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CALIFORNIA STATE ALLOCATION BOARD
PUBLIC MEETING

STATE BUILDING & CONSTRUCTION TRADES COUNCIL OF CALIFORNIA

1231 I STREET, SUITE 101

SACRAMENTO, CALIFORNIA 95814

DATE: WEDNESDAY, FEBRUARY 26, 2025

1 APPEARANCES: MEMBERS OF THE BOARD PRESENT:

2

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

11 ASSEMBLY MEMBER AL MURATSUCHI (Remote)

12 ASSEMBLY MEMBER LAURIE DAVIES

13 ASSEMBLY MEMBER SHARON QUIRK-SILVA

14 JEREMY SMITH, Governor's Appointee

15 SENATOR JOHN LAIRD (Remote)

16 SENATOR SASHA R. PEREZ

17 SENATOR STEVEN CHOI

18

19

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

22

23 REBECCA KIRK, Executive Officer

24 MICHAEL WATANABE, Deputy Executive Officer

1 REPRESENTATIVE OF THE DEPARTMENT OF GENERAL SERVICES,

2 OFFICE OF LEGAL SERVICES:

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4 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

February 26, 2025

[GAVEL]

>> **MICHELE PERRAULT:** Okay, good afternoon. We're going to go ahead and call the State Allocation Board meeting for February 26, 2025, to order. Just some housekeeping real quick here before we get started.

This meeting is being held in person at the State Building & Construction Trades Council of California, located at 1231 I Street, in Suite 101 in Sacramento, California 95814 for anyone that would like to provide public comment in person.

This meeting is being conducted by way of Zoom meeting 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.

Number two, if you're calling into the meeting and not

1 using a computer or the Zoom application on a mobile
2 device, unfortunately you will be unable to provide public
3 comment at this time. The Board will be meeting in closed
4 session upon the conclusion of the general meeting pursuant
5 to Government Code Section 11126(e) (1) for the purpose of
6 conferring with and receiving advice from legal counsel
7 regarding potential litigation. Before we start with our
8 agenda item, we would like to take a moment to thank
9 Assembly Member Alvarez for his dedication and service to
10 the State Allocation Board. Assembly Member Alvarez
11 participated in his last State Allocation Board meeting in
12 January. And he's not joining us today, correct? Okay.
13 Thank you.

14 But we do want to thank him for his service. We
15 recognize that our legislative members are juggling quite a
16 bit and so we appreciate them taking the time to be here
17 and serve on this board.

18 And we would also like to welcome, on that note, three
19 new State Allocation Board members at today's meeting.
20 Assembly Member Sharon Quirk-Silva.

21 Sharon, thank you for joining us.

22 Senator Sasha Renee Perez. Do we have -- no? Not here.
23 Okay.

24 And Senator Steven Choi. Thank you so much for joining

1 us.

2 I would like to congratulate you on your recent
3 appointments and welcome you to the State Allocation Board.
4 Ms. Jones, with that, would you please call the roll noting
5 any members joining us from a remote location.

6 >> **MS. JONES:** Certainly. Senator Laird.

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

8 >> **MS. JONES:** And that is a remote participation.

9 Senator Perez. Senator Choi.

10 >> **SENATOR CHOI:** Here.

11 >> **MS. JONES:** Assembly Member Muratsuchi.

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

13 >> **MS. JONES:** And that is a remote participation.

14 Assembly Member Davies.

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

16 >> **MS. JONES:** Assembly Member Quirk-Silva.

17 >> **ASSEMBLY MEMBER QUIRK-SILVA:** Here.

18 >> **MS. JONES:** Juan Mireles.

19 >> **JUAN MIRELES:** Here.

20 >> **MS. JONES:** Jeremy Smith.

21 >> **JEREMY SMITH:** Here.

22 >> **MS. JONES:** Ana Lasso.

23 >> **ANA LASSO:** Here.

24 >> **MS. JONES:** Michele Perrault.

1 >> **CHAIR PERRAULT:** I am present.

2 >> **MS. JONES:** And we have a quorum.

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

4 Okay. All right. With that, we're going to go ahead and
5 move on to the next order of business, which is to take up
6 our minutes from the January 22nd, 2025, meeting.

7 Ms. Kirk.

8 >> **MS. KIRK:** Thank you, Madam Chair.

9 The minutes from the January 22nd, 2025, meeting are on
10 stamped pages 1 through 8 of today's agenda. And I request
11 that the Board approve the minutes.

12 >> **CHAIR PERRAULT:** Thank you so much. Are there any
13 comments or questions from the board members on the
14 minutes?

15 Seeing none, are there any public comments on the minutes?

16 Seeing none in the room.

17 >> **ASSEMBLY MEMBER DAVIES:** Make a motion.

18 >> **CHAIR PERRAULT:** Okay, we have a motion. Do we have
19 a second?

20 >> **JEREMY SMITH:** Second.

21 >> **CHAIR PERRAULT:** Okay, we have a motion and a
22 second. Can we please have roll call.

23 >> **MS. JONES:** Senator Laird. Excuse me. Senator Laird.

24 >> **SENATOR LAIRD:** Aye.

1 >> **MS. JONES:** Laird, aye. Senator Choi.

2 >> **SENATOR CHOI:** This is the minutes?

3 >> **CHAIR PERRAULT:** The minutes.

4 >> **SENATOR CHOI:** I abstain because I was not here.

5 >> **CHAIR PERRAULT:** Abstention.

6 >> **MS. JONES:** Abstain. Choi, abstain. Assembly Member
7 Muratsuchi.

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

9 >> **MS. JONES:** Muratsuchi, aye. Assembly Member Davies.

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

11 >> **MS. JONES:** Davies, aye. Assembly Member Quirk-
12 Silva.

13 >> **ASSEMBLY MEMBER QUIRK-SILVA:** Abstain. I was not
14 here.

15 >> **MS. JONES:** Quirk-Silva, abstain. Juan Mireles.

16 >> **JUAN MIRELES:** Aye.

17 >> **MS. JONES:** Mireles, aye. Jeremy Smith.

18 >> **JEREMY SMITH:** Aye.

19 >> **MS. JONES:** Smith, aye. Ana Lasso.

20 >> **ANA LASSO:** Aye.

21 >> **MS. JONES:** Lasso, aye. Michele Perrault.

22 >> **CHAIR PERRAULT:** Aye.

23 >> **MS. JONES:** Perrault, aye. And that motion carries.

24 Thank you.

1 **>> CHAIR PERRAULT:** Thank you so much.
2 we're going to go ahead and move on to our next item of
3 business, which is the executive officer statement. We're
4 going to go ahead and just note for roll call that we have
5 been joined by Senator Sasha Renee Perez. Thank you so much
6 for joining us and welcome to the board. We'll now go ahead
7 and move on to the Executive Officer Statement.

8 **>> MS. KIRK:** Thank you, Madam Chair. I have a few
9 updates for the board since our last meeting in January.
10 Since that last meeting, the -- or since that last State
11 Allocation Board meeting rather, the Office of Public
12 School Construction has held three stakeholder meetings
13 primarily focused on gathering input toward implementation
14 of various provisions of Proposition 2. The first
15 stakeholder meeting on January 30th consisted of five
16 different topic from Proposition 2 to start the
17 conversation and obtain stakeholder input. At this meeting
18 we had 161 participants via Zoom and 10 stakeholders who
19 attended in person. We intend to conduct an additional
20 stakeholder meeting regarding the SFP matching share and
21 the 75-year-old supplemental grant topics in the near
22 future. We do anticipate presenting regulatory amendments
23 for the Board's consideration on the remaining three topics
24 at the March meeting. On February 13th, we conducted a

1 second stakeholder meeting with half a dozen additional
2 topics for implementation of Proposition 2. We were again
3 joined by about 169 unique stakeholders on Zoom and eight
4 stakeholders who attended in person at our office in West
5 Sacramento. Stakeholders may submit feedback on the topics
6 on that meeting until the end of this week to have their
7 input considered for the second stakeholder meeting
8 scheduled on these topics in the near future. We also
9 conducted a third stakeholder meeting, this one on February
10 20th, to discuss two topics unrelated to Proposition 2. The
11 second round of modernization funding as well as regulatory
12 amendments for the facility hardship and facility hardship
13 seismic mitigation program. Stakeholders may submit
14 feedback on these topics through March 7th, 2025, to have
15 their input considered for subsequent stakeholder meetings
16 on these topics. Details will be announced as the meetings
17 are scheduled moving forward. I would also like to provide
18 an update on the upcoming charter facility's program filing
19 round. At the January 22nd meeting, we indicated that based
20 on reports of several charter schools being displaced from
21 school sites that were significantly damaged or destroyed
22 in the fires in January 2025, in Los Angeles County. We
23 were evaluating at that time the impact and potential need
24 to modify timelines for the upcoming charter school

1 facility's program filing round that had previously been
2 announced to open on May 4th, 2025. During periods of
3 emergency proclaimed by the governor, existing regulations
4 direct the Executive Officer to provide relief to school
5 districts and ensure there is equitable participation in
6 the Board's programs. After further consideration since
7 that time and continuing outreach with the impacted school
8 districts and charter schools, OPSC has opted to postpone
9 that upcoming filing round by about two months. The new
10 filing round will open and applications will begin being
11 accepted on July 3rd, 2025. And they can be submitted until
12 the round closes on October 30th, 2025, at 11:59 p.m. If
13 the total amount requested from valid and complete
14 applications exceeds the funding available, the charter
15 school facility's program regulations specify that a
16 preference point system and funding matrix will be used to
17 prioritize applications for funding. We will have upcoming
18 webinar dates announced soon on the application process.
19 Finally, I would like to note that today's consent agenda
20 does include the first unfunded approvals for the Board's
21 consideration. Coming from new Bond Authority authorized by
22 the voter passage of Proposition 2 in November. These
23 projects will be able to participate in the priority
24 funding filing process with that filing period beginning on

1 May 14th and ending on June 12th. Projects receiving an
2 unfunded approval today are anticipated to be funded from a
3 fall 2025 statewide general obligation bond sale from
4 Proposition 2. Information on that process is available on
5 our website. The next meeting is scheduled for Wednesday,
6 March 26th, 2025. I'm pleased to address any questions.

7 >> **CHAIR PERRAULT:** Thank you so much. Are there any
8 questions or comments from board members on the Executive
9 Officer Statement? Seeing none. Seeing none. Okay. We'll go
10 ahead and ask if there are any public comments on the
11 Executive Officer Statement. I see none in the room. And
12 none online. Okay. Thank you. This isn't an action item. So
13 we'll go ahead and move onto our next order of business,
14 which is to take up the consent agenda. Ms. Kirk.

15 >> **MS. KIRK:** Thank you. Today's consent agenda is on
16 stamped pages 11 through 88 of today's agenda. As
17 previously mentioned, it consists of in part of unfunded
18 approvals for 26 projects totaling \$112 million. I request
19 the Board approve the consent agenda.

20 >> **CHAIR PERRAULT:** Thank you so much. Comments or
21 questions from the Board on the consent agenda? Seeing
22 none. Are there any comments or questions from the public?
23 All right, seeing none. Is there a motion to adopt the
24 consent agenda?

1 >> **SENATOR CHOI:** Motion.

2 >> **CHAIR PERRAULT:** Okay. Motioned. Do we have second?

3 >> **ASSEMBLY MEMBER QUIRK-SILVA:** Second.

4 >> **CHAIR PERRAULT:** Okay, we have a motion and a
5 second. If you'll call the roll.

6 >> **MS. JONES:** Certainly. Senator Laird.

7 >> **SENATOR LAIRD:** Aye.

8 >> **MS. JONES:** Laird, aye. Senator Perez.

9 >> **SENATOR PEREZ:** Aye.

10 >> **MS. JONES:** Perez, aye. Senator Choi.

11 >> **SENATOR CHOI:** Aye.

12 >> **MS. JONES:** Choi, aye. Assembly Member Muratsuchi.

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

14 >> **MS. JONES:** Muratsuchi, aye. Assembly Member Davies.

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

16 >> **MS. JONES:** Davies, aye. Assembly Member Quirk-
17 Silva.

18 >> **Assembly Member Quirk-Silva:** Aye.

19 >> **MS. JONES:** Quirk-Silva, aye. Juan Mireles.

20 >> **JUAN MIRELES:** Aye.

21 >> **MS. JONES:** Mireles, aye. Jeremy Smith.

22 >> **JEREMY SMITH:** Aye.

23 >> **MS. JONES:** Smith, aye. Ana Lasso.

24 >> **ANA LASSO:** Aye.

1 >> **MS. JONES:** Lasso, aye. Michele Perrault.

2 >> **CHAIR PERRAULT:** Aye.

3 >> **MS. JONES:** Perrault, aye. This motion carries.

4 >> **CHAIR PERRAULT:** Thank you so much. We'll go ahead
5 and move now forward to our financial reports. Ms. Kirk.

6 >> **MS. KIRK:** Thank you. Today's financial reports are
7 on stamped pages 89 through 105 of the agenda. I'm happy to
8 answer any questions the Board may have.

9 >> **CHAIR PERRAULT:** Okay, are there any comments or
10 questions from the Board on the financial reports? Seeing
11 none, do we have any public comments on financial reports?
12 Okay, seeing none. This is not an action item. So we'll go
13 ahead and move onto our next order of business. Excuse me.
14 Which is to take up the first of a few appeals. If you
15 would like to go ahead and present, staff. Thank you.

16 >> **MR. WATANABE:** Thank you. I'm on stamped page 106 of
17 the agenda. This school district appeal request is for the
18 Camptonville Union Elementary School District. This is a
19 one-school school district up in Yuba County that 24'- '25
20 enrollment had 48 pupils. In this request, the district's
21 requesting the State Allocation Board to determine whether
22 the asbestos abatement project found during the course of a
23 flooring project qualifies for the Facility Hardship
24 Program under the School Facility Program. Back in January

1 of 2024, the district submitted a facility hardship request
2 for conceptual approval to determine if the asbestos
3 abatement project they found qualifies for the program.
4 Staff reviewed the project as submitted and determined that
5 it was ineligible for funding under that program because it
6 did not meet the program requirements. Specifically, what
7 we were looking for is request for asbestos mitigation has
8 to include test results and that demonstrate that asbestos
9 found is currently friable to the eminent health and safety
10 to the students on the campus. And during our staff review
11 it was determined that it was not discovered until after
12 this district started on their modernization project for
13 their carpet replacement that it was found. So the
14 district's request is to determine that, they would like
15 you to determine that the removal of the asbestos in this
16 particular case is a unique circumstance and requesting the
17 Board grant conceptual approval for this project. The
18 original flooring request for the -- the original flooring
19 project for the district was roughly \$49,000 in cost. After
20 completing the asbestos abatement, it's roughly \$75,000.
21 They would note that in the course of this project, they
22 did trigger some accessibility work by DSA which has been
23 deferred but is expected to add roughly, I believe \$50,000
24 to the project. The district's annual operating budget in

1 '23-'24 was roughly \$997,000. So under the Facility
2 Hardship Program it does provide grant assistance to school
3 districts when there is a condition at the school that has
4 demonstrated health and safety threat. But it has to
5 demonstrate it as a threat eminently to students. We're not
6 looking for the potential of threat. Common circumstances
7 where we find this damage in earthquakes, fires, those are
8 more obvious ones. Structural deficiencies in a building
9 that's been identified by a structural engineer, an
10 architect. And multiple other kind of criteria. In this
11 particular case after working with the district they did
12 submit a report by Citadel Environmental Health. And that's
13 Attachment B in your report. That kind of outlines the
14 conditions they found after the fact in this modernization,
15 or this modernization project. What the report is basically
16 showing is they have to stop short of saying with 100%
17 certainty that health and safety issue existed before the
18 project started. But based on their experience and their
19 review of all the work done by the contractor in this
20 project, that the contractor did everything they could to
21 take care in removing the carpet, cutting it into strips.
22 And what they found in the report, the report does go so
23 far as to say the tiles did stick to the carpet as it comes
24 up, causing damage. But there were other instances where

1 there was probably already damaged before the carpet work
2 started. But they can't go to 100% certainty with that. In
3 working with this district last year, we had already
4 started embarking on a staff level of working on facility
5 hardships and clean up already. Looking at the regs, we do
6 identify asbestos as friable is an eligible expenditure
7 under that program. But we could work on more clarity and
8 that has to happen before work starts during the course of
9 our project and have that clear health and safety issue
10 that they are willing to cross a line and make that
11 statement before they start the work. So we're continuing
12 that work. We actually have a stakeholder meeting coming up
13 on March 6th to continue that work to make that clear in our
14 reg. We have funded asbestos abatement many times into our
15 program. But in these cases they're clear differences in
16 it. We've had asbestos in cases of earthquake, where fire-
17 proof insulation has been damaged in ceilings and covered
18 schools in asbestos. We've had it in pools, where cement-
19 lined piping has been damaged, not damaged, but
20 deteriorated over time and leaked fibers into the pool. But
21 nothing that appears to be - there were more obviously
22 caused by the district. In this case, we can't determine
23 that. From a status of the project standpoint, the project
24 was completed and opened up already back in the '23-'24

1 school year. There still is the remaining DSA work that the
2 district will need to complete at a later time if the Board
3 approves the district's appeal. Concluding, staff doesn't
4 support the district's request based on the evidence
5 provided including the industry report. It does not
6 conclusively demonstrate that the asbestos existed prior to
7 the flooring replacement project. So we did not find that
8 it represents extraordinary circumstances. The abatement of
9 asbestos aligns very closely with our modernization project
10 where it's clear in statute as an eligible expenditure
11 since the beginning of the program. But as mentioned, we
12 are continuing the regulation process to update our regs to
13 make it more clear that work found in these cases should
14 not be eligible. If the Board does decide to approve the
15 district's project based on the conclusion that friable
16 asbestos was present prior to the commencement of the
17 modernization project we would recommend to the board
18 direct staff that we present proposed regulatory amendments
19 in the future to make it clear that if a health and safety
20 issue cannot be demonstrated prior to an act of
21 construction project they are not eligible for funding
22 under the Facility Hardship Program. And with that, I would
23 be happy to answer any questions. And the District is
24 available online via Zoom.

1 **>> CHAIR PERRAULT:** Thank you so much.
2 Before I take it to board members for comments and
3 questions, I do want to give the district and the
4 representatives an opportunity, I believe we have either
5 one or two of them online. Mr. Brose, I'm not sure if I'm
6 saying that correctly. To provide any additional comments.
7 **>> MR. BROSE:** Sure. Thank you. All right. It's Brose.
8 Appreciate it when people go for that one. So yeah, I can
9 give you guys any information you really want with it. I do
10 disagree a little bit with the report. We had made a huge
11 amount of effort to ensure that there were no circumstances
12 ahead of time. I, you know, I met with a number of your
13 staffers in the previous week and we had gone over our
14 findings and the experience with it. You know for me, this
15 was a small time window summer program project to get done
16 to improve the safety of the campus. We removed carpet that
17 was 20-plus years old and in severe condition. We had no
18 working knowledge of the asbestos existed prior to it.
19 There was no indication that it was there in the classrooms
20 prior to the start of work. We even took the time to pull
21 up samples within the building and in the hallways and the
22 adjoining rooms and did not find any. So it wasn't until we
23 got to the three classrooms listed on there that it became
24 an issue. You have all the reports. I can answer any

1 questions from them. This does represent approximately 10%
2 of my operating budget each year. It's a considerable
3 hardship for us. We are a very small school. We at this
4 point have no more capital funds to be able to do any more
5 repairs or improvements because we had to wipe it all out
6 for the asbestos abatement.

7 >> **CHAIR PERRAULT:** Thank you so much. And I do have a
8 speaker card, but I'm not sure if -- okay. All right. And
9 I'm going to attempt this. But this is Kampmeinert, did I
10 say that --

11 >> **Barbara Kampmeinert:** Kampmeinert. Very close
12 though.

13 >> **CHAIR PERRAULT:** I knew I was not going to get that
14 correct. Thank you.

15 >> **BARBARA KAMPMEINERT:** No worries. Barbara
16 Kampmeinert with Hancock Park and Delong. We've been
17 working with the district on this appeal. And I just would
18 add one point of clarification. You do have the citadel
19 report as part of the agenda item but we did bring in an
20 industry specialist to confirm not only the presence of the
21 asbestos containing material but their thoughts on or not
22 it was there before the carpet removal project started. And
23 in their 30-plus years of experience, they indicated that
24 it would be extremely unlikely for a typical carpet removal

1 project to actually lift up tile and mastic if that tile
2 and mastic was intact or good condition before the project
3 started. So their take on it, while they couldn't give
4 100%, they got pretty close to what I would consider 99%
5 saying that if that material had been in good condition,
6 the carpet removal project would not have disturbed it. So
7 their take on it is that the tile and mastic was likely
8 failing before the carpet removal occurred and that carpet
9 removal revealed the issue as opposed to causing the issue.

10 >> **CHAIR PERRAULT:** Thank you so much. I appreciate
11 that. And thank you both for being here and providing
12 additional comments. With that, I'm going to turn it over
13 to the Board for any comments or questions before we move
14 to any public comment -- additional public comment. Are
15 there comments? Questions from the Board? Assembly Member
16 Davies.

17 >> **ASSEMBLY MEMBER DAVIES:** Great. Thank you very much
18 for coming today as well. Right now, where this is
19 happening is this not being used then? I'm just curious,
20 you know, how much room this is taking up and where the
21 students are.

22 >> **MR. PROSE:** Yeah, I'm happy to answer that. So the
23 students are back in the classroom. we completed the work.
24 There are no other facilities in Camptonville. It is -- I

1 have exactly the number of classrooms for the students that
2 we have. So I'm on the timeline for this particular project
3 that's why it occurred as quickly as we did and why we took
4 the extraordinary step to, you know, essentially front the
5 funding for the asbestos because I had a handful of weeks
6 to be able to get the classroom ready for students to
7 return. Had we not done it, we would not have been able to
8 open school for the fall semester.

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

10 >> **CHAIR PERRAULT:** Senator Laird.

11 >> **SENATOR LAIRD:** Thank you. I just wanted to say that
12 I'm persuaded by the 99% and the fact that they were
13 essentially there and the real issue here is, to me, going
14 to 100% is a technicality. This essentially was a danger,
15 it was discovered. This should qualify. We should uphold
16 the appeal. And I'm even concerned with the recommendation
17 that then we come back and codify this so if we have a
18 similar situation we could not uphold the appeal. Because
19 it seems to me that if we're getting as close as this one
20 was, we should be approving this. And I would hate to
21 approve a change in the rules that made it such that in the
22 future we got this close, but oh, no, we codified it and we
23 can't get there. So at the appropriate time, I would
24 support upholding the appeal. And I would also not be

1 particularly thrilled about us strengthening the section so
2 that if we had a similar circumstance in the future, our
3 hands were tied.

4 >> **CHAIR PERRAULT:** Thank you so much. Are there
5 additional comments? Yes.

6 >> **SENATOR PEREZ:** I agree with Senator Laird's points.
7 And you know, honestly just in talking with staff and
8 talking with folks it seems there's a lack of clarity in
9 this policy. And so I not just support their appeal but
10 support us taking a look at this to make sure that there's
11 clarity. You know, this is asbestos in schools. It's a
12 serious situation. And you know, we should ensure that
13 we're doing everything we can to get these things cleaned
14 up quickly. And you know, them not getting funding based on
15 a technicality I think is a little bit ridiculous.

16 >> **CHAIR PERRAULT:** Thank you. Others?

17 >> **JUAN MIRELES:** Madam Chair?

18 >> **CHAIR PERRAULT:** Yes.

19 >> **JUAN MIRELES:** I think it would be helpful if and
20 have staff just clarify the comment, why they think it
21 would be helpful to draft clarification regulations,
22 please.

23 >> **MR. WATANABE:** Yeah the policy, the thing --

1 Yeah, the policy has always been -- the thing about the
2 Facility Hardship Program is it requires no program
3 eligibility under new construction modernization. It is for
4 unforeseen circumstances and part of a school construction
5 project. All school construction projects when you contract
6 and, Jeremy, you can probably speak to this. When you do
7 your constructions contracts, you always budget for
8 contingencies, unexpected events you might find in the
9 course of your project. We are concerned about the
10 precedence this might set just to leave it open-ended. This
11 program is for imminent health and safety. Whenever we meet
12 with school districts and provide advice and there's other
13 ones in this particular meeting too. When we provide advice
14 from our walk into the program, we really rely on the
15 reports before we fund the project. We need to see a
16 demonstrated health and safety issue. What would be the fix
17 for it before we consider funding it. Those industry
18 specialist reports are hired by the district. They are paid
19 for. So we always require a government concurrence to also
20 review the reports to essentially giggle test them and make
21 sure that their findings are legitimate before we move
22 forward with it. So we are concerned about precedence, you
23 know, not necessarily this district, but there could be bad
24 actors out there. And we don't want to see a modernization

1 project being funded and work be found that be suddenly
2 funded by a Facility Hardship as a result of damage by a
3 contractor.

4 **>> CHAIR PERRAULT:** Maybe I can ask a follow-up. And I
5 appreciate the question from Juan. I wanted to kind of have
6 a similar sense. I recognize perhaps some clarification
7 would be helpful in the future. Can you, maybe, though,
8 speak directly to Senator Laird's comment around is
9 this -- I mean, a part of it is in this circumstance that
10 is being presented to us today, if this circumstance was
11 presented to us after the proposed regulations in which you
12 guys are suggesting we move towards, is it a cut and dry?
13 Would they not be -- would we not be able to fund that? I
14 think we need an understanding of how much when we're
15 talking about yes, we want clarity in the regulations, but
16 at the same time, we also want to be careful that we're
17 not -- with this 99% qualify that they would then still be
18 funded, or would they be not? I think maybe if you could
19 speak to that for as much as.

20 **>> MICHAEL WATANABE:** Yeah, we're still working on the
21 language, you know, and that's what the second they called
22 me in, which helped kind of talk about what stakeholders
23 and what that language looks like, but we don't see it
24 really as a technicality. We need to see a demonstrated

1 health and safety issue that was unexpected. And those are
2 the types of products Facility Hardship funds. And examples
3 we have in there are prior asbestos, the earthquakes that
4 happened, they were not expected. They were beyond the
5 control of the district where this happened. This one,
6 obviously the district didn't do the work the contractor
7 did, but we need to see that demonstrated issue in advance.

8 >> **CHAIR PERRAULT:** So I'm just wondering as we move
9 forward with this specific appeal, but I think as we move
10 forward and if we determine that we are going to want some
11 clarity in the regulations, as you always do, continue to
12 have some of these conversations with us because I think,
13 as a board, we want to make sure we're not inadvertently
14 cutting out projects that might have the health and safety.
15 So having some clarity around making sure we are, as you
16 said, weeding out any potential bad actors, but also, at
17 the same time, ensuring we're, you know, covering those
18 projects that really do have the health and safety.

19 >> **MICHAEL WATANABE:** And those regs will be eventually
20 presented to the board, so they can see the final language
21 that we land on, and the reasons how we got there. We
22 address all stakeholder's comments, whether we take them or
23 not, to see how we get there. Asbestos is a very common
24 building material. And while, you know, when it's

1 encapsulated for fireproofing, for insulation, it's not a
2 health concern. It's a widespread building material
3 throughout the state. And while we agree, once it's
4 friable, it's a bad situation and we have no problems
5 cleaning that up under this program. It's the fact pattern
6 of timing how this happens and when it's discovered.

7 >> **CHAIR PERRAULT:** Thank you. Appreciate the
8 additional conversation. Did you have a comment, Ms. Kirk?
9 Are there any other comments from the board members? Before
10 I move to -- I'm sorry. Yes, Assembly Member Muratsuchi.

11 >> **ASSEMBLY MEMBER MURATSUCHI:** Thank you very much. I
12 just want to clarify what the question staff were talking
13 about \$75,000 here?

14 >> **MICHAEL WATANABE:** So far, that's the cost to the
15 district. The unknown cost is they have to -- once the
16 board approves their appeal, they will finish their plans
17 for the DSA accessibility required upgrades to the campus
18 as well. So that's an unknown cause, so whatever the board
19 approves, that would be an eligible expenditure in our
20 program as well. But 75 thousand so far for the carpet
21 replacement and asbestos remediation.

22 >> **ASSEMBLY MEMBER MURATSUCHI:** So by supporting the
23 appeal, we are now limited to the \$75,000, but it's an
24 open-ended?

1 >> **MICHAEL WATANABE:** That's correct. You are only
2 determining eligibility under the program, and they'll
3 finish the funding app, after we have full sets of plans
4 and that will be presented at a later date.

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

6 >> **MICHAEL WATANABE:** Oh. So I can show that doesn't
7 reserve any bond authority for the project. It's basically
8 you're only determining if they meet the criteria in the
9 program that they have a health and safety issue that's
10 fundable.

11 >> **ASSEMBLY MEMBER MURATSUCHI:** Okay.

12 >> **MICHAEL WATANABE:** So they will come back. They won't
13 have to re-justify eligibility after the board's approval.
14 We just need a full set of construction plans, so we know
15 how much the cost is going to be approved.

16 >> **ASSEMBLY MEMBER MURATSUCHI:** Okay. I appreciate the
17 staff's concern about creating a precedent, however, given
18 the particular circumstances that I'm hearing, I would
19 agree with my bleeding-heart colleague from the senate and
20 support the appeal.

21 >> **CHAIR PERRAULT:** All right. Any other comments
22 before we go to the public? Okay. Are there any additional
23 public comments, either in the room or online? Seeing none
24 in the room and none online. Okay. So is there a motion to

1 approve the appeal, and if there is a motion, can you
2 please clarify whether you'd like to direct staff to
3 continue looking at that as a part of the motion, correct,
4 regulations or is that aside? You'd like direction?

5 >> **REBECCA KIRK:** Yes. The staff recommendation would
6 also be to, if the board is inclined to approve and there's
7 a motion to approve, our recommendation would be also
8 direct staff to come back to the board with regulatory
9 proposed regulatory amendments around the broader issue of
10 work that's discovered in the course of another project and
11 whether that's eligible for Facility Hardship. But that
12 would be subject to a future board action and
13 consideration.

14 >> **CHAIR PERRAULT:** Thank you for the clarification. Is
15 there a motion or question?

16 >> **ASSEMBLY MEMBER DAVIES:** I'll let the Senator go, if
17 you wanted to.

18 >> **CHAIR PERRAULT:** Hold on one second. Do you have a
19 question?

20 >> **ASSEMBLY MEMBER QUIRK-SILVA:** I have a question.

21 >> **CHAIR PERRAULT:** Okay. Before we take the motion, go
22 ahead and we'll move to Assembly Member Quirk-Silva.

23 >> **ASSEMBLY MEMBER QUIRK-SILVA:** So what's on the table
24 is a motion to approve, but then you are also saying with

1 additional considerations, can we just do a motion to
2 approve? Because what I don't want to see is a small
3 district like this getting hung up on a timeline, which I,
4 and again, my first meeting, so I have no idea how long
5 these additional language or considerations could take, but
6 it seems like this is fairly small in comparison to big
7 facility construction, and so my opinion is just move it.
8 And then the considerations don't need to be tied to this.

9 >> **REBECCA KIRK:** So if I may just a clarifying point
10 too -- if the board opts to approve the appeal, the staff
11 recommendation around directing or for the board to direct
12 us to come back with proposed regulatory amendments, that
13 would be addressed separately from the approval of the
14 District's requested conceptual approval that essentially
15 they are seeking today just approval from the board in
16 terms of whether it qualifies under the Facility Hardship
17 Program and then they would come forward subsequently with
18 a funding application. But we would separately, as staff,
19 if that's the direction from the board today, pursue
20 proposed regulations to bring back to the board, addressing
21 more prospective other cases.

22 >> **CHAIR PERRAULT:** Is that? Okay. All right. So any
23 other further questions? Do we have a motion? Can you be
24 clear about whether your motion is to approve the appeal

1 and also whether we want to direct staff to look into
2 additional clarifying regulations for cases moving forward
3 not this one. And then we can go from there or is there an
4 additional -- is there an additional motion?

5 >> **ASSEMBLY MEMBER DAVIES:** I'll make the motion be
6 discovered.

7 >> **CHAIR PERRAULT:** Okay. So a motion for Assembly
8 Member Davies to approve the appeal. And in addition,
9 direct staff to look into further clarifying regulations
10 both of which each of these could come back to the board
11 for differing reasons in the future for the board to
12 consider.

13 >> **SENATOR PEREZ:** And I'll second that.

14 >> **CHAIR PERRAULT:** Oh. Wait. Who was my second from?
15 Okay. Thank you. A second from Member Perez. If we can
16 please have roll call.

17 >> **MS. JONES:** Laird.

18 >> **SENATOR LAIRD:** Aye.

19 >> **MS. JONES:** Senator Laird, aye. Senator Perez.

20 >> **SENATOR PEREZ:** Aye.

21 >> **MS. JONES:** Perez, aye. Senator Choi.

22 >> **SENATOR CHOI:** Aye.

23 >> **MS. JONES:** Choi, aye. Assembly Member Muratsuchi.

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

1 >> **MS. JONES:** Muratsuchi, aye. Assembly Member Davies.
2 >> **ASSEMBLY MEMBER DAVIES:** Aye.
3 >> **MS. JONES:** Davies, Aye. Assembly Member Quirk-
4 Silva.
5 >> **ASSEMBLY MEMBER QUIRK-SILVA:** Aye.
6 >> **MS. JONES:** Quirk-Silva, aye. Juan Mireles.
7 >> **JUAN MIRELES:** Aye.
8 >> **MS. JONES:** Mireles, aye. Jeremy Smith
9 >> **JEREMY SMITH:** Aye.
10 >> **MS. JONES:** Smith, aye. Ana Lasso.
11 >> **ANA LASSO:** Aye.
12 >> **MS. JONES:** Lasso, aye. Michele Perrault.
13 >> **MICHELE PERRAULT:** Aye.
14 >> **MS. JONES:** Perrault, aye. That motion carries.
15 >> **CHAIR PERRAULT:** Thank you. And thank you again to
16 the District for being available for questions. We
17 appreciate you taking the time.
18 >> **MR. BROSE:** Thank you so much for giving me the
19 opportunity. I really do appreciate this. And my now 50
20 kids -- we are up to 50 kids from 48. So my kids, we as a
21 community, greatly appreciate this. Thank you guys so much.
22 >> **CHAIR PERRAULT:** Thank you. All right. We'll go
23 ahead now and move onto our next appeal item, which is for
24 Pioneer Union Elementary School District.

1 **>> REBECCA KIRK:** Thank you, Madam Chair. This appeal
2 is on stamped pages 142 through 167 of today's agenda. This
3 is a request from the Pioneer's Union Elementary School
4 District in El Dorado County. This district is a small
5 school district with enrollment of 283 students in 2023-24.
6 The district was a three-school school district, but
7 unfortunately, in August 2021, the Caldor fire destroyed
8 the entirety of one of the district's three school sites.
9 The Walt Tyler Elementary School. The district subsequently
10 relocated the students who had been attending that school
11 site to another school site, the Pioneer Elementary School
12 in nearby Somerset, California. But since that time, it's
13 required the students to be transported across 15 miles of
14 mountain roads with a drop in elevation of about 2,000 feet
15 to get to that alternate school site. With this appeal
16 request, the district is requesting the board's approval
17 for an expedited new construction apportionment. They do
18 have new construction eligibility under the program
19 criteria for the request that's being presented. But that
20 appeal is presented essentially requesting an expedited
21 apportionment to be funded in advance of other new
22 construction applications that were submitted prior to the
23 submittal of this district's application. The district
24 would be eligible to come in under the Facility Hardship

1 Program in the circumstance. Under that program they would
2 automatically under our regulations get first priority for
3 consideration of funding by the board and for our
4 processing at the Office of Public School Construction.
5 However, in this case, the district found, in working with
6 the Office of Public School Construction, that it was
7 advantageous to apply under the new construction program.
8 However, since there is no regulation governing or
9 directing us to present that as a priority under that
10 program it is presented to the board as an appeal. I will
11 note there is a nuance with this particular project that
12 made it a little bit more complex in that the district does
13 not own the land on which Walt Tyler Elementary School was
14 previously located and where it would like to reconstruct
15 the school. That land is owned by the federal government,
16 the U.S. Forest Service. The district has been working with
17 the Forest Service for I want to say about two years now on
18 conveyance of that land to the district. So the Forest
19 Service has indicated they do intend to convey a three-acre
20 parcel of land to the district at a very small sum. But
21 that process may take up to three years was the latest
22 update. Three more years from this point forward. The
23 complexity that added with the fact that the district does
24 not own that land is that the School Facility Program

1 statutes and regulations have pretty specific guardrails in
2 place when the districts do not own the land on which an
3 SFP project will be constructed or modernized. The
4 reasoning there is to be sure that there's a protection of
5 the state, the state interest in those cases. So statute
6 and regulations require in the specific case at hand here
7 where the federal government owns the land, the statute and
8 the regulations require that there be a lease term of at
9 least 25 years remaining from the time that the district
10 submitted their application to our office, but at the time,
11 the district submitted their application there were about
12 23 years remaining on the lease. The other term of the
13 existing lease that presented a challenge in recommending
14 approval on the request was the fact that the existing
15 agreement with the federal government specified that the
16 construction needed to have been completed by the end of
17 last year. But the district needs additional time. And that
18 construction has not yet occurred. Accordingly, the staff
19 recommendation on this item -- we do certainly recognize
20 the challenges faced by the district with the extraordinary
21 and unfortunate circumstance that they lost the entire
22 school site due to fire. And we are supportive of their
23 request to seek funding for reconstruction of that school
24 site. We also would support the district's request for an

1 expedited apportionment in this case and we note for the
2 board's reference that that action would be consistent with
3 prior board actions granting expedited apportionments under
4 new construction and modernization programs when we've seen
5 similar cases in the past of schools destroyed by fire and
6 seeking funding from the state toward reconstruction. The
7 nuance here is that due to the complexity with the land
8 being owned by the federal government, we do also recommend
9 that there be a special condition that prior to fund
10 release, if the board approves the appeal today, we would
11 recommend that the board specify that before fund release
12 can occur, the district must provide either an amended
13 agreement with the U.S. Forest Service that complies with
14 those programmatic statutory and regulatory requirements or
15 documentation at the conveyance of the land has occurred
16 and the district has taken ownership of the site. We are
17 pleased to report that in meeting with the district's CBO
18 on Friday, as well as in conversation with the U.S. Forest
19 Service, the Forest Service is amenable to making those
20 amendments to their existing agreement and the district had
21 a proposed amendment already executed with the Forest
22 Service that is awaiting final signature and finalization.
23 So we are hopeful that if the board opts to approve the
24 districts appeal with the condition on fund release that

1 staff would recommend that they would be able to meet that
2 condition and proceed with fund release hopefully not near
3 future.

4 >> **CHAIR PERRAULT:** I'm going to go to the district,
5 but can you just clarify again. This is an interesting
6 circumstance with the federal piece to it. I heard you say
7 that transaction could take several years. Is that still
8 the case?

9 >> **REBECCA KIRK:** So the piece that may take several
10 years is that the Forest Service intends to convey three
11 acres of land to the district. The district would actually
12 end up owning the land at the end of the process. But that
13 has been a lengthy process, and the Forest Service
14 indicates that maybe three more years before it's
15 completed. The piece that seems to be progressing well on a
16 shorter term is an amendment to the existing agreement
17 between the district and the Forest Service to address just
18 the two provisions that will preclude their eligibility for
19 funding under the School Facility Program.

20 >> **CHAIR PERRAULT:** Thank you. I just wanted to make
21 sure I heard that. Does that conclude your --

22 >> **REBECCA KIRK:** I realized I should mention about
23 here as well for their appeal. So the appeal request in
24 this case, if the board opts to approve the appeal, it

1 would provide an apportionment of \$1.7 million
2 approximately for the new construction project.

3 >> **CHAIR PERRAULT:** Thank you so much. Okay. Before I
4 move to the board for questions, I believe we do have
5 district representatives here. And I want to give them an
6 opportunity if either of you would like to provide comments
7 or you can be available for questions. Whatever you choose.
8 Ms. Howard; is that correct? Ms. Kelly Howard.

9 >> **KELLY HOWARD:** Yes. My name is Kelly Howard. I am
10 the Chief Business Officer for Pioneer Union School
11 District. I would like to note there are no elementary in
12 our name and that there are several Pioneer Union
13 Elementary School Districts in the state and that has been
14 challenging for all of us, I'm sure. I would like to thank
15 the board for hearing our appeal this evening and this has
16 been a really challenging time period for our school
17 district and in light of what happened in January in
18 Southern California, with the additional fires, I can only
19 imagine just the amount of groundwork that's being laid for
20 future school districts. But three years to recover a
21 school district from a total devastation is a long time.
22 There are students that started there. You know, they might
23 have been kindergarteners, or they might have been third
24 graders. For the majority of those kids, their parents

1 attended Walt Tyler or Pioneer at some point. It was a
2 really special place for all of them. Once that was lost,
3 we immediately addressed the community in a very positive,
4 excited, we are going to go forward, and we are going to
5 rebuild the school and bring it back right away. Intention
6 for it to turn into three years, we have some students who
7 will never return to Walt Tyler Elementary and have had to
8 age out of that program. So it's been really, really
9 difficult for the community and for the staff and for the
10 students in that there isn't a mechanism -- a trigger
11 mechanism for us to be able to receive the funding that is
12 necessary. Considering that we started with a two-room
13 schoolhouse room and are putting back a two-room
14 schoolhouse that originally cost the district \$192,000. It
15 is now a \$9 million project. There is just a lot to
16 evaluate and to -- and for small school districts with
17 limited staffing to navigate this process have been a lot
18 of challenges as well. So I do appreciate the assistance
19 that the staff at OPSC has provided us. There's been a lot
20 of guidance and a lot of information, and they are very
21 open and we are just really happy to be here today so thank
22 you for listening and considering us.

23 >> **CHAIR PERRAULT:** Thank you so much. Okay. Are there
24 questions or comments from the board? Yes, Mr. Mireles.

1 **>> JUAN MIRELES:** Thank you, Madam Chair. First, I want
2 to congratulate the district. They have come through a lot.
3 I know that we started working with them since the Caldor
4 Fire and it's a small school district. A very small school
5 district facing a lot of different challenges, so
6 congratulations. They have a great team that's helped them
7 get this far. I know this is going to go a long way in
8 getting this funding expedited, so I would move to approve
9 the recommendation with a condition.

10 **>> JEREMY SMITH:** I second.

11 **>> CHAIR PERRAULT:** Okay. Before we get there, are
12 there any other comments or questions? Yes.

13 **>> ANA LASSO:** I do have a question simply on the
14 amendment to the existing agreement. Ms. Kirk, you
15 mentioned that currently we'd like to have 25 years on
16 agreement in order to make an appropriation. The
17 amendment -- the existing agreement is that an extension of
18 the lease? And for -- and what will be if that's the
19 extension of the lease, what will the amendment give us in
20 terms of extra years?

21 **>> REBECCA KIRK:** Yes. Thank you for that question. To
22 clarify, statute requires -- well, backing up a tiny bit.
23 Originally, when the School Facility Program was
24 established in 1998, it did not allow for funding of any

1 project that was not on a district-owned property.
2 Subsequently, there were amendments that authorized in
3 certain circumstances that could be the case. Specifically,
4 one of those circumstances is if the federal government
5 owns the property and there is an agreement -- a lease
6 agreement between the federal government and the district
7 with at least a 25-year term lease. School Facility Program
8 regulations adds specificity that that 25 year term is
9 measured from the date of the application submittal to the
10 Office of Public School Construction. So in the district's
11 case, they had what was originally a 25-year term lease,
12 the current lease that's in place. But at time of their
13 application, which I believe was October 2024, there were
14 roughly 23 years remaining on that term. So that was one of
15 the issues with the existing lease that would preclude
16 under the statutes and regulations School Facility Program
17 funding in that case. That's part of why we recommended the
18 contingency on fund release. So it wouldn't preclude the
19 board's consideration of approving the appeal today and an
20 apportionment today, but it would provide that the district
21 must meet that requirement prior to actually receiving the
22 funds from the state. The federal government, one of the
23 issues that we outlined, both in working with Ms. Howard as
24 well as with the U.S. Forest Service on this, was that one

1 of the provisions in an amendment would be to extend the
2 term of the existing agreement, so that it is at least 25
3 years from the date the district applied, which would make
4 it compliant with the statutes and regulations in place.
5 The second issue was that the existing agreement specified
6 the district had to complete construction of the school by
7 December 31st, 2024. And that has not yet occurred. So the
8 second amendment was to extend that period of time under
9 which the district can complete construction.

10 >> **ANA LASSO:** So the amendment is for the extension of
11 the construction, not the term of the lease?

12 >> **REBECCA KIRK:** Both. Extending both provisions,
13 specifically.

14 >> **CHAIR PERRAULT:** Okay. Thank you. Assembly Member
15 Davies?

16 >> **ASSEMBLY MEMBER DAVIES:** Thank you. Do we have any
17 idea how long it would actually take to get an updated
18 lease agreement to meet the 25-year term requirement? I'm
19 just curious. Is this something that can be done in a
20 couple of months or is this something that could take
21 years? And again, the longer we wait, the more expensive
22 the project is going to be. We know that from labor to
23 materials.

1 **>> KELLY HOWARD:** The lease is due to the fact that
2 there is -- the intention to convey the property kind of
3 puts a wrench in the extension or revision of issuing a new
4 special use permit from the federal government. There's
5 some provisions in their laws that indicate that an
6 agreement like this that's been in existence for such a
7 long period of time with another public agency. The
8 property should have been conveyed or should be conveyed.
9 And starting over with a special use permit is something
10 that above the folks that were dealing with isn't
11 preferred. They don't want to go through the motions of
12 that additional step when the real intention is just to
13 convey the land.

14 **>> ASSEMBLY MEMBER DAVIES:** So I understand that, but
15 again, are you going to be able to get results from that?
16 It sounds like no.

17 **>> ANA LASSO:** No, they've moved to an amendment to the
18 existing special use permit to extend the timeline of the
19 permit itself and to the construction timeline. And while
20 that is in place, they are still moving towards the
21 conveyance with the applications is in. They indicated that
22 that would be resolved within a couple of years.

1 **>> ASSEMBLY MEMBER DAVIES:** So again, it could take
2 years to be able to get what we are asking for in order to
3 have the funding given to you?

4 **>> CHAIR PERRAULT:** It sounds like what they are doing
5 is that they going to extend the lease to make it to the 25
6 years, the 23 to 25, in addition extend the permitting
7 timeframe, so they can build. And then, while they are
8 doing that, negotiate the purchase, is that --

9 **>> KELLY HOWARD:** Correct. Yes. So essentially our
10 permit, it has been extended just with an amendment rather
11 than a revision.

12 **>> CHAIR PERRAULT:** So the funds would flow once we
13 have receipt of that extension on the lease.

14 **>> ASSEMBLY MEMBER DAVIES:** So the recommendation,
15 actually, you are good with?

16 **>> KELLY HOWARD:** Yes. That's great. Okay. Thank you.

17 **>> CHAIR PERRAULT:** Other questions? I appreciate the
18 clarification because I think it's a little confusing
19 between the lease and then the purchase. Okay. Any? Okay.
20 Any other public comments? None in the room and none
21 online. Okay. We'll bring it on back then. I believe I had
22 a motion by Mr. Mireles to take staff recommendation to
23 approve the expedited apportionment contingent upon the
24 funds would be contingent upon the district approving as we

1 just spoke about the extension of the lease and meeting the
2 25-year term. I heard several seconds. I believe I heard a
3 second from Choi and Perez as well. I'll let you choose.
4 But we have a first and a second, so if you'll go ahead and
5 call roll.

6 >> **MS. JONES:** Senator Laired.

7 >> **SENATOR LAIRD:** Aye.

8 >> **MS. JONES:** Senator Laird, aye. Senator Perez.

9 >> **SENATOR PEREZ:** Aye.

10 >> **MS. JONES:** Perez, aye. Senator Choi.

11 >> **SENATOR CHOI:** Aye.

12 >> **MS. JONES:** Choi, aye. Assembly Member Muratsuchi.

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

14 >> **MS. JONES:** Muratsuchi, aye. Assembly Member Davies.

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

16 >> **MS. JONES:** Davies, Aye. Assembly Member Quirk-
17 Silva.

18 >> **ASSEMBLY MEMBER QUIRK-SILVA:** Aye.

19 >> **MS. JONES:** Quirk-Silva, aye. Juan Mireles.

20 >> **JUAN MIRELES:** Aye.

21 >> **MS. JONES:** Mireles, aye. Jeremy Smith

22 >> **JEREMY SMITH:** Aye.

23 >> **MS. JONES:** Smith, aye. Ana Lasso.

24 >> **ANA LASSO:** Aye.

1 >> **MS. JONES:** Lasso, aye. Michele Perrault.

2 >> **CHAIR PERRAULT:** Aye.

3 >> **MS. JONES:** Perrault, aye. And that motion carries.

4 Thank you.

5 >> **CHAIR PERRAULT:** Thank you, again. We appreciate you
6 coming down and providing clarification. And we do really
7 wish you good luck on getting that school rebuilt. It
8 sounds like it's very important to the community, so we are
9 happy to hear and happy to see that move along. All right.
10 With that, we'll go ahead and move onto our final appeal
11 for the Mountain Empire Unified District.

12 >> **ASSEMBLY MEMBER MURATSUCHI:** Thank you. I'm on staff
13 page 168 of the agenda. This appeal is for Mountain Empire
14 Unified School District. Mountain Empire Unified School
15 District has 11 schools. It's the most southeastern school
16 district in San Diego County bordering Mexico and the
17 Imperial County on the east. The district is a very
18 mountainous terrain, which is important in this case. Their
19 elevation varies from 2,500 to 6,000 feet above sea level.
20 The district covers over 660 square miles. This appeal is
21 for advanced design funding for Mountain Empire High School
22 Facility Hardship project the board already approved
23 previously, and financial hardship status based on other
24 evidence for a period of 12 months. Under the financial

1 hardship program, there are two criteria that a district
2 meets. The first is they are levelling the maximum
3 developer fees allowed by law. At the time, the district
4 submitted their conceptual approval in 2023 they were
5 leveled a maximum fee allowed by law. But in 2024, when
6 their funding application was submitted, the board adjusted
7 it in 2024 of January. January 2024. So the district will
8 need to update their developer fees before the board can
9 take any approval on their funding. The second criteria
10 is -- there are three criteria for automatically qualifying
11 after your leveling the maximum fee. The first one is that
12 the district has a long-term debt capacity of over 60%. The
13 district currently has a debt capacity of 29.05%. Another
14 automatic qualifying criteria is the district passed a Prop
15 29 bond in the last two years. The last successful bond for
16 this school district was in 2018 or if the district has a
17 total bonding capacity of less than \$5 million. I would
18 note, under Proposition 2, it did raise that threshold to
19 15 million and below could automatically qualify. But this
20 district's total bonding capacity is 48 million, so they
21 don't meet the automatic qualifying criteria under the
22 program. So they are applying for the board's consideration
23 under other evidence. There isn't set criteria for other
24 evidence. The board has heard a variety of cases over the

1 years, 17 in fact, which are outlined on Attachment C. And
2 there's been mixed approvals over time. In developing
3 staff's recommendations, we work with the school district,
4 ask a lot of questions in terms of working with them to see
5 where they are from a recommendation standpoint. So a
6 little bit of history on this project. Back in January
7 2022, they did hire a structural engineering firm to review
8 their high school project and there were three buildings
9 that had significant structural issues. The board has
10 already approved in December of 2023 that this project
11 meets the criteria in the program. At the time of that
12 conceptual approval, there's estimated costs roughly 28
13 million for repairing that project. That's not the full
14 cost. It could go up after the project is actually designed
15 and they have full construction plans. And that's where the
16 district's request is today. With financial hardship
17 approval, they are allowed to get advanced design funding
18 to move forward with their project. In looking at the
19 district's bond history, on page 170, we have a chart
20 there. Since 1998, the district attempted five bond
21 measures in their district. Two were successful. In advance
22 of this appeal, they did try again after we talked to the
23 district with their circumstances surrounding this project,
24 so they did try March 5 of 2024 to put a bond measure on

1 the ballot for 20 million. They were unsuccessful in
2 reaching the 55% threshold for passing that ballot measure.
3 They only had 51% positive votes. So the last successful
4 bond measure was in November 2018 for 15 million, which
5 they just barely passed at 55.39%. That 15 million, they
6 believed, was the highest their voters would accept, based
7 on polling to pass the measure. Since 2018, that 15 million
8 has been fully spent on other district projects, so it's
9 not available for this particular project. In another
10 consideration that staff worked on, in working with the
11 district, was with the bonding capacity. If the district
12 had borrowed -- having not passed a local bond, we asked
13 could they borrow 15 million to exceed the 60% threshold to
14 automatically qualify for the program, use that 15 million
15 and start all of their projects throughout the campus.
16 You'll see in Attachment B, they have a lengthy document of
17 issues going around throughout the district that they
18 estimate will cost roughly 187 million to repair across the
19 district for their condition issues. So we thought if they
20 have 15 million, they can get a lot of those projects
21 started, apply to our program, for Facility Hardship, and
22 move forward. In looking at their request, the district
23 talked to their San Diego County Office of Education, who
24 submitted a letter on the district's behalf, and that's in

1 included in Attachment D. Based on that recommendation, San
2 Diego COE submitted a letter that basically said they would
3 not support any bearing on the district's part because of
4 their current financial situation. Their '24-'25 first
5 interim report is currently at a qualified certification,
6 which means the district may not meet its financial
7 obligations during the next two years. The district has
8 projected deficit spending of 4.2 million for the '24-'25
9 fiscal year and may actually have to borrow funds from the
10 county treasury to meet payroll in 2025. The district's
11 annual operating budget is roughly \$40 million,
12 contributing to their financial situation, they had an
13 enrollment decrease of 135 students resulting in a
14 projection over the next three years of loss of 3 million
15 in funding through LCFF. In this particular district, I
16 mentioned the large square area they cover; six hundred and
17 sixty square miles of area and their large bussing students
18 throughout the district is roughly 7% of the district's
19 budget, which the district has indicated is more than
20 double the average in the state for costs. And that all
21 contributes to the district's financial situation. As I
22 mentioned before, in looking at the different criteria, and
23 with that in mind, the board has considered 17 prior
24 requests. Nine were approved as requested, three were

1 partially approved, and the five remaining were not
2 approved. For this request, the design funding, the total
3 design funding is estimated at 5.7 million of which the
4 district shared be 2.8 million. The district does have
5 roughly 1.1 million available in local funds to contribute
6 towards that. The net result would be 4.6 million in state
7 funding for this appeal. So in considering all these
8 different factors and in light of the San Diego COE
9 request, staff supports the district's request. Typically,
10 staff only supports requests for financial hardship under
11 other evidence in unique or extreme circumstances. You
12 know, because looking at the bonding capacity, the bonded
13 indebtedness to the district, it would imply that they do
14 have plenty of ability to borrow their match. But in this
15 case, looking at the San Diego COE's letter and the
16 district's financial circumstances, we are okay with this
17 particular one. In December of 2024, OPSC did tour the
18 district sites and evaluated their facility hardship
19 issues. We would concur they have a lot of potential there
20 of issues they can apply to our program for. This money
21 would help the district move forward a lot of those
22 projects on top of the project they are being applied for.
23 Typically, financial hardship status is a district-wide
24 status and is good for six months. All applications

1 submitted within that six-month period qualify for
2 financial hardship. In this case, they were asking for a
3 12-month window. In touring the district and seeing the
4 amount of work they would need to do to generate industry
5 special reports, obtain those government concurrences, we
6 think 12 months is appropriate in this particular case. For
7 the board options, we've recommended three options from
8 staff's perspective. Approve financial hardship status
9 under other evidence for a period of 12 months. Consistent
10 with prior appeals, we are recommending that the
11 board -- recommending the board approve this design only
12 apportionment, but at a qualifying factor there consistent
13 with prior appeals that before the district applies for
14 financial hardship for their full construction phase of
15 this project to at least attempt a voter measure for the
16 construction phase of the remaining part of the project.
17 The district orally spoken to OPSC convey they would
18 attempt a bond in November of 2026 to attempt their
19 matching share, so they are okay with that recommendation.
20 The last recommendation for this particular appeal, the
21 district is requesting a direct apportionment, meaning cash
22 now for the project. Staff is recommending an unfunded
23 approval and that is because in the other part of this
24 agenda, at the board's request in January, we are

1 recommending all available cash be approved for disaster
2 assistance. But we are -- and we would normally approve
3 direct apportionments had the fires not happened in
4 January, so we are okay with the unfunded approval
5 apportionment. Our recommendation is unfunded approval.
6 From a process standpoint, if the board were to approve
7 these recommendations, regardless of whether it's unfunded
8 approval or an apportionment, we would bring back a funding
9 shell. We're guessing roughly the April SAB meeting, after
10 the district has their developer fees updated. They
11 indicated, I believe, April 11, around there is the next
12 board meeting where they will get approved, and they can
13 speak to that as well. So with that, I'm open to questions
14 and the district is available for questions as well.

15 **>> CHAIR PERRAULT:** Thank you so much. I appreciate
16 that. Before I move to the board, I know we have -- I do
17 have one speaker card, which I think is from the district,
18 Dr. Keeley, Director Superintendent, and Ms. Silverman, the
19 Consultant, if you'd like to provide additional comments.

20 **>> DR. KEELEY:** Thank you very much for considering
21 this. I wanted to just extend a thank you to Michael and
22 Rebecca. They got most of the district tour back in
23 December on an incredibly windy, 70-mile plus per hour
24 wind. Quite an adventure out there. I also wanted to just

1 extend a thank you to the members of the board here and
2 your staff here for making yourselves or your staff
3 available for us to meet with this week. We do appreciate
4 the opportunity being presented to the board. Especially,
5 the potential for an immediate apportionment, so we can get
6 this work going upon completion of our justification study,
7 which is slated for board approval on April 15. And then,
8 we look forward to the opportunity to address the
9 significant issues that we're facing with our facilities in
10 order to improve the learning conditions for our children.
11 I'm available for any questions. I can recite this stuff in
12 my sleep about the school district, so --

13 >> **CHAIR PERRAULT:** Thank you so much. I appreciate it.
14 I am going to go ahead and take one other public comment
15 because I believe we have staff from Senator Padilla's
16 office. I'm going to mispronounce your name. If you'd like
17 to speak and then we'll bring it back to the board.

18 >> **MITHRA CALRA:** Thank you. Good afternoon, everyone.
19 Senator Padilla apologizes. He had to return to his
20 district. My name is Mithra Calra. And I'm a member of his
21 office. I will be reading a brief statement from the
22 Senator. I humbly request this board approve the Mountain
23 Empire Unified School District's appeal with respect to an
24 apportionment from the Mountain Empire High School Facility

1 Hardship Grant. The high school is in a high-need community
2 and unfortunately, the conditions at the school have become
3 an unsuitable learning environment. The district has
4 scheduled an election this fall to pass a bond to secure
5 the funding necessary to address the conditions at the
6 school. But waiting for that election could hinder progress
7 on critical projects to make the school suitable for
8 students. Approving this bridge funding would allow the
9 district to address the needs of students in one of the
10 poorest regions of our state. Senator Padilla urges the
11 board to see the immediate need of this community and grant
12 the hardship status as well as apportion the funds the
13 school needs to begin to remedy these deficiencies. Thank
14 you for your time and consideration.

15 **>> CHAIR PERRAULT:** Thank you so much. I appreciate you
16 taking the time to be here. Comments or questions from the
17 board? Yes, Assembly Member Quirk-Silva.

18 **>> ASSEMBLY MEMBER QUIRK-SILVA:** Again, not being too
19 pushy here, but I'm an educator by profession, almost 30
20 years in the elementary classroom. So I know firsthand that
21 when these requests come through, it's because these
22 facilities need to be repaired now. This district is a very
23 vulnerable district that borders on our border, in fact.
24 But if you look at the letters of support on page 191, you

1 have support letters from Assembly Member Carl DeMaio,
2 Assembly Member Board of Supervisors, Second District
3 Anderson. You have a letter of support from Senator Brian
4 Jones, and a letter of support just spoken from their field
5 representative Senator Padilla. In the climate we are -- we
6 don't all, obviously, always agree and yet, we have
7 bipartisan letters here saying, let's move this, and let's
8 do this now. So I support that.

9 >> **CHAIR PERRAULT:** Thank you so much. Any other
10 comments or questions from members? Okay.

11 >> **ASSEMBLY MEMBER MURATSUCHI:** I'd like to make a
12 motion to approve the staff recommendation.

13 >> **CHAIR PERRAULT:** Okay. Before I move -- I've noted
14 that, Assembly Member Muratsuchi. Before I move to that,
15 let me just go back one more time and see if there's any
16 other general public comment. If I don't have any other
17 board members. Okay. Other public comments? Oh, yes.

18 >> **DR. KEELEY:** I just wanted to clarify, is that
19 motion for immediate apportionment?

20 >> **CHAIR PERRAULT:** I'll ask. We'll get that
21 clarification.

22 >> **DR. KEELEY:** Well, Lisa got up. She was about to --

23 >> **CHAIR PERRAULT:** I understand. But before we get
24 there, is there any other general public comment on this

1 item here in the room or online? Okay. Seeing none. I'm
2 going to take it back to Assembly Member Muratsuchi, who
3 made the motion. Assembly Member, can you clarify if you
4 are moving to approve the district's appeal request as
5 written by staff? I think what we need clarity on is
6 whether or not you're approving an unfunded approval or
7 whether you are approving a direct apportionment.

8 >> **ASSEMBLY MEMBER MURATSUCHI:** It's my understanding
9 that the staff recommendation is to approve an unfunded
10 approval?

11 >> **CHAIR PERRAULT:** That is correct.

12 >> **ASSEMBLY MEMBER MURATSUCHI:** So as staff is
13 recommending, I make that motion.

14 >> **CHAIR PERRAULT:** Okay. So he, just for clarity, we
15 have a recommendation to approve the staff's
16 recommendation, which is to approve the hardship with other
17 evidence of reasonable effort for 12 months, require the
18 district attempt to pass another local bond measure and
19 approve an unfunded approval for design funding. Is there
20 any -- is there a second or is there another?

21 >> **ANA LASSO:** I just want clarification.

22 >> **CHAIR PERRAULT:** Yes, Director Lasso.

23 >> **ANA LASSO:** The clarification I'd like from the
24 staff is it's the motion, as Ms. Perrault just outlined,

1 but I also heard that the district would bring back a
2 report -- a report by April 9th or 11th and then this can
3 be considered again by the board, by the State Allocation
4 Board for apportionment.

5 >> **MICHAEL WATANABE:** For this particular item, the board
6 is deciding whether to approve the district's appeal for a
7 direct apportionment or staff's recommendation for an
8 unfunded approval. Regardless of which way the board goes,
9 we'll bring back the actual funding shell because it's not
10 attached to this item, reflecting the board's actions,
11 conditional upon the district providing us the updated
12 developer study in advance of that meeting.

13 >> **ANA LASSO:** The developer study is April 9th, right?

14 >> **MICHAEL WATANABE:** April 15th.

15 >> **ANA LASSO:** Okay. Thank you.

16 >> **MICHAEL WATANABE:** So the follow-up item would come in
17 the consent agenda to follow whatever the board decides to
18 do today.

19 >> **CHAIR PERRAULT:** Okay. And perhaps, staff, I think,
20 it might be helpful because we have new members and others.
21 Can you maybe just give just a quick tutorial on what the
22 difference is between both timeline and otherwise whether
23 we go unfunded or whether it's a direct apportionment? I

1 think that would be helpful in the context of a timeframe
2 for this district.

3 >> **MICHAEL WATANABE:** So in this request, as you recall,
4 they are recalling a one month extension to get all the
5 applications in the house, and request of district
6 apportionment will help them move the other potential projects
7 in addition to this project forward. Under the unfunded
8 approval, as staff recommended how the processes work -- if
9 the work board would approve that, presuming the district
10 has their developer fee study done in April, we would bring
11 an unfunded approval shell to the April board meeting.
12 Then, in May, the district would request a bond sale
13 proceeds from a Proposition 2, that happens generally in
14 the fall. So somewhere around September/October they get
15 their cash apportionment. So that's roughly eight months
16 from now. If this board were to choose a direct
17 apportionment now, we would take general proceeds. It would
18 reduce the amount available for local assistance for the
19 disaster fires in the action item part of our section,
20 roughly 182 million is available. Their 4.6 million would
21 reduce the 182 that is available for that other item, but
22 that provides direct apportionment cash now. We would bring
23 that funding item for the exact dollar amount to the April
24 board and then they can move forward as soon as they sign

1 construction contracts in April. So roughly six months
2 faster than going the other process.

3 >> **CHAIR PERRAULT:** So just for absolute simplification
4 because I know I went round and round on this also for my
5 own understanding, we're talking about a difference of
6 about six months whether we do it as an unfunded approval
7 versus a direct apportionment. The direct apportionment, if
8 that was the route we went, would come out of the general
9 fund pot we will be discussing later related to disaster
10 relief. The unfunded approval would be -- would come out of
11 the bond sale in the fall. It's when they'd be. So I think
12 it's helpful for us to kind of understand those two
13 clarifications. Yes, Assembly Member Quirk-Silva, and I do
14 realize we have a motion on the table.

15 >> **ASSEMBLY MEMBER QUIRK-SILVA:** So I'm presenting a
16 motion for immediate direct apportionment. I do not want to
17 see them moved into, even though six months sounds like not
18 a very long time, but they've already been in this waiting
19 pattern. Although we know the new fire, if you want to say,
20 schools that are impacted, that, of course, is extremely
21 important. But my motion is for immediate direct
22 apportionment.

23 >> **CHAIR PERRAULT:** Okay. Let's bring back Assembly
24 Member Muratsuchi. You have the initial motion. I want to

1 just make sure you are still wanting to move forward with
2 that after hearing additional comment or do you want to
3 make an amendment to your motion or are you fine with
4 moving it as you originally stated as an unfunded approval?

5 >> **ASSEMBLY MEMBER MURATSUCHI:** I'll stick with the
6 staff recommendation.

7 >> **CHAIR PERRAULT:** Okay. So what we need to do then, I
8 think, is take the initial motion by Assembly Member
9 Muratsuchi. If we have a second, and then we will move
10 to -- oh, go ahead, staff. Yes, Ms. Kirk?

11 >> **REBECCA KIRK:** I apologize.

12 >> **CHAIR PERRAULT:** Don't be.

13 >> **REBECCA KIRK:** Just to also add clarification before
14 any vote on either motion on the table, I'd like to clarify
15 that both motions also include approval of the district's
16 financial hardship status under other evidence, which staff
17 does recommend, support, and also the requirement that the
18 direct be -- attempt to pass a local bond before coming
19 back with a subsequent request for financial hardship
20 status if that extended 12-month period they've requested
21 expires. That is a condition that the district indicated
22 they're amenable to and that they would be willing to
23 pursue. So I just want to ensure and clarify whether those

1 other aspects of the appeal are recommended for inclusion
2 in one or both motions on the table.

3 >> **CHAIR PERRAULT:** Assembly Member Muratsuchi, when
4 you said you are recommending staff approval, all three of
5 those items, correct? Is that what you are moving? Okay. I
6 just want to --

7 >> **ASSEMBLY MEMBER MURATSUCHI:** Yes.

8 >> **CHAIR PERRAULT:** -- clarify. So Senator Laird, yes?

9 >> **SENATOR LAIRD:** I just have a procedural question. I
10 don't understand what we're doing here. If I want to
11 support the second motion, do I have to vote against the
12 first motion? What are we doing here?

13 >> **CHAIR PERRAULT:** Well, let's wait and see if we
14 actually have a second to the original motion. If we have a
15 second, then we'll take it up for a vote and then, Senator,
16 absolutely, it is your choice to either vote, no, abstain,
17 or otherwise. But let's see if we have a second to the
18 initial motion from Assembly Member Muratsuchi.

19 >> **JUAN MIRELES:** Madam Chair, at the risk of sounding
20 redundant, I just want to make clear, the original motion,
21 the unfunded approval means cash in October?

22 >> **CHAIR PERRAULT:** Correct.

23 >> **JUAN MIRELES:** Versus the alternative motion, which
24 is to get a direct apportionment now --

1 >> **CHAIR PERRAULT:** Correct.

2 >> **JUAN MIRELES:** And cash as early as April.

3 >> **CHAIR PERRAULT:** Correct, at a general fund.

4 >> **JUAN MIRELES:** Thank you.

5 >> **CHAIR PERRAULT:** Both motions include approving
6 financial hardship status based on other evidence for 12
7 months and requiring the district to attempt to pass
8 another local bond measure, both of which the district has
9 said they are fine with. So is that helpful?

10 >> **JUAN MIRELES:** Thank you.

11 >> **CHAIR PERRAULT:** So we do have a motion on the
12 table. Is there a second to the original motion, which is
13 an unfunded approval along with the other two items as
14 already stated? Okay. All right. Seeing no second, Assembly
15 Member Muratsuchi, we're going to table that. That motion
16 does not move forward. We have a second motion on the table
17 by Assembly Member Quirk-Silva, again, approving financial
18 hardship for 12 months, requiring the district to attempt
19 to pass another local bond measure and approving a direct
20 apportionment for design funding. So we have a first and we
21 have a second from Assembly Member Davies. So if we could
22 please have a roll call.

23 >> **MS. JONES:** Certainly, Senator Laird.

24 >> **SENATOR LAIRD:** Aye.

1 >> **MS. JONES:** Senator Laird, aye. Senator Perez.
2 >> **SENATOR PEREZ:** Aye.
3 >> **MS. JONES:** Perez, aye. Senator Choi.
4 >> **SENATOR CHOI:** Aye.
5 >> **MS. JONES:** Choi, aye. Assembly Member Muratsuchi.
6 >> **ASSEMBLY MEMBER MURATSUCHI:** No.
7 >> **MS. JONES:** Muratsuchi, no. Assembly Member Davies.
8 >> **ASSEMBLY MEMBER DAVIES:** Aye.
9 >> **MS. JONES:** Davies, Aye. Assembly Member Quirk-
10 Silva.
11 >> **ASSEMBLY MEMBER QUIRK-SILVA:** Aye.
12 >> **MS. JONES:** Quirk-Silva, aye. Juan Mireles.
13 >> **JUAN MIRELES:** Aye.
14 >> **MS. JONES:** Mireles, aye. Jeremy Smith
15 >> **JEREMY SMITH:** Aye.
16 >> **MS. JONES:** Smith, aye. Ana Lasso.
17 >> **ANA LASSO:** Aye.
18 >> **MS. JONES:** Lasso, aye. Michele Perrault.
19 >> **CHAIR PERRAULT:** Aye.
20 >> **MS. JONES:** Perrault, aye. And that motion does
21 carry. The second motion carries.
22 >> **CHAIR PERRAULT:** Thank you so much. I appreciate it.
23 Thank you for being here, district as well. And we wish you
24 luck on moving forward with your project.

1 >> **DR. KEELEY:** Thank you very much for your support.

2 >> **CHAIR PERRAULT:** Okay. All right. Okay. With that,
3 we will go ahead and move forward onto our action items.
4 Ms. Kirk, if you'd present the action item approving the
5 successor charters. That's what I'm on, right? Am I on the
6 right thing? Okay. Thank you. The successor charter school
7 applicant for Charter School Facility Program funded
8 project formerly known as Today's Fresh Start.

9 >> **REBECCA KIRK:** Thank you Madam Chair. The first
10 action item is on page 100 -- sorry. Page 406 through page
11 412 of today's agenda. This item requests that the board
12 approve a successor charter school applicant for the
13 Charter School Facilities Program funded project formerly
14 occupied by Today's Fresh Start. Under the Charter School
15 Facilities Program, an apportionment was made in March 2013
16 to Today's Fresh Start. The original apportionment amount
17 was about \$19.1 million of which about \$9.6 million was a
18 loan for the local match required by the program. From this
19 apportionment or with this apportionment, Today's Fresh
20 Start acquired a site and constructed a 19-classroom
21 elementary school within the boundaries of the Inglewood
22 Unified School District. In June 2020, Today's Fresh Start
23 ceased operation of the school due to nonrenewal of its
24 charter school petition. Because Today's Fresh Start is no

1 longer using the facility for charter school purposes, it
2 triggers provisions in statute for identification of a
3 potential successor charter school to take over that
4 facility. The Inglewood Unified School District conducted a
5 process to solicit information from any interested
6 perspective successor charter school for the facility.
7 There was one application received from that process. The
8 application came from Green Dot Public Schools Animo City
9 of Champions Charter High School. The Charter School
10 facilities program is jointly administered by the Office of
11 Public School Construction and the California School
12 Finance Authority Board under the purview of the State
13 Treasurer's Office. The California School Finance Authority
14 Board did find last week, in fact, the applicant Green
15 Dot's Animo City of Champion's Charter High School to be
16 financially sound, which is a precursor or required element
17 before the board could consider designating them as a
18 successor charter school for the facility. The staff
19 recommendation on this item is to designate the Green Dot
20 Public Schools Animo City of Champions Charter High School
21 as the successor charter school for that property. That
22 entails a number of essentially procedural steps that are
23 outlined in the recommendations on this item on page 407.
24 At a high level, essentially, the prior apportionment to

1 Today's Fresh Start would be canceled. There would be a new
2 apportionment issued in the name of the successor charter
3 school. The successor charter school in accordance with the
4 statutes governing identification of a successor charter
5 school would take possession of the facility on equal terms
6 as the prior applicant which, in part, would entail the
7 Animo City of Champions taking over the remaining loan
8 amount, which is approximately \$8.8 million for the
9 project. Staff does recommend, as I said, the approval of
10 this item and all of the six procedural recommendations
11 therein on page 407. I'm pleased to address any questions.

12 >> **CHAIR PERRAULT:** Thank you so much. And I do believe
13 we have representatives from Green Dot and Animo on the
14 zoom. I don't know if any of you would like to make any
15 comments before we move into board questions. I'm trying to
16 see who we have. I'm not sure who wants to speak, if it's
17 Cristina?

18 >> **CRISTINA DE JESUS:** There are three of us who have
19 prepared something to share.

20 >> **CHAIR PERRAULT:** I'm sorry. Say that again.

21 >> **CRISTINA DE JESUS:** There are three of us on the
22 line that have prepared to comment.

23 >> **CHAIR PERRAULT:** Okay. You are prepared to comment
24 or you are there for questions?

1 >> **CRISTINA DE JESUS:** Both.

2 >> **CHAIR PERRAULT:** Okay. Then go ahead. Whoever wants
3 to go first, go ahead and move forward with your comments
4 then.

5 >> **CRISTINA DE JESUS:** Okay. Great. Good afternoon,
6 State Allocation Board members. My name is Cristina De
7 Jesus, and I'm the CEO of Green Dot Public Schools, an
8 organization with 18 schools, nearly 10,000 students, and
9 25 years of experience as an operator of public charter
10 schools in Los Angeles. I want to express my sincere
11 appreciation to CFSA and OPSC for their recommendation to
12 approve Animo City of Champions as a successor charter
13 school. The facility being voted on today will allow the
14 school to continue to proudly serve the Inglewood County
15 and to offer a high quality education to many more students
16 in the future. This is a school with a strong academic
17 track record for preparing students for college,
18 leadership, and life. Last year, 84% of seniors graduated
19 fulfilling the A through G requirements for UC and CSU
20 admission. A rate that was 32 percentage points above the
21 state average. It is also a school that helps students, and
22 their families feel seen and supported with over 90% of
23 families responding on their annual survey that they would
24 recommend the school to a friend. I want to assure the

1 State Allocation Board that this facility will be in very
2 capable hands with Green Dot and Animo City of Champions.
3 But we are proud of what the school has accomplished to
4 date and know the best is yet to come. Thank you.

5 >> **CHAIR PERRAULT:** Thank you so much. I'm not sure if
6 Ms. Garcia or Ms. Cooks, who's going to go next. But go
7 ahead.

8 >> **TALINA GARCIA:** Thank you. Good evening Board
9 Members on behalf of Animo City of Champions. I want to
10 express our deepest gratitude for your support of your
11 school site. Your decision to allow us the opportunity to
12 establish a permanent home in the city of Inglewood is more
13 than just a vote. It is an investment in our students, our
14 family, and the future of this community. This home will
15 provide stability, opportunity, and a space for our
16 students where they can thrive for generations to come.
17 Thank you for believing in our mission and for your
18 unwavering support. We are excited to see what's ahead and
19 look forward to continuing this partnership. Thank you.

20 >> **CHAIR PERRAULT:** Thank you so much. Ms. Cooks.

21 >> **CEN'CERE COOKS:** Yes. Good afternoon, Office of
22 Public School Construction and State Allocation Board. I'm
23 Cen'cere Cooks. A founding administrator and proud
24 principal of Animo City of Champions Charter High School, a

1 proud Green Dot school located in the city of Inglewood.
2 I'm speaking today to express our gratitude to the OPSC
3 team and State Allocation Board for recommending approval
4 of our application for the Charter Schools Facility
5 Program. Having a long-term facility is a dream come true
6 for our school. This new site will improve our campus,
7 offering more space for instructional programming, and our
8 resources as we prepare students to be community
9 gamechangers. Our school currently serves around 300
10 scholars, providing high quality instruction and community
11 programs focused on college and career success. Last year,
12 our school had a 91% graduation rate and an 84% A through G
13 completion rate for both the UC and CSU admissions. This
14 new campus will support our robust programs, including
15 college preparation to accelerate college going rates for
16 our black scholars, wraparound services, and an
17 entrepreneurship program for all students. The new site
18 will be a source of pride for our students, parents, and
19 community. We look forward to continuing our growth in this
20 new space as a beneficiary of this great program and thank
21 you so much.

22 >> **CHAIR PERRAULT:** Thank you. And thank you all for
23 being here, available in here. Are there any comments or
24 questions from board members on this item? I'd like to say

1 I really appreciate Green Dot and Animo moving forward and
2 looking at this facility as an opportunity. This has been a
3 long road with that facility not being utilized. So I
4 think, at least from my perspective, I'm glad to see an
5 entity coming in and utilizing it, particularly in the
6 region you serve. So thank you so much for moving through
7 all of the steps and working with staff. With that, are
8 there any public comments on this item? Seeing none here in
9 the room. Okay. Is there a motion then to approve and
10 recommend a successor charter school application -- I'm
11 sorry. Green Dot Public School as a successor Charter
12 School applicant.

13 >> **JEREMY SMITH:** So moved.

14 >> **CHAIR PERRAULT:** All right. We have a motion by
15 Mr. Smith.

16 >> **SENATOR CHOI:** Second.

17 >> **CHAIR PERRAULT:** And a second by Senator Choi. If we
18 can go ahead and call the roll.

19 >> **MS. JONES:** Certainly. Senator Laird?

20 >> **CHAIR PERRAULT:** Oh, I think he has actually left.

21 >> **MS. JONES:** I just had to call his name because it's
22 part of the protocol.

23 >> **CHAIR PERRAULT:** I just want to make sure you knew.
24 Sorry.

1 >> **MS. JONES:** Yes, and I did realize that, yes.
2 Senator Laird, aye. Senator Perez.
3 >> **SENATOR PEREZ:** Aye.
4 >> **MS. JONES:** Perez, aye. Senator Choi.
5 >> **SENATOR CHOI:** Aye.
6 >> **MS. JONES:** Choi, aye. Assembly Member Muratsuchi.
7 >> **ASSEMBLY MEMBER MURATSUCHI:** Aye.
8 >> **MS. JONES:** Muratsuchi, aye. Assembly Member Davies.
9 >> **ASSEMBLY MEMBER DAVIES:** Aye.
10 >> **MS. JONES:** Davies, Aye. Assembly Member Quirk-
11 Silva.
12 >> **ASSEMBLY MEMBER QUIRK-SILVA:** Aye.
13 >> **MS. JONES:** Quirk-Silva, aye. Juan Mireles.
14 >> **JUAN MIRELES:** Aye.
15 >> **MS. JONES:** Mireles, aye. Jeremy Smith
16 >> **JEREMY SMITH:** Aye.
17 >> **MS. JONES:** Smith, aye. Ana Lasso.
18 >> **ANA LASSO:** Aye.
19 >> **MS. JONES:** Lasso, aye. Michele Perrault.
20 >> **CHAIR PERRAULT:** Aye.
21 >> **MS. JONES:** Perrault, aye. And that motion carries.
22 Thank you.
23 >> **CHAIR PERRAULT:** Thank you. And I need to send an
24 apology down to my colleagues here, to the left of the

1 table. I think at one point or other, throughout this
2 meeting, I referred to both of you as assembly members and
3 you're senators and I apologize for that. Okay. Let's move
4 now onto our next action item, which is recommendations for
5 board assistance to school districts impacted by the 2025
6 southern California wildfires.

7 >> **REBECCA KIRK:** Thank you, Madam Chair. This item is
8 on the stamped pages 413 through 418 of today's agenda. At
9 the January 22, 2025, State Allocation Board meeting,
10 during the executive officer's statement, there was a
11 robust conversation regarding the wildfires that caused the
12 substantial reduction in the communities of Altadena and
13 Palisades within the Los Angeles County. In the course of
14 that conversation, the board chair requested that staff
15 bring back an action item for the board's consideration at
16 this meeting to take a look at what recommendations we may
17 be able to provide, specifically considering whether the
18 available general fund resources previously provided for
19 the School Facility Program could be used as a means of
20 providing expedited assistance if there were requests for
21 funding from the impacted school districts. As an overview,
22 there were three school sites within the L.A. Unified
23 School District that were destroyed or significantly
24 damaged by the Palisades Fire. In addition, there were five

1 school sites destroyed or significantly damaged within the
2 Pasadena Unified School District by the Eaton Fire. We have
3 approximately -- with the board actions on the appeals in
4 today's agenda, there is approximately \$176.4 million in
5 general fund remaining for School Facility Program
6 projects. The board -- excuse me. The recommendation from
7 staff for the board's consideration with this item is to
8 consider reserving the remaining general fund authority of
9 approximately \$176.4 million to support the board's ability
10 to consider providing direct apportionments to the school
11 districts directly impacted by the January 2025 wildfires,
12 if they submit funding requests, under the new Proposition
13 2 Disaster Assistance provisions by August 31st, 2025. We
14 also would recommend if the board adopts this action, that
15 it also specify now that any amount of general fund
16 authority remaining after the board has considered
17 applications for disaster assistance funding submitted by
18 August 31, 2025, should be apportioned to other School
19 Facility Program projects by December 31, 2025. The
20 reasoning for that timeframe is that our remaining general
21 fund resources must be encumbered by December 31, 2025. So
22 to the extent there is a balance remaining, we would
23 recommend that the board specify now that balance be made
24 available before the end of the year for apportionment to

1 other projects. I'll just note that typically and
2 historically, the School Facility Program has been
3 exclusively a bond-funded program through statewide general
4 obligation bonds. However, in the 2021, 2022, and 2023
5 budget acts, one-time general fund was provided to support
6 the program when there were no bonds available. At that
7 time, or the balance that I just mentioned, based on
8 today's action, the balance of 176.4 million general fund
9 is what remains from those previous budgetary actions.
10 We've outlined the staff recommendations, which are on the
11 stamped page 417, and I'd be pleased to answer any
12 questions.

13 >> **CHAIR PERRAULT:** Thank you so much. Comments or
14 questions from the board? Yes, Director Lasso.

15 >> **ANA LASSO:** Just want to say thank you for doing the
16 quick math. I was trying to do it on my paper as you were
17 making the votes. But I just want to say really heartfelt
18 thank you to you, Ms. Kirk, and to your entire team because
19 not only have you been working around the clock to make our
20 regular meetings, but over the weekends, you and Michael
21 and the team have been out there at roundtables with other
22 members of the DGS team as well to support the schools. And
23 upon hearing the appeals today, being from southern
24 California, I know that our school districts down there are

1 in dire need as well as those that have come with appeals.
2 And I was trying to quickly do the math of, you know, what
3 we might get in requests. So I also find a lot of wisdom in
4 asking for our support to, after the school site that have
5 been affected by the wildfires make their requests, that
6 whatever else is remaining that we allocate to the other
7 school districts throughout the state are also on a list
8 that are on a waitlist that you know exactly what they
9 need, so that we can allocate all the funds. So that's all
10 I really wanted to say. Thanks for the math.

11 >> **CHAIR PERRAULT:** Great. Appreciate that. Any other
12 comments? Yes, Senator Perez.

13 >> **SENATOR PEREZ:** Yes, thank you. You know, I first of
14 all just want to thank staff and acknowledge all the hard
15 work that they've been doing to make sure that this is
16 getting expedited. You know, I'm new on this board, and
17 that's because I just got elected this past November. I
18 represent the Pasadena/Altadena area, as well as Eaton
19 Canyon and all the regions that have been impacted by the
20 Eaton Canyon Fire. So this has been a really shocking time,
21 I think, for, our community to have an event like this
22 occur in urban Los Angeles. I've talked with so many
23 families, teachers, parents, students who just so badly
24 want to be able to go back to school and to see their

1 friends and I think what's been so reassuring is how
2 responsive folks have been and just expediting this
3 timeline and being able to tell people that we're moving at
4 a pace that's faster than any pace that we've worked at
5 before, has been really reassuring. I know that that takes
6 a lot of effort behind the scenes. Government's not
7 typically known for moving very quickly, so it's meant a
8 lot to me and my constituents that you all are prioritizing
9 this. And it means so much to students and to families that
10 want to see their communities be rebuilt and want to see us
11 make this a priority, so you know, I really thank you for
12 this. I'm really excited to be able to give that update to
13 the Pasadena Unified School District. And I'm certain
14 Senator Allen, who represents the Palisades area, will feel
15 the same. So thank you.

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

17 >> **SENATOR PEREZ:** And I'll go ahead and, you know,
18 move this for approval.

19 >> **CHAIR PERRAULT:** Great.

20 >> **SENATOR CHOI:** Second.

21 >> **CHAIR PERRAULT:** So before we move onto that, I
22 appreciate the words. Senator Choi, did you have some
23 comments?

24 >> **SENATOR CHOI:** A second.

1 >> **CHAIR PERRAULT:** A second? Okay.

2 >> **ASSEMBLY MEMBER DAVIES:** Just a comment.

3 >> **CHAIR PERRAULT:** A comment? Yes.

4 >> **ASSEMBLY MEMBER DAVIES:** Just to comment on that.

5 And I agree with you on this. But I just think that as
6 legislators, let's hope that we're able to streamline these
7 developments and this constructions, so that if we're going
8 to move forward and hopefully get the funding to them
9 quicker than normally, that it's going to be used quicker
10 than normally. And so I think that's responsible -- our
11 responsibility to make sure that we are able to look at
12 CEQA and move this quicker, so that it's going hand in
13 hand. Thank you.

14 >> **CHAIR PERRAULT:** Thank you. Other comments? Yes,
15 Assembly Member Quirk-Silva.

16 >> **ASSEMBLY MEMBER QUIRK-SILVA:** Thank you. My question
17 is on the list of the schools, is this a local list of all
18 the schools that have been impacted?

19 >> **REBECCA KIRK:** It is reflective of the public
20 schools that sustained either complete destruction or
21 significant damage from the two fires. There were also a
22 number of private schools that were either destroyed or
23 significantly damaged in the fires.

1 **>> ASSEMBLY MEMBER QUIRK-SILVA:** Okay. And I do concur
2 with my colleagues up here that obviously urgency is
3 something that I think everybody wants to see. This
4 morning, we were on a hearing related to the fires related
5 to housing and emergency services. And some of the same
6 discussion about how we are going to move the services
7 necessary for the community, whether it's housing, whether
8 it's accessing insurance claims all these things. So it is
9 an effort that is like no other, but we definitely take
10 into account the fires from before because these are not
11 the only fires in California. We have them up and down the
12 state. I had a tour in Paradise and Chico just this July or
13 June, I believe, it was. And there is rebuilding happening.
14 And there are rebuilding of schools and facilities. But the
15 timeline is much slower than any of us are hoping for, and
16 we can learn from not just California, from Hawaii, from
17 other places. So if anything, I think urgency and
18 streamlining have to mean something as we have these
19 conversations.

20 **>> CHAIR PERRAULT:** Great thank you. Other comments?
21 Okay. Any public comments, either in the room or online?
22 I'm seeing none. Okay. I'm seeing a motion by Senator Perez
23 and a second by Senator Choi. If we can please have a roll
24 call.

1 >> **MS. JONES:** Senator Perez.

2 >> **SENATOR PEREZ:** Aye.

3 >> **MS. JONES:** Perez, aye. Senator Choi.

4 >> **SENATOR CHOI:** Aye.

5 >> **MS. JONES:** Choi, aye. Assembly Member Muratsuchi.

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

7 >> **MS. JONES:** Muratsuchi, aye. Assembly Member Davies.

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

9 >> **MS. JONES:** Davies, Aye. Assembly Member Quirk-

10 Silva.

11 >> **ASSEMBLY MEMBER QUIRK-SILVA:** Aye.

12 >> **MS. JONES:** Quirk-Silva, aye. Juan Mireles.

13 >> **JUAN MIRELES:** Aye.

14 >> **MS. JONES:** Mireles, aye. Jeremy Smith

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

16 >> **MS. JONES:** Smith, aye. Ana Lasso.

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

18 >> **MS. JONES:** Lasso, aye. Michele Perrault.

19 >> **CHAIR PERRAULT:** Aye.

20 >> **MS. JONES:** Perrault, aye. And that motion carries.

21 Thank you so much.

22 >> **CHAIR PERRAULT:** We'll go ahead now and move onto

23 our reports, discussion, and information items. Ms. Kirk.

1 **>> REBECCA KIRK:** Thank you, Madam Chair. The reports
2 discussion and information items are on stamped pages 419
3 through 487 of today's agenda. I'll just highlight two
4 quick things. One, we do have an annual report included in
5 that section that is a local audits update. It reflects
6 report out on the audits from the School Facility Program
7 that were certified by the State Controller's Office last
8 year in calendar year 2024. During that time, at a high
9 level, there were 689 project audits certified. Of those,
10 ten had had audit findings. So I'd just like to sort of
11 highlight that that's less than 2% of those projects that
12 were certified that had audits certified last year that had
13 audit findings for the program. And I'd really just like to
14 note I think that's a testament both to good work from our
15 local educational agencies across the state as well as OPSC
16 staff. If I may, in making sure that school districts and
17 local educational agencies understand the program
18 requirements, which expenditures are eligible, which are
19 ineligible and our audit staff as well in assisting the
20 CPAs that conduct these audits to ensure that we have the
21 information necessary for oversight in the program. The
22 other thing I would just mention briefly, regarding our
23 reports, discussion and information items, is that we do
24 have, for the first time in this agenda, an updated

1 workload list as well as Applications Received Beyond Bond
2 Authority list reflecting the availability of new bond
3 authority under Proposition 2. As discussed in last month's
4 meeting, we do have a much smaller, but an Applications
5 Receive Beyond Bond Authority list for the modernization
6 program only at this point in time. I'm happy to address
7 any questions the board may have on those, or any other
8 items included in the report, discussion, and information
9 item section of the agenda.

10 >> **CHAIR PERRAULT:** Thank you so much. Comments or
11 questions from board members? Okay. Seeing none. Comments
12 or questions from the public? Seeing none. Okay.

13 >> **MS. JONES:** Madam Chair, before we go into that, can
14 we go -- well, I guess it didn't matter. Senator Perez
15 already left. I was going to ask her how she votes on the
16 minutes. Okay.

17 >> **CHAIR PERRAULT:** Okay. She's absent. Right. So
18 that's not an action item. So we don't need any action on
19 that. We will go ahead now. We are going to be moving into
20 and meet in closed session pursuant to Government Code
21 Section 11126 (e)(1), if members will please follow
22 Ms. Jones to the conference room for our closed session,
23 and are we having remote -- Assembly Member Muratsuchi
24 remotely?

1 >> **ASSEMBLY MEMBER MURATSUCHI:** I think I have to
2 leave.

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

4 >> **ASSEMBLY MEMBER MURATSUCHI:** Is it okay quorum-wise?

5 >> **CHAIR PERRAULT:** Yeah, I think we're okay on quorum
6 still, correct? Yes, Thank you for checking, Assembly
7 Member. Appreciate that.

8 >> **ASSEMBLY MEMBER MURATSUCHI:** Thank you.

9 >> **CHAIR PERRAULT:** Okay. And then upon the conclusion
10 of closed session, we will report out from session, if
11 necessary. Thank you, Assembly Member. We appreciate you
12 joining us.

13

14 [Closed session]

15

16 >> **CHAIR PERRAULT:** We're in? Okay. All right.
17 Excellent. Thank you. We are going to go ahead and come
18 back into open session pursuant to Government Code Section
19 11126(e)(1) and (E)(2b)(i). The State Allocation Board met
20 in closed session to confer with and receive advice from
21 legal counsel. The closed session has concluded, and the
22 board provided direction to the Executive Officer regarding
23 all potential litigation. Okay. That's it, right? All

1 right. Well, with that, we will go ahead and adjourn the
2 meeting at 6:42. Thank you, all.

3

4 [Meeting adjourned]

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TRANSCRIBER'S CERTIFICATE

STATE OF CALIFORNIA)
) ss.
COUNTY OF RIVERSIDE)

I, (Antha A. Ward), a person who has 22 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 February 26, 2025,

Antha A. Ward
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