're
9 not eligible for a bond.

10 >> **CHAIR FERGUSON:** Yes, I believe --

11 >> **ANA LASSO:** I understand that. There is a state bond
12 that will be on the ballot in November. And there will be,
13 if that passes. So it will be future funds available, that
14 will be available -- made available to schools throughout
15 the state. That's what I'm referring to.

16 >> **CARON BORBA:** Okay, thank you.

17 >> **ANA LASSO:** Uh-huh.

18 Yes, of course.

19 >> **CHAIR FERGUSON:** And certainly, before we take up
20 that motion, just checking to see if there are any other
21 comments or questions from members?

22 >> **JUAN MIRELES:** I have a question, Mr. Chair. Just as
23 a follow-up. It seems like in 2019, when the district
24 submitted their full funding application, that could have

1 been the opportunity to potentially increase the pupil
2 grants.

3 I'm curious, maybe this is for the superintendent. Did
4 you have consultants helping you at that time, when you
5 submitted your full funding back in 2019?

6 >> **CARON BORBA:** Yes, we did.

7 >> **JUAN MIRELES:** They weren't aware you could have
8 increased your pupil grants at that time?

9 >> **CARON BORBA:** I believe they made an error on their
10 end.

11 >> **CARON BORBA:** I believe they made an error on their
12 end, as well as the state had an error.

13 >> **CHAIR FERGUSON:** I'm sorry, I didn't quite catch
14 that.

15 >> **CARON BORBA:** There was an --

16 >> **CHAIR FERGUSON:** Can you repeat that please?

17 >> **CARON BORBA:** There was an error on our end and an
18 error on the state side.

19 >> **CHAIR FERGUSON:** Okay.

20 Mr. Watanabe, if you could speak to what that error
21 might have been.

22 >> **MR. WATANABE:** Yeah, the error, so back in 2012, the
23 Board created the applications to receive their bond
24 authority list when we ran out of bond authority. But since

1 that time the Board has chosen to create this list to
2 continue to receive funding applications as well as
3 eligibility adjustments.

4 At this time, we have over 10,000 adjustments we
5 haven't done, so our current standard practice is as a
6 funding application is processed we'll go through the
7 entire backlog and see which ones apply to each particular
8 site.

9 In this project we did not grab those back
10 applications. However, the most they would have been able
11 to increase to is 101 because that's the bare minimum
12 allowed in regulation. But not allowing to request all 363
13 grants at the time.

14 Let me clarify that. They could have asked for 363
15 grants but they asked for 100, we don't allow them to amend
16 their application to increase to the 363 because their
17 application walked in the door in 2019 at 100, that's their
18 cap.

19 >> **MS. KIRK:** Mr. Chair, if I may.

20 I'll just add, in that scenario, if they had been
21 aware of the full eligibility available to them, the only
22 option under the regulations would have been for them to
23 increase that request by one pupil grant to raise it to the
24 minimum or they could have opted to increase to the full

1 eligibility but that had necessitate them getting out of
2 line, getting a new date for their full grant application.

3 And because the full grant was processed in 2023, that
4 would mean that they would still be on the Applications
5 Received Beyond the Bond Authority list today.

6 >> **CHAIR FERGUSON:** Got it.

7 So if I could ask, I do have some -- simply for the
8 students in particular, if I could ask the superintendent
9 what types of temperatures are you seeing at the school
10 site and what are the students at that school site
11 experiencing?

12 >> **CARON BORBA:** So we had over 100-degree
13 temperature most of the month since we've started.

14 And the classrooms are about 85 degrees and with the
15 humidity from the evaporative coolers in there.

16 >> **CHAIR FERGUSON:** Got it.

17 So there are existing systems in those classrooms,
18 they are just not efficient to the level that you would
19 like to see?

20 >> **CARON BORBA:** I think they are not sufficient for
21 the level that any child should have to sit in a classroom
22 at that temperature with the humidity dripping.

23 I don't feel like it's a conducive learning
24 environment for the children.

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

2 Are there any other comments or questions from board
3 members?

4 >> **ASSEMBLY MEMBER MURATSUCHI:** Mr. Chair?

5 >> **CHAIR FERGUSON:** Yes.

6 >> **ASSEMBLY MEMBER MURATSUCHI:** Yes, I would just like
7 to say to the superintendent of Rockford School District
8 that the school bond Proposition 2, I mean it has a
9 specific dollars set aside for small rural districts like
10 yours.

11 It also has specific dollars for you know dealing with
12 HVAC and extreme heating.

13 I think I could say this but please tell all of you
14 voters in your community to support Proposition 2 because
15 your district is a classic example of a district that
16 stands to benefit from this statewide school bond.

17 >> **CARON BORBA:** It's my understanding we're not
18 eligible for that bond.

19 Is it for every school district?

20 >> **ASSEMBLY MEMBER MURATSUCHI:** It is for every school
21 district and because you qualify for the financial hardship
22 program you qualify up to 100% of your cost being covered
23 by the statewide Proposition 2.

24 >> **CARON BORBA:** Now our problem is though the

1 electricity.

2 We don't have enough power, we're running single
3 phase.

4 Will that qualify within it?

5 >> **ASSEMBLY MEMBER MURATSUCHI:** I would have to defer
6 to the SAB board but I believe that, you know, all costs
7 related to modernization, you know, including but
8 especially the HVAC to address the extreme heat conditions,
9 I know that those provisions are specifically in the school
10 bond.

11 >> **CHAIR FERGUSON:** If we could quickly have staff
12 speak to what may or may not be eligible, that would be
13 helpful.

14 >> **MR. WATANABE:** Yeah, Proposition 2 doesn't change
15 the eligibility of modernization expenditures so you can do
16 it for your electrical infrastructure upgrades, the
17 reroofing that you plan to increase your structural
18 integrity for your roofs and replace them as well as the
19 HVAC units as well. All three of those are eligible under
20 that current and future program.

21 >> **CHAIR FERGUSON:** So what this would really come down
22 to is if they were to not move forward with this project,
23 it would be a matter of -- and you know, assuming there is
24 a disposition of the bond in November, they would need to

1 withdraw and resubmit, which would then mean their
2 processing timeline would be changed, is that correct?

3 >> **MR. WATANABE:** They have two options.

4 They can keep the application if the Board approves
5 staff's recommendation for option one they can keep that
6 project, let us know right away if that's their intent.
7 Because what we would do is make notes in our file to know
8 that this project is intended to be split funded off of two
9 modernization funding applications.

10 So they can descope their current project, fund
11 whatever they can under the current grants and then apply
12 for the balance of the grants under the second funding
13 application. So our staff would just need to know that
14 during the processing of the current app to not call this
15 project basically full and final.

16 >> **CHAIR FERGUSON:** We have a motion from member --
17 sorry.

18 If I may, before I get to the motion, are there any
19 comments from the public?

20 I have a motion from Member Lasso.

21 Is there a second?

22 >> [off mic]

23 >> **CHAIR FERGUSON:** You certainly may.

24 Before we take that up, we do have another question.

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

2 I know that what the staff has offered right now would
3 have some type of revenue that you could use, would just be
4 changing the scope of work. I'm curious with that amount of
5 money how much of the project could be done or how many
6 classrooms could actually be taken care of, especially
7 whether it's air conditioners, putting in the
8 infrastructure so when you do get that it's ready to go.

9 **>> CARON BORBA:** We have a consultant on but I believe
10 because we don't have the, I think it's three phase
11 electricity, that the electricity is what we need.

12 That's the key component of this project.

13 **>> JUAN MIRELES:** Mr. Chair.

14 Just want to make sure, superintendent, that you
15 understand that you have options here. You don't have to
16 withdraw the whole thing. You can keep part of the
17 apportionment that you already had, should the board
18 reinstate it. And that's money that you will have available
19 now, versus rescinding the entire thing, reapplying and
20 being at the back of the line, not knowing what's going to
21 happen in November for another bond opportunity. So just
22 want to make sure that you understand, you know, your
23 options between keeping the apportionment, should the board
24 reinstate it, versus withdrawing the whole thing and

1 getting at the back of the line.

2 >> **CARON BORBA:** I don't think we will withdraw the
3 whole thing. I just think that we were hoping that we would
4 be supported by the state board to offer what our students
5 deserve.

6 >> **JUAN MIRELES:** Understood, thank you.

7 >> **CHAIR FERGUSON:** Seeing that we have a motion before
8 us, is there a second?

9 Or we have a second?

10 >> **SENATOR NEWMAN:** Yes.

11 >> **CHAIR FERGUSON:** Secretary, would you please call
12 the roll.

13 >> **LISA JONES:** Certainly.

14 Senator Newman.

15 >> **SENATOR NEWMAN:** Aye.

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

17 Assembly Member Muratsuchi.

18 >> **ASSEMBLY MEMBER MURATSUCHI:** Aye.

19 >> **LISA JONES:** Muratsuchi, aye.

20 Assembly Member Davies.

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

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

23 Assembly Member Alvarez.

24 >> **ASSEMBLY MEMBER ALVAREZ:** Aye.

1 Did you hear me?

2 >> **LISA JONES:** Oh, I heard you now.

3 Thank you.

4 Alvarez, aye.

5 Juan Mireles.

6 >> **JUAN MIRELES:** Aye.

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

8 Jeremy Smith.

9 >> **JEREMY SMITH:** Aye.

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

11 Ana Lasso.

12 >> **ANA LASSO:** Aye.

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

14 Chris Ferguson.

15 >> **CHAIR FERGUSON:** Not voted.

16 >> **LISA JONES:** Abstain.

17 Ferguson, abstain.

18 I'm sorry, that motion does carry.

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

20 Mr. Watanabe, if we could please proceed.

21 >> **MR. WATANABE:** Yeah.

22 The next appeal is on page 227, it's for Vista Unified

23 School District down in San Diego County.

24 This is under a different program, this district is

1 also requesting a reinstatement of their apportionment for
2 a Career Technical Education Facilities Grant Program at
3 their Rancho Buena Vista High School. The Career Technical
4 Education Program is a separate carve out of bond authority
5 from the bond funds.

6 It's typically funded in filing rounds, so the Board last
7 time did two filing rounds. They are highly competitive.

8 All applications must go to CDE first for scoring
9 their application. And then they file an application for
10 funding with OPSC. The round funds the highest projects or
11 highest scoring projects first and then we work our way
12 down the list until we run out of money. Because there is
13 an unknown in whether a school district is high enough to
14 be scored, the program has what is called a reservation of
15 funds apportionment.

16 So once we know all the projects to be funded, the
17 Board actually sets aside a cash apportionment for each
18 school district, and they have one year to submit DSA and
19 CDE approved plans to our office. After that, after they
20 submit that to our office they then have 90 days to submit
21 a fund release request and get under a construction
22 contract for their project.

23 In this particular district's case, back in October of
24 2022, most recently is when they received their last

1 reservations of funds apportionment.

2 So they had until October 26 of 2023 to submit us DSA
3 and CDE approved plans. They did do that in August of 2023,
4 but in OPSC's review of those plans we realized there was a
5 change of scope for their project.

6 There are two changes of scope to their project, one,
7 they switched their pathway from machine and forming
8 technologies to welding and materials and joining pathways,
9 as well as, and the second part of their scope change was
10 changing their building design from a two-story building
11 down to a one-story building. And that was largely because
12 they found out under design that the dust and fume removal
13 systems required 15- to 20-foot ceilings which was cost
14 prohibitive in a two-story building.

15 So with that change we told them they needed to go
16 back to CDE to have them approve the plans for the new
17 scope of the project.

18 The other thing they needed to do is make sure that
19 their CT original filing application did not change scores
20 to make sure they weren't essentially lying to us in that
21 particular case. CDE confirmed the plan approvals and the
22 score would not have changed. So we received those
23 completed set of plans on October 25th, 2023, basically a
24 day before the deadline. There was no issues with staff at

1 that particular point in time, but we did need to present
2 the scope change to the Board because it's not what the
3 Board originally approved.

4 At that time, we told the district that we would get
5 back to them on next steps on how to proceed. And
6 unfortunately, due to a - at fault of OPSC it took us two
7 months to get back to them. At that time we got back to
8 them in December of 2023, the district had closed for their
9 holiday break, and upon returning from holiday break, our
10 email basically got buried and they didn't see it.

11 Their 90-day deadline expired on January 23, and when
12 we checked in with them the day after we realized and they
13 realized that no extra documentations were submitted to
14 stop the automatic rescission of that project on January
15 23. And looking at this project, the total value to the
16 school district is just under \$1.4 million. They have
17 completed the project and occupied it back in 2022, so it
18 is essentially a reimbursement project.

19 As I mentioned before, CTE is a funding round-based
20 program. If the Board does not approve the district's
21 appeal, this \$1.4 million will basically sit in unused
22 funds until such time we get enough funding to actually
23 create a filing round. And we generally don't do that until
24 it's closer to around \$100 million because of the amount of

1 work involved in the program.

2 So for those considerations, staff actually is
3 supportive of the district's appeal. Given that it's
4 reimbursement, we recommend the Board reinstate their
5 priority funding apportionment from today. That would give
6 them 90 days until December 24, 2024, to submit their fund
7 release authorization.

8 Because it's reimbursement, they should be able to do
9 that literally tomorrow even. And then we release funds to
10 them within four weeks. And the district is available on
11 the line if you have any questions for the district.

12 >> **CHAIR FERGUSON:** Thank you, Mr. Watanabe.

13 The district has joined the meeting via Zoom to answer
14 any questions from the Board. The two representatives, I
15 believe, are Shawn Loescher, the Interim Superintendent and
16 Chief Operations Officer, and Mr. Robert Crowell, their
17 Career Pathways Coordinator.

18 Would the district like to provide any comments?

19 >> **SHAWN LOESCHER:** At this time we want to just say
20 thank you to Mr. Watanabe and for the State Allocation
21 Board for this opportunity for the appeal. And we're just
22 here to express our thanks and then also to answer any
23 direct questions that the Board may have for us and don't
24 plan to take any additional time from the board. So that

1 way you can contemplate this appeal.

2 Thank you.

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

4 Are there any comments or questions from board
5 members?

6 >> **ASSEMBLY MEMBER MURATSUCHI:** Mr. Chair, I move that
7 we adopt the staff recommendation.

8 >> **CHAIR FERGUSON:** Just very quickly, are there any
9 public comments?

10 We are good.

11 Secretary, would you please call the roll.

12 >> **LISA JONES:** Certainly.

13 Senator Newman.

14 >> **SENATOR NEWMAN:** Aye.

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

16 Assembly Member Muratsuchi.

17 >> **ASSEMBLY MEMBER MURATSUCHI:** Aye.

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

19 Assembly Member Davies.

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

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

22 Assembly Member Alvarez.

23 >> **ASSEMBLY MEMBER ALVAREZ:** Aye.

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

1 Juan Mireles.

2 >> **JUAN MIRELES:** Aye.

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

4 Jeremy Smith.

5 >> **JEREMY SMITH:** Aye.

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

7 Ana Lasso.

8 >> **ANA LASSO:** Aye.

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

10 Chris Ferguson.

11 >> **CHAIR FERGUSON:** Aye.

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

13 And that motion carries.

14 >> **CHAIR FERGUSON:** Mr. Watanabe, would you please
15 proceed.

16 >> **MR. WATANABE:** Thank you.

17 On page 315 of the agenda today, this is five appeals
18 combined in one because they are a similar for all five of
19 them.

20 The Board's heard many of these appeals in the past.
21 These are five school districts asking for accelerated
22 processing and apportionments for their modernization
23 projects to free up local funding to provide the local
24 match on the federal public schools on military

1 installation program.

2 So we've talked about this program many times in the
3 past, but since 2012, OPSC has been actively working with
4 school districts throughout the state for these specialized
5 projects. And the Board actually had a subcommittee in 2010
6 to talk about what the state could do for these particular
7 projects.

8 The PSMI program developed at a federal grant where
9 they did analysis of all the public schools across the
10 United States and then they ranked them on which ones had
11 the most efficiency. Since 2010, they've continually --
12 well, since 2010 there has been continuous appropriations
13 throughout the time where they keep moving down the list.
14 And now these school districts all have been invited to
15 participate in the program.

16 It is a complex program, after working with them for a
17 good 12 years now. It's a multiphase approach, they have
18 design and construction funding. And building on military
19 bases is certainly more challenging than a normal school
20 district with of course protection requirements and other
21 building requirements they need to do. But the federal
22 program will provide up to 80% state fund, or 80% federal
23 funding provided the local match to be provided by a 20%
24 funding.

1 There are five school districts on this particular
2 ask, asking for accelerated processing for seven projects,
3 they are laid out on page 320. In total the Board's
4 approval of these items would result in roughly \$25 million
5 in state funding to leverage \$336 million in federal
6 funding. In previous approvals by the Board, the Board has
7 funded 19 projects for these types of projects at 10 school
8 sites throughout California.

9 You've given out almost \$80 million in state funding
10 for school projects on military installations.

11 And we have, state schools have received over 365
12 million in federal funding so it's been a very successful
13 program.

14 Again, we are asking the Board -- staff supports all
15 these district's requests because of the specialized nature
16 and the leveraging of federal funding. Though we do
17 acknowledge that currently as I mention in the other items
18 we are oversubscribed in the current program by about \$3.9
19 billion in funding. So they would be jumping ahead in line
20 of those projects. But because of the animal to leverage
21 \$337 million approximately in federal funding staff is
22 supportive of this request as has the Board been typical.

23 We do have representatives from the federal program
24 here to field any questions on the program itself as well

1 as all five school districts are on Zoom too to field any
2 questions on their specific projects.

3 >> **CHAIR FERGUSON:** Thank you, Mr. Watanabe.

4 Would either the representatives from the school
5 districts or the project managers like to provide any
6 additional comment?

7 Seeing none.

8 >> **ASSEMBLY MEMBER MURATSUCHI:** Mr. Chair, I move we
9 adopt the staff recommendation.

10 >> **MR. WATANABE:** Hands raised.

11 >> **CHAIR FERGUSON:** If we could hold the motion and
12 second momentarily if the district wide like to present.

13 Would the representative for Sierra Sands like to
14 present.

15 I believe you are unmuted.

16 Seeing no comment, are there any other public
17 comments?

18 I've a motion and a second.

19 Ms. Secretary, if you could call the roll.

20 >> **LISA JONES:** I sure will.

21 Senator Newman.

22 >> **SENATOR NEWMAN:** Aye.

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

24 Assembly Member Muratsuchi.

1 >> **ASSEMBLY MEMBER MURATSUCHI:** Aye.

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

3 Assembly Member Davies.

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

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

6 Assembly Member Alvarez.

7 >> **ASSEMBLY MEMBER ALVAREZ:** Aye.

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

9 Juan Mireles.

10 >> **JUAN MIRELES:** Aye.

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

12 Jeremy Smith.

13 >> **JEREMY SMITH:** Aye.

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

15 Ana Lasso.

16 >> **ANA LASSO:** Aye.

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

18 And then Chris Ferguson.

19 >> **CHAIR FERGUSON:** Aye.

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

21 And that motion does carry.

22 >> **CHAIR FERGUSON:** Ms. Kirk, if you could please

23 proceed with the next item on the agenda.

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

1 On stamped pages 542 through 547, of the agenda.

2 Excuse me, I jumped ahead of myself.

3 If I can actually revise that. On stamped pages 523
4 through 541 of your agenda, we do have an action item with
5 priority funding apportionments. This item would provide
6 priority funding apportionments totaling approximately
7 \$52.2 million for projects that submitted a valid
8 certification in our last priority funding filing round.
9 Converting their previous unfunded approvals into full
10 apportionments and providing 90 days for fund release. I
11 request the Board's approval of this item.

12 >> **CHAIR FERGUSON:** Are there any questions or comments
13 from board members?

14 Seeing none, are there any questions or comments from
15 the public?

16 Seeing none, is there a motion on this action item?

17 >> **ANA LASSO:** Motion to approve.

18 >> **JEREMY SMITH:** Second.

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

20 Ms. Secretary, would you please call the roll.

21 >> **LISA JONES:** Definitely.

22 Senator Newman.

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

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

1 Assembly Member Muratsuchi.

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

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

4 Assembly Member Davies.

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

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

7 Assembly Member Alvarez.

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

9 >> **LISA JONES:** Alvarez, 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 Chris Ferguson.

20 >> **CHAIR FERGUSON:** Aye.

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

22 And that motion does carry.

23 >> **CHAIR FERGUSON:** Ms. Kirk, please proceed.

24 >> **MS. KIRK:** Thank you.

1 Now would be the appropriate time to direct you to
2 stamped pages 542 through 547 of the agenda. There we have
3 proposed emergency regulatory amendments to the School
4 Facility Program.

5 Specifically, the proposed amendments would authorize
6 the Board to provide an extended fund release deadline of
7 up to 18 months for direct apportionments to projects
8 pertaining to a public school on a military installation
9 receiving a federal grant with a required local matching
10 share. The text of the proposed regulations is reflected on
11 attachment "B" of the item.

12 I would be happy to answer any questions and would
13 request the Board's approval to adopt the proposed
14 regulations and authorize that we file them with the Office
15 of Administrative Law.

16 **>> ASSEMBLY MEMBER DAVIES:** I make a motion.

17 **>> CHAIR FERGUSON:** Before we take a up that motion,
18 just quickly, seeing no comments or questions from the
19 Board, are there any public comments?

20 Seeing none, do I have a second?

21 **>> ANA LASSO:** Second.

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

23 Ms. Secretary, would you please call the roll.

24 **>> LISA JONES:** Yes.

1 Senator Newman.

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

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

4 Assembly Member Muratsuchi.

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

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

7 Assembly Member Davies.

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

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

10 Assembly Member Alvarez.

11 >> **ASSEMBLY MEMBER ALVAREZ:** Aye.

12 >> **LISA JONES:** Alvarez, 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 And then Chris Ferguson.

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

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

1 And that motion does carry.

2 **>> CHAIR FERGUSON:** Ms. Kirk, please proceed.

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

4 On stamped pages 548 through 591 of the agenda we have
5 reports and information items for the board's reference.

6 Be happy to answer any questions.

7 **>> CHAIR FERGUSON:** Thank you, Ms. Kirk.

8 This is not an action item.

9 I don't see any questions or comments from Board
10 members.

11 Are there any questions or comments from the public?

12 Seeing none, with that, the September 25, 2024,
13 meeting of the State Allocation Board is adjourned.

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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 October 15, 2024,

Antha A. Ward
QuickCaption, Inc.

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