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CALIFORNIA STATE ALLOCATION BOARD
PUBLIC MEETING

DEPARTMENT OF PUBLIC HEALTH AND HEALTHCARE SERVICES
1500 CAPITOL AVENUE
1ST FLOOR AUDITORIUM
SACRAMENTO, CALIFORNIA 95814

DATE: WEDNESDAY, JUNE 22, 2022

TIME: 4:08 P.M.

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APPEARANCES:

MEMBERS OF THE BOARD PRESENT:

GAYLE MILLER, Chief Deputy Director, Policy, Department of Finance, designated representative for Keely Bosler, Director, Department of Finance

ANA LASSO, Director, Department of General Services

JEREMY SMITH, Appointee of Gavin Newsom, Governor of the State of California

ABEL GUILLEN, Deputy Superintendent, California Department of Education, designated representative for Tony Thurmond, Superintendent of Public Instruction

SENATOR SCOTT WILK

SENATOR CONNIE LEYVA

ASSEMBLYMEMBER PATRICK O'DONNELL

ASSEMBLYMEMBER CHAD MAYES

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

LISA SILVERMAN, Executive Officer

BARBARA KAMPMEINERT, Deputy Executive Officer

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

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1 MS. JONES: Senator Laird.

2 Assemblymember O'Donnell.

3 ASSEMBLYMEMBER O'DONNELL: Here.

4 MS. JONES: Assemblymember Mayes.

5 Assemblymember Bonta.

6 Abel Guillen.

7 MR. GUILLEN: Here.

8 MS. JONES: Jeremy Smith.

9 MR. SMITH: Here.

10 MS. JONES: Anna Lasso.

11 MS. LASSO: Here.

12 MS. JONES: Gayle Miller.

13 MS. MILLER: Here.

14 We have a quorum. Also, upon the conclusion of our
15 meeting, we'll meet in closed session, pursuant to
16 Government Code Section 1126(e) for the purpose of
17 conferring with and receiving advice from legal counsel
18 regarding pending litigation.

19 With that, I will move approval for the minutes from
20 our June 2nd, 2022 meeting.

21 SENATOR WILK: Wilk so moves.

22 MS. MILLER: Thank you, Senator Wilk.

23 I will second.

24 Any public comments? Seeing none. Any questions?

25 Any objection to unanimous roll call for the

1 minutes? Seeing none. The minutes are approved.

2 And next, we will move to the executive officer's
3 statement, please, Ms. Silverman.

4 MS. SILVERMAN: Yes. So we have a few updates to
5 share tonight -- actually, a condensed agenda tonight.
6 So we wanted just to share that the staff opened up our
7 office, meaning opened for the public. And we're
8 actually offering a transition to a hybrid work
9 environment.

10 So as of effective May 31st, we are still located at
11 707 3rd Street, but we're actually on -- in West
12 Sacramento. We actually moved from the sixth floor to
13 the fourth floor. So if you have to look for us, we're
14 on the fourth floor. Public counter and all that is
15 available.

16 So again, we encourage districts -- we have a
17 rotating schedule. And so maybe keep in contact with
18 your program staff and your physical services staff and
19 accounting staff. So Tuesdays, we offer our physical
20 services staff. Wednesday we have business services, and
21 we have program staff on Thursday, and accounting staff
22 on Friday.

23 So if you are interested in a public meeting, please
24 reach out to your respective program person, and again,
25 we just want to encourage districts -- you can still

1 reach out through Zoom. So that's really a more cost-
2 effective measure, and again, we can definitely save you
3 some time and money.

4 The second update we wanted to provide is a priority
5 funding certification round closed on June 9th, and that
6 was really important that the Board took action on
7 June 6th for the projects. And to that extent, we wanted
8 to highlight the certifications that came in. There was
9 \$481.5 million. And so that's great news for the
10 program. These projects are eligible for the fall bond
11 sale, and again, those certifications are valid from July
12 1st, 2022 to December 31st of 2022.

13 And an update as well with the charter school filing
14 round that closed on June 3rd. And just happy to share
15 that we have 39 applications that came in for nearly
16 \$626 million. Definitely a really high demand on these
17 program funds, and we have about over \$150 million
18 available. So again, real important to share that very
19 competitive round.

20 And to that extent, our next meeting is August 24th,
21 and I know we're still going to -- I know we've heard
22 some feedback about the date. We'll stay tuned and
23 provide you some updates if there's any changes to that
24 meeting date, but as of now, it's Wednesday, August 24th
25 and then again, we will have no July meeting.

1 To that, I will open up to any questions.

2 MS. MILLER: Great. And before we ask questions, so
3 I understand there's no video on Zoom. I just turned on
4 my camera so at least you can see me. I'll make it clear
5 who's talking. We apologize. The facility video
6 streaming function is not working and really appreciate
7 your patience as we all learn how to deal and work in a
8 hybrid environment.

9 Can I do a sound check for those of you on Zoom,
10 just to make sure the sound is coming clear? And we'll
11 again, be very clear on who's speaking. So I know that
12 there's a lot of folks in chat. I just want to make sure
13 you can hear us. Okay. Great. Thank you. Thank you
14 all for responding and apologies again for the video.

15 So with that, any questions from the committee on
16 the executive officer's statement? Seeing none. Any
17 public comment? Again, for those of you on Zoom, please
18 use the raise hand feature. Seeing none. We will move
19 to the consent agenda, please, Ms. Silverman.

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

22 MS. MILLER: Great. Thank you. Any --

23 SENATOR LEYVA: So moved.

24 MS. MILLER: Thank you, Senator Leyva. Moved by
25 Senator Leyva, seconded by Mr. O'Donnell.

1 Any public comment on the consent agenda? Again,
2 please use the raise hand feature in Zoom. Seeing none.
3 Any objection to a unanimous roll call for the consent
4 agenda? Seeing none. The consent agenda is approved.

5 Next, we will move to the financial reports, please,
6 Ms. Silverman.

7 MS. SILVERMAN: Yes. On page 90, we also
8 highlighted this a few weeks back about the status of
9 fund releases, since we generally close out at the end of
10 the month. And again, just to highlight, May 31st we had
11 \$168 million that was released. So that's great news.
12 Folks are still coming in for their apportionments. So
13 again, just wanted to highlight that.

14 And then, actually on page 92 and 93, we're talking
15 about our financial statements and reports and just
16 wanted to highlight there was over \$80 million in the
17 consent agenda. That represents 32 projects and we
18 actually have two projects that result in the close-out,
19 and so those bond funds will be returned back to the
20 program.

21 And with that, I'll answer any questions.

22 MS. MILLER: Great. Any questions?

23 Thank you, again, to the Board for making yourselves
24 available in June so we can get those dollar -- we could
25 get those dollars out. Any public comments? Any other

1 questions? And I don't see any on Zoom either. Great.

2 We will now move to the Inglewood Unified -- well,
3 the Inglewood Unified Today's Fresh Start Charter.

4 Appeal was postponed at the request of Inglewood Unified.

5 And we will let you know when that will be updated at the
6 request of the district.

7 Do you want to speak to that, Ms. Kampmeinert?

8 MS. KAMPMEINERT: The request was for September, so
9 that should be coming back to the September meeting.

10 MS. MILLER: Great. Thank you very much for that.

11 Anyone here for public comment on that item? Seeing
12 none? Anyone on the phone? No. Great.

13 So now we will move to the piggyback contract and
14 contract code provision. So I'm going to just set up a
15 reminder of sort of where we are and where we want to --
16 where this is going. We put this back on the agenda at
17 the request of some of the Board members from February
18 because we wanted to get some additional information from
19 staff. And at that time, we were sharing the Attorney
20 General's opinion. And after understanding what the
21 Attorney General's opinion is, the staff,
22 Ms. Kampmeinert, will lay out sort of the option she is
23 given.

24 So we are in a situation here where we are limited
25 by the law. We have very clear direction from the

1 Attorney General. We have, obviously, gotten lots of
2 feedback from all of you and understand what an important
3 issue this is. We do want to get some direction, but we
4 are limited in our options. The best option, I do think,
5 remains this legislative route. And luckily, we have a
6 lot of amazing legislators on this Board.

7 We're not able to sort of change the law based on
8 some interpretations that we've been getting in some of
9 the public comment. We have, in fact, looked at the 2007
10 provisions. We've gone back to the Attorney General, so
11 we have some pretty clear guidance in terms of all of the
12 information that we've received and have done some very
13 intense legal analysis, both with the Attorney General
14 and with our legal team.

15 So I want to make sure that Ms. Kampmeinert is -- I
16 want to make sure that Ms. Kampmeinert has a chance to
17 outline the options and make sure you all have a chance
18 to speak. I do think, because of this rare instance
19 where you have the administration the legislature at the
20 same table, I think it's really important to understand
21 sort of, not only what our options are today, but also
22 potentially how to fix the law going forward. Because as
23 a regulatory board, we have to really stay within those
24 confines, understanding how difficult that is for some of
25 the districts.

1 So again, really appreciate the participation and
2 all of the work that you all have been doing, and I
3 appreciate you being here today.

4 So with that, Ms. Kampmeinert, if you kind of want
5 to lay out, I think, briefly the options. We'll make
6 sure that everyone gets a chance to provide public
7 comment.

8 I'm just noting that Mr. Mayes is here. Mr. Mayes,
9 we did -- can we just briefly open the roll on the
10 minutes and the consent calendar for you?

11 ASSEMBLYMEMBER MAYES: Sure.

12 MS. MILLER: Thank you.

13 MS. JONES: Great. How do you vote on the minutes?

14 ASSEMBLYMEMBER MAYES: Aye.

15 MS. JONES: Thank you. And how do you vote on the
16 consent calendar?

17 ASSEMBLYMEMBER MAYES: Aye.

18 MS. JONES: Great. Thank you so much.

19 MS. MILLER: Great. Thank you.

20 So with that, Ms. Kampmeinert?

21 MS. KAMPMEINERT: Yes. Thank you. You covered
22 quite a bit of the history and the staff report, so I
23 will focus on the options that we have here for the
24 Board. And we have two options listed.

25 Option one does not need any Board action. Option

1 one would just maintain status quo, and as we've stated
2 in February and in the item, what that would have staff
3 do is, we would not be able to present any projects to
4 the Board for funding purposes if we were aware that
5 there was a piggyback contract in place for modular
6 components, because the Board had provided direction to
7 us previously in 2006, after receiving the AG opinion
8 that the Board had requested and said that we were not to
9 fund those types of projects.

10 So what we've provided here in option two is a
11 potential solution that recognizes both the existence of
12 the AG opinion and the barriers with the statute and the
13 guidance of the AG opinion, but also takes into account
14 the fact that it has been quite some time since this
15 conversation was at the board level. And that there is
16 probably an entirely new group of folks handling
17 facilities at the school district level.

18 So we felt it would be appropriate for the Board to
19 consider from a funding perspective what we're
20 essentially calling a grace period, where if a school
21 district had entered into a piggyback contract for
22 modular components already, that the Board would still
23 provide funding for that project, but that we would draw
24 a new line where that would end up being cut off. And we
25 proposed 60 days here, so that if districts are in the

1 process of going through the contracting process, it
2 would not interfere with any projects that are at that
3 stage. It would allow for the projects that have already
4 been constructed or have already contracted and are well
5 under way to still move forward in the process.

6 But essentially, if the vote for option two is --
7 sorry -- if the Board approves option two today, then 60
8 days from now, after that time point if districts entered
9 into a contract for modular components using a piggyback
10 contracting method, we would not be able to fund. So
11 everything up until that date would be fine, which will
12 cover the vast majority of the projects that we have
13 right now on our workload list, because a lot of those
14 projects are under contract or completed. So that
15 definitely solves the problem for a large group of
16 projects.

17 There are some other things that we recommend as
18 part of option two to ensure that as we move forward in
19 the program, if this is adopted that we can maintain
20 equity with how we're reviewing these projects and make
21 sure that all projects are treated fairly. Because right
22 now, our current process, sometimes we will find a
23 piggyback contract for modular construction, sometimes it
24 will move through because it's not evident on the
25 application materials or on the contracts that we do

1 verify for fund release. We may not know that there is a
2 piggyback contract in place that would be in violation of
3 the AG opinion.

4 So we would propose that we establish a better
5 process for looking at all funding applications that are
6 coming through, so that everyone is treated equally and
7 we would be able to catch these projects earlier.
8 Ideally, we would do this at multiple checkpoints in the
9 process. We would certainly do one at intake so that
10 districts are not finding out several years later after
11 they have been on a waiting list that they have an issue
12 with their project. We would look at it at intake. If
13 we noticed some sort of modular components in the
14 project, we would notify the district and have an
15 opportunity to educate to see if there was something we
16 could do earlier on in the process.

17 So we are proposing that we would develop that
18 process change as well. And also, we can work with the
19 State Controller's Office to put this in the K-12 audit
20 guidelines as well. There are already steps in there,
21 where the local auditors do look at compliance with
22 public contract code, but it is not abundantly clear how
23 to handle this type of contracting method, so we can make
24 that more clear in those guidelines so that there is no
25 confusion at the audit stage as well.

1 So essentially, we're proposing in option two, a fix
2 to allow projects to move forward with full notification
3 for school districts that after the grace period, after
4 that 60-day period, the Board would not be entertaining
5 funding applications with contracts after that date. So
6 that it still -- it's essentially doing what the Board
7 did in 2006, again, to maintain compliance with the law,
8 but to recognize the time gap that has passed. That's
9 in -- those are the basics on that, and I'd be happy to
10 answer any questions on that.

11 MS. MILLER: Great. Are there any questions? I
12 really appreciate the work, Ms. Kampmeinert. If you
13 recall in February, our direction was to make sure that
14 we -- that the team managed to reanalyze it. We went
15 back to the Attorney General's Office and really have
16 thread the needle between regulations and the law.

17 So with that, any questions from the Board or the
18 team? Ms. Lasso and then Mr. O'Donnell?

19 MS. LASSO: Ms. Kampmeinert, thank you for that, and
20 I just want to ask for some clarifications. So with this
21 action, if the Board takes it today, are we telling
22 districts how to contract?

23 MS. KAMPMEINERT: We are not telling districts how
24 to contract. We're making a decision on what will be
25 funded. And the Board has jurisdiction over the funding

1 decisions. There is statute that says the district shall
2 comply with all laws related to public school
3 construction. So the Board is taking an action on
4 funding with option two.

5 MS. LASSO: Thank you. So to be redundant, just to
6 state that from my words, is if a district decides to do
7 a piggyback contract, that's fine, but to ask the State
8 Allocation for matching funds, that they would have to
9 disclose that in their application. And the new process
10 would have information on how to disclose that
11 information, correct?

12 MS. KAMPMEINERT: That's correct.

13 MS. LASSO: Thank you.

14 MS. MILLER: Great. Thank you. Mr. O'Donnell?

15 ASSEMBLYMEMBER O'DONNELL: Yes. Thank you. I do
16 want to share, first off, that I feel like we're -- it's
17 kind of deja vu. We've been in this situation a few
18 times while I've been in the State Allocation Board where
19 something comes up and a ruling is made and a lawsuit is
20 filed because it wasn't really thought through of all of
21 the implications of that ruling. But, you know, in this
22 case, someone found a memo from 2006, essentially, and is
23 saying, well, now we want to bring it back up, now we
24 want to apply. Because as I understand it, districts
25 over the last -- past -- since 2006 have been using the

1 piggyback method for their modulars; is that accurate?

2 MS. MILLER: Yes and no. I mean, I do want to sort
3 of correct for the record, Mr. O'Donnell, we're not using
4 a ruling from 2006. We're using a --

5 ASSEMBLYMEMBER O'DONNELL: It's an AG opinion, I get
6 it. I get it. Someone dug it up, okay?

7 MS. MILLER: Well, but it's a big distinction,
8 right?

9 ASSEMBLYMEMBER O'DONNELL: What's that?

10 MS. MILLER: 2006 versus today is significant.

11 ASSEMBLYMEMBER O'DONNELL: That's my point, yeah.

12 So have districts been employing the piggyback method for
13 the purchase -- the construction of modulars since 2006?

14 MS. KAMPMEINERT: So what we're hearing from
15 stakeholders at this point, is that yes, they have been
16 doing that, but it wouldn't necessarily be something that
17 is fully evident on the funding application. So we
18 didn't just uncover the 2006 information. OPSC's
19 position and understanding was that districts were
20 following this throughout the years, so we didn't realize
21 that there were alternate interpretations or ways that
22 districts were submitting applications that were in
23 conflict with the AG opinion.

24 So this did come to our attention back about a year
25 ago, and that's sort of when this kind of kicked back off

1 again because we sent out a reminder email to districts
2 about the 2006 AG opinion. Because we had heard from a
3 handful of districts that they were pursuing this with
4 the piggyback contracts, and to us that was a problem.
5 We said, oh, wait, we're hearing that this is happening.

6 ASSEMBLYMEMBER O'DONNELL: Right.

7 MS. KAMPMEINERT: But we have guidance from the
8 Board and the AG that we can't fund this, so maybe people
9 don't know. Let's send a reminder. So that's really how
10 we ended up here, as we were not aware that this was a
11 widespread issue. Because it doesn't come through
12 clearly on the funding application. We actually have a
13 box for construction delivery method. We don't get a lot
14 of districts selecting piggyback contracting on the
15 application form.

16 ASSEMBLYMEMBER O'DONNELL: They don't check the box,
17 right? There's a box they have to check?

18 MS. KAMPMEINERT: There's a box they have to check
19 and it's not often used. If it is used, it's typically
20 for projects that are clearly portables.

21 ASSEMBLYMEMBER O'DONNELL: Um-hum.

22 MS. KAMPMEINERT: There's terminology that can be
23 interpreted multiple ways that's submitted. So we don't
24 always know that these are modular components versus
25 portables.

1 ASSEMBLYMEMBER O'DONNELL: Um-hum.

2 MS. KAMPMEINERT: And that's why in option two,
3 we're suggesting that we enhance our review process so
4 that it's clear that we're looking at all applications in
5 the same light and that we're not just finding out
6 haphazardly upon occasion or from a district that, you
7 know, unknowingly tells us about it and doesn't realize
8 that this is a problem and it then causes us to not be
9 able to present the funding application to you.

10 MS. MILLER: Great.

11 ASSEMBLYMEMBER O'DONNELL: Um-hum. And what would
12 be our options? Could one of our options be to go back
13 to the AG and ask for another opinion? Because I'm
14 struggling with this, because I actually think we ought
15 to -- it should be an allowable use, that districts can
16 piggyback with modulars.

17 MS. MILLER: I think that option --

18 ASSEMBLYMEMBER O'DONNELL: But that's my opinion.

19 MS. MILLER: Right.

20 ASSEMBLYMEMBER O'DONNELL: So you presented two. Is
21 another option that we could go back and ask for another
22 opinion, given that there is new folks, new experience,
23 and a significant timeline --

24 MS. MILLER: Yeah. We could certainly --

25 ASSEMBLYMEMBER O'DONNELL: -- since the --

1 MS. MILLER: We could certainly.

2 ASSEMBLYMEMBER O'DONNELL: -- since that memo and
3 the last Board.

4 MS. MILLER: The issue is that we've asked the AG.
5 We could certainly get an official opinion and put this
6 over. I think the thing that would make the most sense
7 is a law that actually allows for this happen. So it's
8 not that we're necessarily against this being an
9 allowable use --

10 ASSEMBLYMEMBER O'DONNELL: Um-hum.

11 MS. MILLER: -- in fact, quite the contrary. It's
12 that the law is not allowing it to be.

13 ASSEMBLYMEMBER O'DONNELL: But I think that there's
14 some -- I think that's my point, is that I think there's
15 different opinions is the public code, the public
16 construction code -- I don't know what you call it, which
17 apparently says one thing, which all other governments
18 are using and now, someone has carved something out and
19 saying, hey, for schools you can't use this method. So
20 I --

21 MS. MILLER: Well, it's because the way we fund. So
22 schools can use this method. This is not a question of
23 what method they use to contract.

24 ASSEMBLYMEMBER O'DONNELL: I get what -- it's about
25 funding, right.

1 MS. MILLER: Right. But it's about what the
2 jurisdiction and the statute allows for the State
3 Allocation Board to do. So we can't just decide without
4 a change in statute, which is why I started by saying I
5 think this is ripe for a change in statute to actually
6 meet the very goals that you're speaking to, which is an
7 allowable use of funding is this piggyback rule. This
8 isn't about a contract code. That's where there's a
9 discrepancy. So we have to be really clear.

10 I see you, Ms. Lasso. I'm going to go to Senator
11 Wilk and then Mister --

12 ASSEMBLYMEMBER O'DONNELL: But just quickly, I
13 just --

14 MS. MILLER: Yeah.

15 ASSEMBLYMEMBER O'DONNELL: I don't -- I'm just
16 struggling with whether or not we need a statute to
17 clarify an AG opinion. This is what I'm struggling with.

18 MS. MILLER: We don't need a statute to clarify the
19 AG opinion. The AG opined because of a disagreement with
20 the districts --

21 ASSEMBLYMEMBER O'DONNELL: Right.

22 MS. MILLER: We are now in a position where we, as a
23 state entity, have to rely on an AG opinion. We have
24 verbally discussed it with the AG. They haven't changed
25 their mind. So we have two options, put this over, get

1 another AG opinion, wait a few months and districts
2 remain in limbo. Go to option two, potentially look to
3 the idea of legislation. So those are sort of our two
4 options. But what we need is the clarification in the
5 law according to the Attorney General. A board can't go
6 beyond the law --

7 ASSEMBLYMEMBER O'DONNELL: Correct.

8 MS. MILLER: -- because of the public contract code.
9 So I struggle as well. You know, I think this is an
10 example of how the intent of the law probably needed to
11 be made clearer.

12 But why don't we go to Senator Wilk and then
13 Mr. Mayes?

14 SENATOR WILK: Thank you, Madam Chair. Actually, my
15 question was already asked, but I will -- I had my staff
16 pull in from January 2011 through 2022, 13 of my school
17 districts used this particular provision. So I'm fine
18 with option two. But I think we should pursue all of the
19 above, so whether it's an AG opinion or if we have to
20 pursue, you know, through law, I think we should do that.
21 But I don't think we should be leaving people in limbo.
22 So I'm comfortable with option two now and hopefully we
23 can fix it later in the year.

24 MS. MILLER: Yeah. I do think -- I agree with you,
25 actually, that option two could be a stopgap while we

1 sort of find a vehicle and fix it before the end of
2 session. I think that's accurate.

3 Mr. Mayes?

4 ASSEMBLYMEMBER MAYES: Yeah. Thank you, Madam
5 Chair. Just wanted to make sure you said are there any
6 questions. I don't really have any questions, I just --
7 I've actually worked with staff a little bit on this,
8 because I have a local school district that is deeply
9 affected by this. And you know, we talk a lot about here
10 in the state and the legislature and we talk about public
11 policy.

12 We use -- we throw terms around like equity and we
13 often talk about trying to help areas that are most in
14 need. And I can tell you that this school district in
15 particular serves a community that is very much in need
16 and the impact of this is great. And so I do want to
17 express my support for option two. I don't want to have
18 to read the script that my staff wrote because we've
19 already had this conversation.

20 But I don't know if it would be appropriate to make
21 a motion that we would explore option two. I do like
22 Assemblymember O'Donnell's thoughts, if there was some
23 sort of option three or -- but if that's not -- if we're
24 saying that that's not proper, I certainly would like to
25 suggest that we -- and strongly support for option two,

1 and I'll make that motion.

2 MS. MILLER: Great. I'll take that as a motion.

3 I'm happy to second that.

4 I think what we should do in support of option two
5 is use option two, begin to implement that so there's
6 certainty for districts. I think, Ms. Kampmeinert and
7 Ms. Silverman, I do think another official AG's
8 opinion -- I worry a little bit about how long those take
9 and I would also really encourage you to work with
10 Mr. O'Donnell as the vice chair on legislation that would
11 fix this so that there is clarity in the law going
12 forward for all districts. And if it is possible between
13 now and the end of the school year to find that vehicle,
14 I do think that'll be really important in terms of
15 widening the ability for all of these districts.

16 So there has been a motion and a second for option
17 two. With this additional information, and with that, I
18 have speaker's cards. Please, if you want to comment on
19 Zoom, please start raising your Zoom hands. I think I
20 would just encourage folks since you know where everyone
21 is, I just want to make sure that we keep comments,
22 please, brief and we have gotten the letters that you've
23 sent.

24 So I'm going to call folks up by name if that's
25 okay. If you haven't submitted one of these to Ms. Jones

1 at the end, please submit a speaker's card, but we will
2 obviously just allow you to line up, too.

3 So Mr. Arevalo, from the School Facilities
4 Manufacturers Association. And if you could state your
5 name one more time for the record and make sure that the
6 sound is on because we don't have video. Great. Okay.
7 Thank you.

8 MR. AREVALO: Good afternoon, Madam Chair, SAB
9 members, and OPSC staff. I want to thank you for the
10 opportunity to have further discussion on this topic.
11 I'm -- my name is Daniel Arevalo. I work for the School
12 Facilities Manufacturers Association. I am the chair of
13 that trade association. We are a trade association of
14 manufacturers and providers of Field Act, DSA approved
15 and Title V compliant, relocatable modular school
16 facilities. So again, I do appreciate the opportunity to
17 speak to this topic.

18 It was referenced in the OPSC summary, and again,
19 here on this dais about the 2006 AG opinion, and that has
20 been something that has been referenced and used for the
21 execution of the piggyback contracting. It was brought
22 up in the comments by Ms. Kampmeinert that the AG opinion
23 also referenced modular components. And modular
24 components are different as we view it as an industry and
25 what's also is defined from a relocatable building or a

1 modular building. The modular component has no floor to
2 it. It does not meet the definition of a relocatable
3 building or modular building, if there is one, to meet
4 the same compliance.

5 So the other point that we wanted to make is -- it
6 is also mentioned and it's discussed here we really
7 appreciate the thoughts about legislative action moving
8 forward to kind of fix this issue. We do want to make a
9 reference to the AB 1967, authored by West in 2006, that
10 did amend the public code contract, which took into
11 account the AG opinion of 2006. And they've changed one
12 item on there, which is footnote number 3.

13 So we are of the belief that through that granular
14 detail, that all other provisions remain in effect. And
15 so that's just a point that we wanted to emphasize. We
16 believe we have acknowledged that a little bit more, but
17 again, it's a point that we feel currently, the AG
18 opinion was taken into account, was amended and
19 therefore, all of the provisions remained. And that,
20 again, dealt with modular components versus relocatable
21 buildings and modular buildings.

22 So again, I just appreciate the opportunity to share
23 that information and would be willing to answer any
24 questions, either now or in the future. Thank you.

25 MS. MILLER: Great. Thank you very much. Next,

1 Mr. Becker from CASH. Jeff Becker.

2 And then after that, we'll have Julie Bosch from the
3 Maple School District, if you want to start lining up,
4 followed by Rebecca Hurley from County School Facilities
5 Consortium and then Seth Heeren from the San Jacinto
6 Unified School District.

7 Thank you. Good morning -- or afternoon,
8 Mr. Becker.

9 MR. BECKER: Thank you.

10 MS. MILLER: It's a long day on July 25th.

11 MR. BECKER: It has been a long day. Good
12 afternoon, Chairperson Miller and members of the Board.
13 I'm Jeff Becker, CASH chair. And I'm the executive
14 director of facilities and operations for the office of
15 the Fresno County Superintendent of Schools. And I want
16 to thank you for the opportunity to address you on this
17 important matter.

18 Piggyback contracting has proven to be a legal and
19 useful tool. And any action that you take today has the
20 potential to greatly impact how our schools are going to
21 meet the challenges of housing our students in safe and
22 appropriate learning spaces, as well as meet the added
23 burden of the universal transitional kindergarten program
24 that's stretching our facilities for our youngest
25 learners to near the breaking point.

1 And as you know, there's an appeal on this very
2 topic that's awaiting hearing by this body. So I'd
3 encourage you to consider postponing action on this item
4 until after hearing the appeal. However, since this item
5 is agendized for action today, I offer you a few
6 comments.

7 MS. MILLER: Please. Mr. Becker, is there any way I
8 could pause to allow Senator Leyva to vote before she has
9 to go to committee?

10 MR. BECKER: Of course.

11 MS. MILLER: It's been moved and seconded, I want --
12 we're going to pause on the appeal and then what else --
13 the other thoughts and then we will resume with your
14 comment. I apologize for that.

15 Ms. Jones, could you just call the roll for Senator
16 Leyva?

17 MS. JONES: Yes.

18 Senator Leyva, how do you vote on the piggyback
19 item?

20 SENATOR LEYVA: I vote aye on option two.

21 MS. MILLER: Great.

22 SENATOR LEYVA: Thank you.

23 MS. MILLER: Thank you.

24 ASSEMBLYMEMBER MAYES: Madam Chair, if I can, I also
25 need to get back (indiscernible).

1 MS. MILLER: Yeah. Of course.

2 ASSEMBLYMEMBER MAYES: If it's okay, since I made
3 the motion (indiscernible).

4 MS. MILLER: Yes. Yeah.

5 MS. JONES: Okay.

6 ASSEMBLYMEMBER MAYES: Yes. Aye.

7 MS. JONES: Okay. Thank you.

8 MS. MILLER: Thank you. I apologize for that,
9 Mr. Becker.

10 MR. BECKER: It's quite all right. Thank you.

11 MS. MILLER: Thank you for your patience.

12 MR. BECKER: Well, let me state up front, school
13 districts and county offices of education follow the law.
14 That's a blanket statement. The practice of acquiring
15 relocatable or portable classrooms through piggyback
16 contracting has been used for decades without
17 interruption to funding, including with state bond
18 funding. These piggyback contracts have been scrutinized
19 by the school districts, vetted with their legal counsel,
20 been reviewed by county offices of education and audited
21 by OPSC staff and more recently by independent auditors
22 approved by the state.

23 And as we know, the SFP is a grant program based on
24 funding eligibility. So districts receive a full and
25 final apportionment that relieves the state of any

1 further responsibility or liability to provide for the
2 school facility. Districts and COEs alone carry the
3 final responsibility for school district facility
4 projects, including any liability for contracting
5 decisions.

6 Staff have presented to you today an item that's
7 based on a 16-year-old opinion to unnecessarily insert
8 this Board into a district's decision making process.
9 This is in opposition to the fundamental tenets of the
10 SFP.

11 And as I pointed out in the letter that I sent to
12 you yesterday, the SFP already has mechanisms to ensure
13 that districts use legal procurement methods. These
14 include requiring districts to certify that laws will be
15 followed. It includes SFP audits that are performed by
16 independent state-approved fiscal auditors, as
17 Ms. Kampmeinert said, specifically reviewing procurement
18 methods and compliance with the public contract code, as
19 outlined in the current K-12 state audit guide.

20 So in 2006, this Board voted to accept the AG
21 opinion and directed staff to notify districts that
22 permanent modular construction must be competitively bid
23 to receive funding. And I respectfully point out to you
24 today, that this Board acts through regulation. We have
25 no regulation supporting the denial of funding based on

1 the AG opinion. And I also respectfully point out that
2 regulations promulgated by anybody -- and we all know
3 this -- must be supported by statute.

4 We have statutes specifically authorizing piggyback
5 contracting and that's Public Contract Code 20118. The
6 AG opinion is just that, it's a legal opinion. It's not
7 court tested. In my opinion, it's not well reasoned, and
8 it's not informed by the complexities of school facility
9 projects.

10 A second way that this body acts is through hearing
11 appeals. However, as we all know, that when this -- and
12 this Board has stated many times, appeals do not set
13 precedent. They are specific. And the 2006 action
14 appears to be a directive to staff to notify districts of
15 the opinion and an admonition to those districts to
16 follow the law. No regulations were adopted subsequent
17 to that changing the application and apportionment
18 process and none are needed now. And in fact, we heard
19 that there's actually a box to check for allowing
20 piggyback contracting on the 5004 Form to apply for
21 funding.

22 So I urge you to take no action today. But I differ
23 from staff as to what taking no action means. Taking no
24 action means that existing statute and regulations stand,
25 and that staff will process applications to this Board

1 without denying funding based on a district's selected
2 contracting method. Taking no action means allowing
3 school districts and county offices of education to make
4 local decisions within the law as to how best meet the
5 needs of students, including the use of piggyback
6 contracting that is authorized in statute.

7 Taking no action respects the intent of the SFP and
8 protects the state from liability for district decisions.
9 Taking no action maintains integrity in the spending of
10 state bonds, and allows the checks and balances built
11 into the SFP to work. And again, these include the
12 certifications and independent audits to determine
13 compliance with the law and therefore program
14 eligibility. So again, for these reasons, I -- in the
15 letter that I sent you yesterday, I urge you to take no
16 action today. Thank you.

17 MS. MILLER: Thank you, Mr. Becker for your time.

18 Next, may we please have Julie Bosch? I'm sorry.
19 I'm sure I mispronounced that. I apologize.

20 MS. BOSCH: It's [Bush] --

21 MS. MILLER: Bush.

22 MS. BOSCH: -- but it doesn't look like it. And I
23 have no notes. I am going to speak from the heart,
24 because that's what I do. I am super appreciative of
25 OPSC staff and all that they have done and all that they

1 continue to do every day.

2 I am a superintendent of a small school district. I
3 also support small school districts across the state, a
4 small, rural school district. And I don't know if any of
5 you have been in the field recently, but it's a tough
6 job. And it is -- we face many challenges every day.
7 But having additional challenges and barriers put in the
8 way is not a way to help us.

9 We have heard from CDE. We have heard from OPSC.
10 We have heard from DSA. And we have heard even from the
11 auditor's report that the goal is to support small, rural
12 school districts in helping them get through these
13 processes. And putting additional barriers in the way to
14 limit the types of procurement methods that we can use is
15 not helping small, rural school districts that already
16 face many, many challenges.

17 We don't have staff to manage our facility or even
18 help us to provide safe places for our children. We
19 don't have teams of people that can go out and look for
20 these things and make it happen. And it just is creating
21 another barrier. And we also have very, very limited
22 funding because we are funded on a per-pupil basis for
23 any facilities. So just getting facilities built is a
24 bit miraculous. And we don't have hordes of people who
25 want to come work for us because we don't have additional

1 opportunities waiting for them once they finish with us.

2 I'm a small single-school district in a rural
3 community. And so I would just urge you to think of that
4 as you make these decisions. And if you think about the
5 repercussions and what it looks like in the field. Thank
6 you.

7 MS. MILLER: Thank you, Superintendent Bosch. And
8 thank you for your work over these last three years.
9 Thank you.

10 Ms. Hurley?

11 MS. HURLEY: Good afternoon, Madam Chair and members
12 of the State Allocation Board. Rebecca Hurley, on behalf
13 of the County School Facilities Consortium. It's
14 impossible to follow Julie. She's fantastic --

15 MS. MILLER: Yeah.

16 MS. HURLEY: -- and an amazing advocate. I
17 represent county offices and school facilities issues.
18 And county offices have two roles here. One, is the
19 advisory role that Julie described. We help school
20 districts, small districts that don't have the staff,
21 that don't have the support. We also directly serve our
22 own population of students in very unique situations.
23 And piggybacks are important for both of those.

24 When we are helping and advising school districts
25 that lack that staff, piggybacks are a tool to deliver

1 these projects. When we are doing our own projects,
2 these are sometimes because school districts have taken
3 back the facilities that we have been using. For
4 example, for a special education program, we don't have
5 the option to say, we're not going to serve those
6 students in the fall. We have to quickly deliver project
7 so that we can meet those students' unique and
8 specialized needs, and piggybacks are a way that we can
9 do that.

10 Piggybacks save time and you know time is money.
11 They're already competitively bid, so I know that's been
12 a concern in the past. They're competitively bid. They
13 have already been designed. They have DSA pre-check, and
14 so saving those months and having a pre-approved building
15 helps us deliver that project faster, and time is money.

16 In an era of very quick cost escalation -- which I
17 know you recognize; you just approved grant increases
18 above 15 percent -- piggybacks let us know that we're
19 going to be able to deliver our project on budget. And
20 for financial hardship districts, and county offices are
21 automatically financial hardship, we don't have a funding
22 source to bridge gaps.

23 And so if we don't have that price certainty, it's
24 very difficult for us to bridge those gaps. We do not
25 have local bonds. There's no other source of funds. And

1 so if we know that we can hit that number, we know we're
2 underfunded, but if we can hit that number and we know
3 it, we're able to move forward with our project.

4 I very much appreciate you taking the time to hear
5 us and listen to us, so we can try to find a solution.
6 But we're asking you not to take action today to prohibit
7 the use of this legal procurement method. Thank you.

8 MS. MILLER: Great. Thank you very much for being
9 here. I appreciate it.

10 The final in-person speaker, and if anyone else
11 would like to speak, please line up behind Mr. Heeren
12 from the San Jacinto Unified School District.

13 MR. HEEREN: Good evening, Madam Chair and members
14 of the Board. Thank you for giving me a few minutes of
15 your time this evening. We are the district with the
16 appeal that's pending. I think we're going to
17 tentatively see you in August. Some of you may recall, I
18 spoke to you at the February meeting, when this item came
19 for information.

20 MS. MILLER: Yes.

21 MR. HEEREN: We built a new middle school and we
22 switched to modular construction to stay within budget
23 and open the school on time. It was the right decision
24 for our community. I just wanted to thank you, thank the
25 staff for proposing an item that we think levels the

1 playing field.

2 It allows for a reset and a consistent process
3 moving forward. So we'd strongly encourage you to vote
4 yes for option two, so that it's the right decision for
5 students and communities in California. Thank you.

6 MS. MILLER: Great. Thank you for being here, and
7 thank you for joining previously as well.

8 We'll now go to people on the Zoom in the order that
9 I see their names. We will start with John Wainer (ph.),
10 followed by Leticia Garcia -- oops, Mister -- is he
11 unmuted now, Michael? What happened to him? Sorry.

12 I'm going to go to Leticia Garcia first, and then
13 please -- I'm sorry, Mr. Wainer, I think you have to join
14 the queue again. So you should be able to speak now,
15 Ms. Garcia.

16 MS. GARCIA: Hi. Can you hear me?

17 MS. MILLER: Hi. We can, yeah.

18 MS. GARCIA: Excellent. Leticia Garcia, on behalf
19 of the Riverside County superintendent of schools and the
20 23 school district superintendents in Riverside County.
21 We're writing to urge the State Allocation Board to adopt
22 option two that you have all been discussing, and one of
23 our districts just so eloquently testified in support of.

24 We appreciate the clarity in terms of the timeline
25 as to which projects will continue to be funded. And I

1 believe that 60 days from the day of the vote, so 60 days
2 from now. So we appreciate that. And we also appreciate
3 the conversation of pursuing a legislative action to
4 further bring clarity to this issue.

5 And also encourage the legislators on this Board
6 that that legislative solution also reflects a time where
7 districts need maximum flexibility to meet the demands of
8 today in serving their students so that they can build
9 the facilities that they need to meet the needs of their
10 students. And with that, we thank you for your
11 consideration and supporting option two.

12 MS. MILLER: Thank you, Ms. Garcia.

13 I'm now going to Mr. Alan Resing (ph.). Mr. Resing,
14 you should be able to talk.

15 MR. RESING: Yes. Thank you.

16 MS. MILLER: Could you speak up a little bit,
17 Mr. Resing?

18 MR. RESING: Excuse me?

19 MS. MILLER: Could you speak up a little bit?

20 MR. RESING: Yes. I'll try. Hopefully this works
21 for you. So good afternoon. Thank you, State
22 Allocations Board for all you do for us. My name is Alan
23 Resing. This is an administrator Long Beach Unified
24 School District, and today I'd like to take the
25 opportunity to voice my (indiscernible).

1 MS. MILLER: So Ms. Resing? We're actually having a
2 hard time in the room hearing you. Can I recommend that
3 you join by video and phone that you come in clearer? Do
4 you want to try one more time speaking directly into your
5 microphone?

6 MR. RESING: Yes. I'll try one more time and see if
7 this works for you.

8 MS. MILLER: I would stay right where you are,
9 because we can hear you just enough now.

10 MR. RESING: Got it. Thank you very much. So I
11 wanted today to talk a little bit about the Long Beach
12 Unified School District and how Long Beach has
13 successfully partnered with the State Allocation Board
14 and OPSC to deliver vital classroom buildings using the
15 piggyback procurement.

16 LBSD is currently finalizing a long-range master
17 plan that will address many of our most critical
18 facilities, including the replacement of over
19 (indiscernible) portable classroom buildings. The
20 district intends to replace many of these deteriorating
21 structures with modern modular classroom buildings that
22 meet the needs of our students, teachers and our
23 community.

24 LBSD is concerned that disallowing the use of the
25 piggyback procurement method will result in significant

1 increases in construction costs and timelines, additional
2 administrative burdens to already limited district staff,
3 potential loss of identified critical projects, and
4 increased construction expenses. It is very concerning
5 that the OPSC has recently surfaced an opinion written in
6 January of 2006 by a prior Attorney General that
7 addresses the subject of modular components placed on
8 permanent foundations.

9 The OPSC is using this stated opinion as
10 justification to limit or restrict vitally needed school
11 funding at a time when schools across the state are
12 struggling to address critical building needs, water
13 quality issues, air quality issues, and school safety
14 concerns. It is important to note that over the past 16
15 years with millions of dollars of school facilities funds
16 successfully granted to eligible school districts, not a
17 single challenge has been brought to the OPSC about to
18 continue piggyback procurement (indiscernible).

19 We urge the Board to reject all recommendations
20 presented to the Board today and instead allow districts
21 to continue to utilize their autonomous decision making
22 rights on how best to build and modernize their schools.
23 And as has been stated with other speakers, the Attorney
24 General's opinion is just that. It is an opinion. It
25 does not change the statute. It does not change the

1 course of Public Contract Code 20118 that specifically
2 authorizes school districts to utilize the piggyback
3 procurement method in the course of their work.

4 It's important, and I do think the other members of
5 the Board mentioned, that the Attorney General's opinion
6 is not the fact of that statute. So again, we strongly
7 urge the Board to reject all of the options currently
8 presented to the Board, and instead allow districts to
9 continue to have the autonomous right to choose the
10 method of procurement necessary to meet the needs of
11 their community and their students. Thank you for
12 your --

13 MS. MILLER: Thank you, Mister -- thank you. So I
14 would encourage you -- we got most of that. I understand
15 you want the Board to reject all of the options. I would
16 also encourage you to submit your comments in writing,
17 because it was -- the audio really was very difficult,
18 but we definitely got most of it. Thank you very much
19 for your comment today.

20 Denver Stairs is next. You should be able to speak
21 now.

22 MR. STAIRS: Yes. Hi. Yes. Can you hear me okay?

23 MS. MILLER: We can, but I really encourage you to
24 speak loudly.

25 MR. STAIRS: Okay. My name is Denver Stairs. I am

1 the assistant superintendent of facilities here in Clovis
2 Unified. And again, thank you, Madam Chairperson and
3 members of the Board. I want to just talk a little bit
4 about the piggyback of portable classrooms and how it's a
5 viable option for districts to meet student housing needs
6 with reduced lead time and costing.

7 We think that school districts should continue to
8 meet original Attorney General guidelines procuring
9 portables via piggyback and bidding site work by others.
10 Portable providers should not be performing public work
11 site work on these projects. Many districts, including
12 mine, relocate portable classrooms where we have school
13 site growth and new program needs.

14 Housing developments for districts at times create
15 enrollment growth, which create a need for additional
16 classroom space. We can move portables from site to site
17 with the new enrollment to house students at our growing
18 school sites. We can do that work over the summer break.
19 But there's no way that we can design the DSA approval,
20 go to bid, and get the construction of those classrooms
21 built over our eight- to ten-week summer breaks. Thank
22 you.

23 MS. MILLER: Thank you very much.

24 Next, John Wainer.

25 MR. WAINER: Hi. Can you hear me?

1 MS. MILLER: Yep. We can hear you.

2 MR. WAINER: Great. Thanks. I guess I was -- I was
3 going to speak first, but now I'll speak last. So my
4 name is John Wainer. I am speaking today on behalf of
5 American Modular Systems, which is the manufacturer and
6 provider of relocatable classrooms, the largest provider
7 in the state. And my comments principally have to do
8 with the legal analysis provided by staff and the AG
9 opinion.

10 For the most part, we don't have a fundamental
11 disagreement with that analysis, in that the piggyback
12 statute does appear to be applicable to personal
13 property. And the distinction that staff is making
14 between using modular components versus relocatable
15 classrooms, you know, we understand and don't challenge.

16 But the key issue from our point of view is the
17 line. How do you distinguish between modular buildings
18 and relocatable classrooms? And I'm going to explain why
19 there remains ambiguity in the analysis, and we think
20 that you should not take action until that ambiguity is
21 fixed, so that everyone knows what we're talking about
22 when we say modular versus relocatable.

23 The first issue has to do with the conclusion of the
24 staff analysis, which is that classrooms that are on
25 "permanent foundations," those classrooms would be

1 considered real property and wouldn't be subject to
2 piggyback statute. The problem with saying that, is that
3 there's no definition of a permanent foundation, either
4 in the AG opinion or presented by staff. And we have,
5 obviously, a lot of experience with various kinds of
6 foundations. But both concrete foundations and wood
7 foundations are used all the time for relocatable
8 classrooms. And so there needs to be a definition of
9 permanent foundation that takes into account that
10 relocatable classrooms are often placed on concrete
11 stonewall foundations.

12 In addition, there are three other criteria we think
13 that staff should be using, that you should be using, to
14 decide if something is portable or relocatable versus
15 something that's modular. The first one is mentioned by
16 staff, and that is the ed code definition of a portable
17 classroom. In the education code, a portable classroom
18 is defined and the AG opinion explicitly says the
19 classrooms that meet that definition fall outside of the
20 opinion.

21 So in addition to looking at the kind of foundation
22 that's being used, you must look at whether or not the
23 product that's being sold falls within the education
24 code's definition of portable classroom. And if it does,
25 it's relocatable and can be purchased using a piggyback.

1 The second issue I want to raise is the tax code.
2 There is a regulatory definition in Title XVIII of
3 California Code of Regulations. There's a definition of
4 factory-built school building. Those buildings are
5 defined as personal property. So they should be
6 purchasable through a piggyback contract. And before
7 rejecting any classroom as not being relocatable, if it
8 fits the definition that's in the tax code as personal
9 property, it must be allowed to use a piggyback contract.

10 And then finally, and this is probably the most
11 important issue, and I think it addresses the concerns of
12 a lot of people who spoke today. And that is that
13 California case law makes very clear that whether or not
14 something is personal property or not depends on the
15 intent of the buyer.

16 And so if a school district intends to buy a
17 classroom product and it intends for it to be
18 relocatable, then it's relocatable. And so again, that's
19 a criteria that staff and the Board must use when
20 analyzing whether or not something is relocatable versus
21 modular.

22 MS. MILLER: Great.

23 MR. WAINER: So we submitted a written analysis of
24 this this morning. We'd be happy to discuss this
25 further, but in conclusion, we think that the analysis is

1 incomplete because the line between modular classrooms
2 and relocatable classrooms is not clear. And we urge you
3 to hold off taking action until that is more clearly
4 defined. Thanks very much.

5 MS. MILLER: Thank you very much.

6 The final public comment, again, anyone else please
7 raise your Zoom hand, is Jack Woody Colvard (ph.). You
8 should be able to speak now.

9 MR. COLVARD: Thank you very much, and I do
10 appreciate everyone and the hard tasks that you have. I
11 need to tell you a little bit about myself before I give
12 you my statement. I'm a 38-year veteran in school
13 construction, 35 years in high school and the last three
14 or four years in taking care of small school districts.
15 In Kern County, there are 46 school districts and roughly
16 36 of them are small.

17 And so I have a different picture of what the needs
18 of small districts are and the struggles that they all
19 face and they're different. I will just tell you they
20 are different than a large high school district or a
21 medium school district.

22 The thing that I want to leave in, is that those
23 options are significant to those school districts because
24 of the limited funds and their abilities. In fact, the
25 majority of those school districts that I represent may

1 be financial hardship districts.

2 And as we look into what occurs, what happens is if
3 you go to designing that -- if you get away from the
4 piggyback and you now have to design it, what you've
5 actually done in the process is incurred more cost and
6 more time and more competition of a small district with
7 the large districts and everyone else that are going on
8 at the same time.

9 They are definitely limited in staff, definitely
10 limited abilities, and definitely they have to spend a
11 lot more time when they should be spending a lot more
12 time dealing and taking care of our children and our
13 community's needs.

14 And so the biggest thing I want to leave with you is
15 that if I -- (indiscernible) Mr. Becker's comments, in
16 that no action has helped school districts meet those
17 needs. As I have reevaluated our districts in Kern, I've
18 been able to look at what this effect might affect them
19 and literally pull them out of the options of what to do.

20 And so I'm asking you to not (indiscernible), not
21 take action. I think you actually support all school
22 districts, even those districts who will have some help
23 in that process. And so I'm asking for some more time
24 with that.

25 And then the only other thing I would like to leave

1 with you is that the majority of the piggyback thing that
2 I have seen that has been a confusion with Public Works
3 included in piggyback contracts. And that is definitely
4 clear.

5 And I've always questioned whether the Attorney
6 General is making his decisions based on Public Works.
7 It's very clear Public Works cannot be included in that.
8 And so I think the biggest thing, I have nothing to gain.
9 I'm semi-retired. I'm still the director for Kern High
10 School District. I now help small districts. I get paid
11 a very nominal (indiscernible) helping small districts,
12 but my delight is helping small districts.

13 And the decision will significantly affect them, all
14 of them. Not in Kern, but everywhere in the state, it'll
15 significantly affect them. So I'm asking you to please
16 consider each of them. Each of them have a different --
17 different ways to accomplish what they need to
18 accomplish. And if we take away their options, we take
19 away abilities for them to meet the need of their
20 community's kids. I thank you very much for giving me a
21 moment to talk and if you have any questions, you're sure
22 welcome to call me.

23 MS. MILLER: Thank you. Thank you, Mr. Colvard. I
24 thank you for your dedication to small districts.

25 With that, there are no other public comments. It

1 has been moved and seconded. The roll is open, and
2 Ms. Jones, can you finish taking the roll, please?

3 MS. JONES: Yes, I can.

4 Senator Wilk.

5 SENATOR WILK: Aye.

6 MS. JONES: Assemblymember O'Donnell.

7 ASSEMBLYMEMBER O'DONNELL: Aye.

8 MS. JONES: Abel Guillen.

9 MR. GUILLEN: Aye.

10 MS. JONES: Jeremy Smith.

11 MR. SMITH: Aye.

12 MS. JONES: Anna Lasso.

13 MS. LASSO: Aye.

14 MS. JONES: Gayle Miller.

15 MS. MILLER: Aye.

16 The option two has been adopted, and we will also
17 consult with the AG for additional opinions and work on
18 legislation. And we will work with the vice chair on
19 that. Thank you, again, all of you for being here and
20 providing all those really robust comments.

21 With that, we will go to our 90-day workload briefly
22 before going into our closed session.

23 Ms. Silverman?

24 MS. SILVERMAN: Yes. Any questions on the 90-day
25 workload?

1 MS. MILLER: Seeing none. Any public comment?
2 Seeing none. The Board will now meet in closed session
3 and pursuant to government -- so if everyone wants to
4 start -- you're welcome to wait outside. When we come
5 back in, all we will be doing is reporting out and
6 closing the meeting down.

7 And pursuant to Government Code Section 11126(e) for
8 the purpose of conferring with and receiving advice from
9 legal counsel regarding pending litigation involving the
10 nonrenewal of a charter school petition, the Board's
11 ability under the Ed Code Section 17078.63(a)(3)(B)(ii)
12 to take control of the property when it is no longer used
13 for public school purposes and provide the Board with an
14 update regarding active litigation. We'll report out if
15 necessary.

16 And with that, we're going to ask you to please
17 exit. Oh, we're actually going in a different room, so
18 if you guys want to stay, you're welcome. Sorry. If you
19 could just make sure your mics are off.

20 (Closed session is held off record.)

21 MS. MILLER: Great. Thank you so much. Thank you
22 to the team for helping us facilitate the meeting. The
23 Board met in closed session and as we discussed before,
24 we went into closed session pursuant to Government Code
25 Section 11126(e) for the purpose of conferring with and

1 receiving advice from legal counsel regarding pending
2 litigation involving the nonrenewal of a charter school
3 petition, the Board's ability under the Ed Code Section
4 17078.63(a)(3)(B)(ii) to take control of the property
5 when it is no longer used for public school purposes and
6 provide the Board with an update regarding active
7 litigation.

8 So there was no action taken during closed session,
9 and -- am I muted on Zoom? So the Board met in closed
10 session and no action was taken. And with that, the
11 State Allocation Board is adjourned. Thank you.

12 (End of recording)
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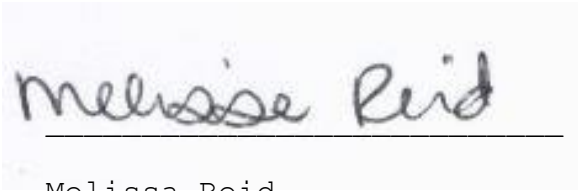
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TRANSCRIBER'S CERTIFICATE

STATE OF CALIFORNIA)
)
COUNTY OF)

 This is to certify that I transcribed the
foregoing pages 1 to 56 to the best of my ability from an
audio recording provided to me.

 I have subscribed this certificate at
Phoenix, Arizona, this 27th day of June, 2022.

A rectangular box containing a handwritten signature in black ink that reads "Melissa Reid". A horizontal line is drawn underneath the signature.

Melissa Reid
eScribers, LLC

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