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CALIFORNIA STATE ALLOCATION BOARD  
SCHOOL FACILITY PROGRAM REVIEW SUBCOMMITTEE  
PUBLIC MEETING

STATE CAPITOL  
ROOM 113  
SACRAMENTO, CALIFORNIA 95814

DATE: TUESDAY, AUGUST 13, 2013  
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APPEARANCES

MEMBERS OF THE SUBCOMMITTEE PRESENT:

ESTEBAN ALMANZA, Chief Deputy Director, Department of General Services, designated representative for Fred Klass, Director, Department of General Services

CESAR DIAZ, Appointee of Edmund G. Brown, Jr., Governor of the State of California

KATHLEEN MOORE, Director, School Facilities Planning Division, California Department of Education, designated representative for Tom Torlakson, Superintendent of Public Instruction

ASSEMBLYMEMBER JOAN BUCHANAN

ASSEMBLYMEMBER CURT HAGMAN

REPRESENTATIVES OF THE STATE ALLOCATION BOARD PRESENT:

LISA SILVERMAN, Executive Officer  
BILL SAVIDGE, Assistant Executive Officer

REPRESENTATIVES OF THE DEPARTMENT OF GENERAL SERVICES, OFFICE OF PUBLIC SCHOOL CONSTRUCTION (OPSC) PRESENT:

LISA SILVERMAN, Executive Officer  
JUAN MIRELES, Deputy Executive Officer

P R O C E E D I N G S

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CHAIRPERSON BUCHANAN: We're all here and I think I usually have you just take roll just to acknowledge the people who are the meeting, so --

MS. JONES: Oh, sure.

CHAIRPERSON BUCHANAN: -- if we could do that, that would be great.

MS. JONES: Will do. Assemblymember Buchanan.

CHAIRPERSON BUCHANAN: Here.

MS. JONES: Assemblymember Hagman.

ASSEMBLYMEMBER HAGMAN: Here.

MS. JONES: Esteban Almanza.

MR. ALMANZA: Here.

MS. JONES: Kathleen Moore.

MS. MOORE: Here.

MS. JONES: Cesar Diaz.

MR. DIAZ: Here.

MS. JONES: Thank you. We have a quorum.

CHAIRPERSON BUCHANAN: Great. And so we have a fairly extensive agenda today. Hopefully we get through all the items. If not, we'll continue the discussion, but we're going to start I believe with how we deal dwelling units and new construction.

MR. MIRELES: Thank you, Madam Chair. The first

1 item starts on page 1 and it really is to discuss the new  
2 eligibility -- the additional eligibility that's generated  
3 from proposed housing developments, otherwise known as  
4 dwelling units, and whether they serve the students that  
5 generate the eligibility.

6           The Subcommittee members raise concerns that  
7 school districts can generate this additional eligibility  
8 again through dwelling unit, but that the school districts  
9 can use the additional eligibility anywhere in the district  
10 and not necessarily to serve the students in the new housing  
11 development.

12           So the question was raised on whether there should  
13 be a reservation of eligibility and again this is the  
14 additional eligibility that's generated from the dwelling  
15 units that should be reserved to house those students in the  
16 new development.

17           So before we get started, I just wanted to remind  
18 the members of how eligibility currently works in the  
19 program.

20           It's basically an enrollment projection. It could  
21 be five years or ten years and we take a look at how many  
22 students are going to be coming into the district in the  
23 next five or ten years.

24           We compare that with the school district's  
25 existing classroom capacity to see if there's going to be

1 more students coming in the future compared to the existing  
2 classroom for housing. If there are more, that's what's  
3 considered new construction eligibility which translates  
4 into per pupil grant amounts.

5           We use a cohort survival system to project the  
6 students, and basically the way the cohort works is that it  
7 uses current year enrollment and five-year enrollment and it  
8 assumes that the historical trends of the district are going  
9 to continue in the future.

10           So generally speaking, this kind of a system is  
11 more accurate with school districts that have a steady  
12 enrollment and it becomes a little less accurate for  
13 districts that have unusual or sudden growth or declines.

14           The actual dwelling units is something that the  
15 districts can request, and again we use a current enrollment  
16 and three prior years' enrollment for a five-year  
17 projection. But school districts that have new developments  
18 within their district, they can submit -- they can request a  
19 dwelling unit augmentation.

20           What we require from districts is that they  
21 identify the number of dwelling units in a planned  
22 community. And we use either a tentative tract map or a  
23 final map to verify that the dwelling units are valid, which  
24 is generally in the form of an actual tract map -- I'm  
25 sorry -- tract map or a final map.

1           We also accept certain documentation from the  
2 local planning commission that verifies that those dwelling  
3 units are still valid and then school districts also have  
4 the option of either using occupancy or pull permits to  
5 signal that the proposed dwelling units are going to be  
6 built.

7           So that's when they can no longer be reported.  
8 Again this is an optional for districts. The districts can  
9 request it. We take a look at the dwelling units and verify  
10 whether they're eligible and then we add them to the  
11 enrollment projections.

12           So basically the dwelling unit augmentation, it  
13 adds the amount of growth just from the dwelling units that  
14 typically exceed the current enrollment trends.

15           And we have a couple examples starting on page 2  
16 at the bottom. The greatest impact are for districts that  
17 have declining enrollment. So if you look on the bottom of  
18 page 2, this particular district was requesting a thousand  
19 dwelling units and in year five -- the five-year projection,  
20 they had a projection of 875 students.

21           But when you add the thousand dwelling units, the  
22 projection increased to 1,561 which included 696 increase  
23 just from the dwelling units.

24           On the top of page 3, we have another example.  
25 This district also requested a thousand dwelling units, but

1 it had a steady enrollment trend.

2           So the projection just using the five-year trend  
3 was 1,300 students. The additional from the thousand  
4 dwelling units was 702. So it's not as -- it's an  
5 additional amount for a total of 2,002.

6           Now, for districts that are experiencing an  
7 increase in enrollment -- this is the second example on  
8 page 3. This particular district again, they requested a  
9 thousand dwelling units. So the five-year enrollment  
10 projection was 1,773, but the additional augmentation for  
11 the dwelling units is 441 for a total projection of 2,214.

12           So again these are just examples to demonstrate  
13 that it has -- the dwelling unit augmentation, the  
14 additional eligibility has greater effect on districts with  
15 declining enrollment or steady enrollment and it doesn't  
16 have as much of an increase for districts that are currently  
17 experiencing enrollment increases.

18           Typically school districts do this on a  
19 district-wide basis. Some school districts choose to do it  
20 on a high school attendance area. And basically a high  
21 school attendance area is an area that serves an operating  
22 high school other continuation school or community school,  
23 along with all the feeder schools that go into that high  
24 school.

25           I want to pause here for a minute to see if there

1 are any questions just on current way that it works before  
2 we get into the options.

3 ASSEMBLYMEMBER HAGMAN: Yeah. In the code or  
4 rules, whatever, is there any discretion upon you and your  
5 staff to look at this going, well, these permits were pulled  
6 five years ago. The general economy's been slumped. I'm  
7 not going to count these. Is there a bill process for that  
8 or how does that work internally?

9 MR. MIRELES: Yeah, we do take a look at them. We  
10 take a look -- the --

11 ASSEMBLYMEMBER HAGMAN: So you could say no if you  
12 wanted to.

13 MR. MIRELES: Yes.

14 ASSEMBLYMEMBER HAGMAN: Okay. That's the short  
15 answer. That's all I needed.

16 And then the second thing is, you know, I think  
17 the questions we've had is when someone does qualify with  
18 the new units and they say, hey, we got to build a new  
19 school, we got a thousand new residents coming in, and  
20 project the next three or four years, but they end up  
21 getting the bond money and not spending it on that because  
22 four years have gone by and something else is changed. They  
23 end up putting new facilities on existing schools or  
24 spending it someplace else.

25 And I think that was some of the concern because

1 then when it does come back around, they already spent their  
2 eligibility and now they don't have facilities to put  
3 students in. So how do we kind of control that part of it?

4 MR. MIRELES: That's correct and that's exactly  
5 the issue that we're trying to address here in terms of  
6 options. But yet, currently the districts do have the  
7 option of using the additional eligibility and use that  
8 eligibility anywhere on the district district-wide.

9 If they're establishing eligibility in a high  
10 school attendance area, it's anywhere within the high school  
11 attendance area.

12 MS. MOORE: I just have a comment on that.

13 CHAIRPERSON BUCHANAN: Sure. Go ahead.

14 MS. MOORE: I think too though the Government Code  
15 protects against some of that in the sense that it indicates  
16 where fees and charges and dedications are being done that  
17 they shall be expended solely on the school facilities  
18 identified in the needs analysis as attributable to the  
19 projected enrollment growth -- from the construction of the  
20 new residential units.

21 CHAIRPERSON BUCHANAN: So is that under developer  
22 fees or is that under State match.

23 MS. MOORE: It's under developer fees.

24 CHAIRPERSON BUCHANAN: So you can -- that makes  
25 sense. You have to spend your developer fees there, but

1 we're talking about using the State match portion and using  
2 it somewhere else.

3           So where does that prohibit you from taking the --  
4           MS. MOORE: I don't think the Government Code does  
5 that, but I mean is there -- my question is this. What  
6 problem are we trying to address and is it a widespread  
7 problem? Is it an individual problem? Because the dwelling  
8 unit count has been an augmentation to enrollment  
9 projections since the beginning of SB50 and I've not -- I  
10 mean I have not personally heard where it has been  
11 problematic.

12           So can I -- are there examples of where it's been  
13 problematic?

14           MR. ALMANZA: Do we have any additional data  
15 documenting the scope of the problem here?

16           MR. MIRELES: We don't currently. Again this was  
17 an issue that was raised at the Subcommittee in terms of  
18 having staff take a look at additional options, but we don't  
19 have with us today any specific examples.

20           CHAIRPERSON BUCHANAN: I brought up the question.  
21 I will tell you why I brought it up. I -- there was a  
22 district -- I forget which district -- where we were  
23 approving a grant for -- they were using that clearly was  
24 from future development because the projected eligibility  
25 was about 50 percent higher than its current eligibility.

1           And the question in my mind was is that realistic  
2 and, one, if we spend the grants now to add auxiliary  
3 buildings to the current structure, what happens -- when  
4 those other homes get built and the enrollment does  
5 increase, what happens to the spaces for those students.

6           And so in my mind, I felt it was worth at least  
7 taking a look at the question of how we divide out  
8 eligibility.

9           Now, I think the reason on a growing district you  
10 don't see the same impact in how you calculate it is because  
11 probably some of the reason it's growing is because you have  
12 development that's going, so you've got some of it buried in  
13 the normal growth line and others that's on top.

14           But the question in my mind is, you know, how do  
15 you -- I mean you can have growth because neighborhoods turn  
16 over. You can have growth because of infill, and if you  
17 have growth within sort of existing development, it makes  
18 perfect sense to me to include that growth and spend that  
19 growth on adding classrooms or on those schools there  
20 because that's where the kids are going to attend.

21           But if you have growth that's the result of a new  
22 development, new tract maps, where someone's going to come  
23 in and build a thousand homes or 2,000 homes and, you know,  
24 you have need for a school there, if we're letting you  
25 augment your eligibility strictly for that new development,

1 you know --

2 MS. MOORE: I will --

3 CHAIRPERSON BUCHANAN: -- should that eligibility  
4 stay within that new development so that you can build  
5 actual classrooms for the students that are generating that  
6 development. So that's the question in my mind.

7 MS. MOORE: Well, one of the pieces that I  
8 recollect from when we looked at the dwelling unit  
9 augmentation was it was much higher level projection than  
10 that.

11 It was we project student enrollment mainly on a  
12 district-wide basis based on the cohort, and in high growth  
13 times, that was not adequate, so that we placed the dwelling  
14 unit count in.

15 But it wasn't placed in, from my recollection,  
16 only because it was going to serve a certain area. It was  
17 showing -- like the enrollment projection does, showing what  
18 the general trend is and allowing districts to utilize that  
19 general trend to make local decisions --

20 CHAIRPERSON BUCHANAN: Right.

21 MS. MOORE: -- and build their schools. So I  
22 don't think that when the dwelling unit augmentation was put  
23 into place it was put into place with the thought that it  
24 would simply be for only certain developments. It was  
25 what's the trend going on in the district.

1           CHAIRPERSON BUCHANAN: Right. Our district was  
2 one of those that originally had a pilot program because way  
3 back when you had the -- in the '80s, right, was when we had  
4 the pilot program.

5           What was happening was our eligibility was such  
6 that we didn't count students until students were actually  
7 enrolled in the district. And the problem with that system  
8 was that if a district were growing, you had tremendous  
9 overcrowding that occurred because you had to wait till the  
10 students were there to build the schools. Then oftentimes,  
11 you know, the student who entered kindergarten wouldn't be  
12 in the new school till fourth or fifth grade.

13           So we had a pilot district in our school district  
14 that this Legislature passed that didn't quite work out like  
15 it was supposed to and actually probably isn't the way to do  
16 it.

17           But in recognition of that, we changed how we  
18 determine eligibility to say, you know, if you -- and this  
19 is -- we tie it in with our developer fee studies and how  
20 you go knock on doors and determine your student generations  
21 and everything else in terms of saying okay, we're going to  
22 allow you to base it on the cohort. So you assume that the  
23 kids who are in second grade today will be in third grade  
24 tomorrow and fourth grade, you know, two years down the  
25 road. So we move that cohort through, but we're not going

1 to allow you to augment that projection based on known new  
2 developments.

3           So if I know that Shapell Homes is going to go and  
4 develop 5,000 homes in the Dougherty Valley, which is in our  
5 school district, and they've pulled the -- they have the  
6 approvals, they've pulled the tentative maps, I can add them  
7 to my eligibility so then I can actually go use that  
8 eligibility to build the schools for the kids who are going  
9 to be in those homes, so the schools are there when the  
10 homes are occupied and the kids are there.

11           So my question ties in, if we're allowing that to  
12 be -- and I don't know how you break it down because if  
13 someone's building ten infill homes, clearly it should stay  
14 with the current I believe schools and everything.

15           But when you have these significant new  
16 developments, the question in my mind is, you know, should  
17 that eligibility be staying with those developments so that  
18 the students who are actually generating it are going to end  
19 up with a neighborhood school to attend.

20           MS. MOORE: And my -- while I can appreciate that  
21 and I can see where there is interest in ensuring that, I'm  
22 not convinced that there's a problem with how this system  
23 has operated to date in that school districts have had the  
24 flexibility to utilize their resources and their projection  
25 in the best manner that they know how --

1           CHAIRPERSON BUCHANAN: Right.

2           MS. MOORE: -- and they're building their schools  
3 in accordance with, you know, what the local piece is. And  
4 I think that if we try to restrict that funding or that  
5 eligibility to just these enclaves, we are going to really  
6 restrict districts' abilities to build when they need to.

7           CHAIRPERSON BUCHANAN: I don't know if I'm talking  
8 about enclaves, but I mean I'm talking about in my mind  
9 serving the students that generate the eligibility.

10           The pilot program that was in our district, you  
11 could use it anywhere you wanted and what happened is we  
12 built capacity and we weren't able then -- we had no  
13 eligibility and no way to build the schools for the real  
14 growth and the kids when they came.

15           So I have seen both the positive and the negative.  
16 There may not be consensus on it, but I felt like the  
17 question was worth at least bringing up. And again I'm not  
18 talking about infill projects or small projects. I'm  
19 talking when you have major new development, you know, in a  
20 community where you're increasing the size of your school  
21 district by, you know, 50 percent, should there be any  
22 requirement that the kids -- you know, the kids who are  
23 generating that eligibility have actually schools to go to  
24 and the parents don't have to drive them ten miles across  
25 town to go to school.

1 MR. DIAZ: May I ask a question --

2 CHAIRPERSON BUCHANAN: Yeah.

3 MR. DIAZ: Just out of curiosity, what the  
4 Assemblymember just mentioned, how does that fall into the  
5 needs analysis that's conducted through the OPSC?

6 MR. MIRELES: There -- we use -- districts can use  
7 the State standards of the student yield factor. If they  
8 think that they have a different yield factor, then they can  
9 give us a study, but other than that, we don't take a look  
10 at districts' needs analysis for purposes of calculating the  
11 eligibility.

12 It's strictly current enrollment, prior years'  
13 enrollment. If they're requesting dwelling units, we  
14 require documentation to verify dwelling units and if  
15 they're requesting a yield factor higher than the State  
16 standards, then we need a study to justify the yield factor.  
17 But we don't take a look at the needs analysis for purposes  
18 of calculating eligibility currently.

19 So if there are no other questions, I'll quickly  
20 go through the options. And again the options were to meet  
21 the objective for this item which was to reserve eligibility  
22 for plan development for those students.

23 So Option 1 on page 5, this is basically to  
24 restrict the use by high school attendance area. So we use  
25 the existing high school attendance areas that are

1 pre-established and if there are developments within that  
2 high school attendance area that qualify as dwelling units,  
3 then there would be a reservation of eligibility for those  
4 students in that particular high school attendance area.

5           On page 6, we have an example. In this example on  
6 top of page 6, the dwelling unit generate eligibility in two  
7 high school attendance areas.

8           So the actual dwelling units in high school  
9 attendance area number 1 is 600, high school attendance area  
10 number 2 is 400. That results in an additional augmentation  
11 of 80 pupils because of those dwelling units. So we prorate  
12 based on 60-40 to come up with 48 additional pupils in high  
13 school attendance area number 1 and 32 additional pupils in  
14 high school attendance area number 2.

15           So the idea would be that that amount, those  
16 number of pupils, will be reserved for each of the high  
17 school attendance areas.

18           Now, there would also be potentially additional  
19 eligibility from the regular projection, not including the  
20 dwelling units, that the district would be -- have available  
21 for unrestricted use.

22           So you would have restricted eligibility for each  
23 of the high school attendance areas and you would have  
24 potentially additional eligibility that the district can use  
25 anywhere district-wide. And that is reflected on the bottom

1 of page 6.

2           You see the 48 for high school attendance area  
3 number 1, 32 for high school attendance area number 2, and  
4 40 for use anywhere district-wide.

5           So that's the basic concept for Option 1 is that  
6 the additional dwelling units be reserved for the particular  
7 high school attendance area that generated the development.

8           We have some considerations for each of the  
9 options on page 7.

10           The first one is this option reduces the  
11 district's flexibility. A district could have existing  
12 capacity to house the new students near the high school  
13 attendance area, not necessarily within the high school  
14 attendance area. Those cases may exist.

15           It does add a greater level of complexity for us  
16 to process. Currently, we could only process the  
17 eligibility district-wide. If we go with this type of  
18 system, we would be calculating eligibility based on each of  
19 the high school attendance areas as well as district-wide.

20           And there's also a comment that we had that the  
21 Subcommittee may wish to consider concerning some sort of a  
22 waiver for school districts, if they want to -- if they have  
23 unique circumstances.

24           If there are no questions on Option 1, we can go  
25 on to Option 2.

1           So Option 2 is the same concept that basically  
2 it's restricted use by groups of tentative tract maps. So  
3 it assumes that there's more than one tentative tract map  
4 and that the additional eligibility generated from these  
5 dwelling units would be used either within or in the  
6 tentative tract map area or within a certain proximity that  
7 the Subcommittee can consider in terms of how much.

8           So this is the basic difference between this  
9 concept and the high school attendance area. This one is  
10 where the tentative tract maps are actually built and this  
11 particular option, it assumes that there's more than one and  
12 that additional dwelling units have to be -- the additional  
13 pupil grants would have to be used within those tentative  
14 tract maps.

15           So some of the considerations are the same as  
16 Option 1. One thing that we did want to point out to the  
17 Committee is whether there should be consideration if this  
18 is an option only for larger developments and not  
19 necessarily small ones. And of course we have to come up  
20 with in terms of how much -- or how big of a development we  
21 should consider for this option.

22           And again this does create -- or introduces a  
23 greater level of complexity. We'd have to calculate an  
24 eligibility, not just district-wide but also for each of  
25 these tentative tract map areas.

1           That is Option 2. Option 3 is the same concept,  
2 but it just restricts the use by individual tract map. So  
3 instead of Option 2 where you have multiple ones, this one  
4 you have to build within a particulate tentative tract map.

5           Again this is the additional eligibility that's  
6 generated from these dwelling units, would be restricted for  
7 this area and if a district has additional eligibility not  
8 from the dwelling units, they can use it anywhere  
9 district-wide.

10           And some of the considerations are the same as  
11 Option 1 and 2. The other thing we have to determine is  
12 what kind of a radius. Again if it's not within the  
13 tentative tract map, but it's within the vicinity, how much  
14 of a radius would be required.

15           So those are the three options that we came up  
16 with to consider. I'd be happy to answer any questions.

17           CHAIRPERSON BUCHANAN: I do have some questions,  
18 but what I'd like to do if it's okay is take any public  
19 comment and then we can maybe tie that.

20           MS. STEER: Good afternoon. Madam Chair, members  
21 of the Committee, my name is Heather Steer and I'm from  
22 Western Placer Unified School District out in Lincoln.

23           I'm the facilities coordinator there and I'm also  
24 on the legislative advisory committee for the Coalition of  
25 Adequate School Housing or CASH.

1 I wanted to talk a little bit about this subject  
2 and even more so, Ms. Buchanan, as you talked a little bit  
3 more about the larger developments because I am one of  
4 those -- unfortunately, I guess in California now the odd  
5 cases where we will start seeing a large amount of growth.

6 Currently, right now my district is unified, so  
7 it's K-12, and we have about 6,500 students in enrollment.  
8 According to the City of Lincoln's general plan 2050, which  
9 was adopted in 2010 officially, an update to it, we should  
10 be right around 25,000 students by the time we have  
11 build-out.

12 We're looking at approximately 30,000 new dwelling  
13 units.

14 CHAIRPERSON BUCHANAN: Which is how many years  
15 till the build-out?

16 MS. STEER: They said it was a 50 year, but I  
17 anticipate we're probably going to be looking at 40 years.  
18 So --

19 CHAIRPERSON BUCHANAN: Okay.

20 MS. STEER: -- of course over many years, we will  
21 see that, but in addition to that large piece of enrollment  
22 growth, we also have a number of infill projects. When  
23 things were starting to boom, we had a lot of tract maps  
24 that were approved, and then they got put on hold.

25 So just alone aside from those new larger villages

1 as they call them, I'm looking at seeing about 1,600 more  
2 dwelling units from previously approved tract maps that had  
3 been put on hold.

4 So just -- and of these seven villages planned for  
5 our district -- which as I said are quite large, there are  
6 three right now that are in various stages of planning  
7 actually for annexation to our city.

8 Of those three alone, we're projected to see  
9 15,785 new dwelling units.

10 CHAIRPERSON BUCHANAN: And that's again over the  
11 40 years?

12 MS. STEER: These ones in particular I don't think  
13 are going to take that long for build-out. They -- we do  
14 have a couple of villages that have not started any sort of  
15 planning, so I think those are going to be the ones that are  
16 going to hit our tail end.

17 CHAIRPERSON BUCHANAN: Okay.

18 MS. STEER: So, as I'm saying, we're having this  
19 influx that will eventually hit and also we're having a very  
20 large comeback.

21 CHAIRPERSON BUCHANAN: Okay.

22 MS. STEER: This is very exciting to us. We love  
23 to have new students who -- a good district is a thriving  
24 district, as we always say, but we don't have necessarily  
25 room for them at our current sites and we certainly face the

1 same struggles as many other districts how to house new  
2 students.

3 CHAIRPERSON BUCHANAN: Right.

4 MS. STEER: Right now we have one high school,  
5 which we can't afford to modernize. We have two middle  
6 schools, which we can't afford to modernize, a very old one  
7 and one we can't afford to add to, and as we talked about  
8 these homes coming in, we're really going to be in a pinch  
9 as to how we can start to serve those students unless we are  
10 ready to, as you had spoken to, you know, have a school  
11 completely on the ground and ready to go, which is very  
12 difficult.

13 Obviously, we would still have the need to have  
14 the ability to count these as augmentation so we can look  
15 towards our future as we get into our eligibility. And, you  
16 know, CASH and myself -- my district supports the reliance  
17 upon this to, you know, figure our eligibility and the  
18 future and for the SFP and the use of the tentative and  
19 final maps, but we need to be quite certain we use  
20 outstanding planned units in our district to calculate this  
21 eligibility, so old ones, future ones. That's a very big  
22 piece --

23 CHAIRPERSON BUCHANAN: Well, they need to be  
24 active; right? I assume you agree with that.

25 MS. STEER: Yes. Absolutely. I mean I -- as I

1 said right now, if we're looking at tentatives, I could  
2 technically use these three villages that we're discussing  
3 right now with the 15,000 homes and that's quite significant  
4 in itself. Not something we'd use today, if I had to do it,  
5 but something we definitely want to be able to plan for.

6           These sites that we currently have would be more  
7 prepared to take in the influx, not just of these large  
8 developments that we talked about but the current infill  
9 ones that we're expecting if we had the ability to pass a  
10 general obligation bond, which unfortunately my district  
11 does not.

12           We have very limited developer fees coming in at  
13 this time and will in the future, uncertain of State funding  
14 as we know.

15           So as I've been talking to one of my cohorts is  
16 we're kind of like wobbling on two legs of the three-legged  
17 stool if you will. Unfortunately, we have a district that's  
18 not bond or tax friendly. We have a very high tea party  
19 participation. One-third is senior citizens.

20           CHAIRPERSON BUCHANAN: Can you explain why you  
21 have limited developer fee ability? By statute, I would  
22 think you would qualify for level two developer fees. So  
23 can you explain why you have limited developer fee ability?

24           MS. STEER: Well, we have -- we do collect level  
25 two, of course. We have to justify that annually.

1           CHAIRPERSON BUCHANAN: Right.

2           MS. STEER: That does go down and as we go ahead  
3 and add these units on, that's if we are able to somehow  
4 mitigate anything with community facility districts and  
5 things like that. That's going to negate those houses.

6           So our -- we have a possibility where our level  
7 two going down instead and still not being able to recoup. I  
8 mean we can't put the full burden of building these schools  
9 onto our developers. We're only --

10          CHAIRPERSON BUCHANAN: Of course. Yeah.

11          MS. STEER: -- statutory level two. That's not  
12 going to build me --

13          CHAIRPERSON BUCHANAN: Right.

14          MS. STEER: -- a comprehensive school.

15          CHAIRPERSON BUCHANAN: Well, the whole idea was  
16 that would help provide the match for new construction with  
17 the State. I don't think developer fees were ever intended  
18 to provide a hundred percent.

19                 In our district, when we had an 11,000 unit  
20 development, we entered into a developer agreement where the  
21 developers actually built the schools and we gave them the  
22 matching funds we got from the State. I don't think they  
23 were intended, but I just -- when you said you had limited  
24 ability, I was just curious as to why you had --

25          MS. STEER: Maybe I should rephrase that. I can

1 no longer refuse to serve the students.

2 CHAIRPERSON BUCHANAN: Right.

3 MS. STEER: So I can no longer ask for the full  
4 amount of money it's going to take to build elementary,  
5 middle, and high school classrooms for these students. I  
6 can only ask for the level two fees.

7 CHAIRPERSON BUCHANAN: Right.

8 MS. STEER: And quite frankly, as I'm looking to  
9 serve these students all the way through, they may provide  
10 me enough to build an elementary school inside an area, but  
11 is it going to be enough to provide for middle and complete  
12 high school --

13 CHAIRPERSON BUCHANAN: I got a question. But the  
14 level two fees, you calculate based on what it costs to  
15 build a school; correct? In your developer fee study? And  
16 then you come up with a -- what would be a level three fee  
17 and there's a cost X dollars per square foot to build a  
18 school.

19 And your level two fee is 50 percent of that. So  
20 your level two fees should be generating 50 percent of the  
21 cost to build a school in your community.

22 MS. STEER: Actually from what I understand, we  
23 have to -- and you can maybe help me out of this a little  
24 bit more too. Our level two fee studies are actually based  
25 on certain calculations. So we can only look at certain

1 things and within a five-year window. So it doesn't  
2 actually --

3 CHAIRPERSON BUCHANAN: Well, yeah. I mean you  
4 can't look at what's -- it doesn't make sense that you can  
5 look at what's going -- students are going to be there 30  
6 years from now because you assume that they're going to  
7 build out because that's their -- but they could abandon  
8 that and go somewhere else. But --

9 MS. STEER: And it all --

10 CHAIRPERSON BUCHANAN: But for the students who  
11 are going to be there that five year -- your level two fee  
12 is based on 50 percent of the cost to build the school --  
13 land and school.

14 MS. STEER: Right. But actually what it does is  
15 it -- what I was going to say is doesn't actually give us a  
16 comparison as to what it costs to put schools on the ground  
17 right now. There is no market for that in our level two.  
18 It simply looks at --

19 CHAIRPERSON BUCHANAN: Well, maybe we can talk  
20 about that off line because it should --

21 MS. STEER: Yeah.

22 CHAIRPERSON BUCHANAN: It should give you what it  
23 costs -- it should give you 50 percent of what it costs to  
24 build a school right now. I mean I --

25 MS. MOORE: Isn't it 50 percent of the allowance

1 that the State would provide to build the school?

2 CHAIRPERSON BUCHANAN: No.

3 MS. MOORE: So it capped -- some things are capped  
4 out on those developer fee studies the same way that they're  
5 capped out on the -- what the State would provide for those  
6 school facilities.

7 MS. STEER: So technically under that umbrella  
8 then, there wouldn't be a need for any sort of general  
9 obligation bonds or anything.

10 CHAIRPERSON BUCHANAN: Well, all I know --

11 MS. STEER: -- so it would like a --

12 CHAIRPERSON BUCHANAN: -- is when we did developer  
13 fee studies in our district, they were based on what our  
14 cost of the land was, what our cost of construction was, and  
15 they were actually based on the cost of building the school,  
16 not based on the State allowable cost.

17 MS. STEER: And we've done a study actually which  
18 I don't have a copy here, but I'd be happy to forward to  
19 you -- what we call our shortfall analysis, where we  
20 actually did that study.

21 Of course calculations, as I said, are vastly  
22 different from what the State allows us to do under our  
23 parameters of our level two studies -- and actually looked  
24 at what average costs for schools were in recent times and  
25 in general -- as close areas as we could find both

1 elementary, middle, and then high schools, and then came up  
2 with an average per student cost to build those facilities.

3 Then we were able to kind of minus off, okay, this  
4 is how much it costs per household essentially. We got it  
5 broken down with student generation --

6 CHAIRPERSON BUCHANAN: Right.

7 MS. STEER: This is how much it costs per  
8 household. How much do I need, you know. This is how much  
9 I need per house that goes up.

10 CHAIRPERSON BUCHANAN: Are you charging per  
11 household or per square foot?

12 MS. STEER: We have to charge per square foot.

13 CHAIRPERSON BUCHANAN: Right.

14 MS. STEER: But I was trying to come up with a  
15 study of, you know, what really am I going to see every roof  
16 top. Every roof top that comes in, how much money would we  
17 need minus off what we would anticipate seeing in level two  
18 fees, what we would anticipate in State grants under the  
19 current program.

20 CHAIRPERSON BUCHANAN: Right.

21 MS. STEER: And then what is our shortfall. So we  
22 actually --

23 CHAIRPERSON BUCHANAN: Right.

24 MS. STEER: -- do have a study that's like that.  
25 That's not our level two, but it is our shortfall analysis.

1           CHAIRPERSON BUCHANAN: Right. And the shortfall  
2 may be due to the State grants not actually covering  
3 50 percent versus the level two not covering 50 percent.

4           MS. STEER: And that is a portion of it too.

5           CHAIRPERSON BUCHANAN: Yes.

6           MS. STEER: Yeah, that is a portion of that  
7 shortfall. Yes.

8           So anyway we could absolutely -- I would love to  
9 talk about that too. I can get you a copy of that.

10          CHAIRPERSON BUCHANAN: Yeah.

11          MS. STEER: But anyway, back to what I was saying  
12 is it's -- obviously, as we talk about where we want to  
13 restrict these use of eligibility or use of grants or use of  
14 fees, as we look at these larger villages, it seems very  
15 obvious that we can't anticipate for a village, even if it's  
16 3,000 homes, even if it's 4,000 homes, to be able to  
17 support -- probably an elementary, that wouldn't be a big  
18 shake. Maybe not a middle school and probably definitely  
19 not a high school within its own self.

20          It would be a very small high school. So now  
21 we're looking at I've got high school students or middle  
22 school students that need to attend in another area.

23          CHAIRPERSON BUCHANAN: Um-hmm.

24          MS. STEER: And they may not even be under the  
25 same high school. For example, currently in the three

1 villages that -- and in the handout that I'm giving you, I  
2 attached a map on the back so you can kind of get an idea of  
3 what I'm talking about on these villages.

4 We're working with Village 7 which has an  
5 elementary school with overflow to an existing elementary  
6 school, middle school attendance at an existing middle  
7 school, and high school attendance at a high school that we  
8 have planned but unfortunately have been unable to build at  
9 this time.

10 Village 1, which we're also in talks with, there  
11 are about 5,600 homes. They will have one regular and one  
12 small elementary school and some overflow to an existing  
13 elementary school or interim.

14 CHAIRPERSON BUCHANAN: Right.

15 MS. STEER: We'll have an existing middle school  
16 of attendance at this time with future plans to attend a  
17 middle school in a different village that isn't even on the  
18 radar right now as far as plans, but as far as when a  
19 complete build-out happens, that's going to be the best  
20 matriculation for them. And then their current attendance  
21 high school is Lincoln High School, which is our one high  
22 school right now and also a very old existing facility.

23 And then Village 5, which is on the complete other  
24 side of town, is the other one that's actually starting  
25 their entitlements right now. They'll have three elementary

1 schools. They are blessed in having one middle school and  
2 one high school. That high school though will be attended  
3 by two other villages that border it, 4 and 5 eventually  
4 when they are built out.

5           So as we're talking about restricting those, even  
6 if we look at a high school attendance area, I've got a high  
7 school attendance area -- I've got all four corners and the  
8 ones that are developing currently aren't contiguous at all.  
9 Their borders aren't contiguous as far as their tentative  
10 maps. Their high school attendance areas won't be  
11 contiguous in some cases.

12           So I'm looking at this pot of money and if I'm  
13 reserved to hold it, where do I put these students  
14 temporarily as you talked about. You do have to house them  
15 somewhere.

16           Usually that's in -- you know, when we know this  
17 flux is coming, we try to do it in something like, you know,  
18 portables or modular, something where it's temporary, we  
19 know we have an overflow. We can remove those once the  
20 student is in their neighborhood school.

21           But I still have to make those campuses workable  
22 for those students while they're there, and sometimes if  
23 they're some of the first phases on the ground, they could  
24 possibly be at that interim site, that particular child, for  
25 a while until the house rolls over in its natural stage of

1 life and maybe takes on another family with more, as you  
2 said, new students that come --

3 CHAIRPERSON BUCHANAN: Right.

4 MS. STEER: -- into it. So as I'm strategically  
5 planning for this, how do I -- how would I anticipate  
6 getting funds to -- unless I'm utilizing some of that  
7 eligibility or some of those -- maybe not all of it because  
8 we are looking at portables, which are cheaper -- save that  
9 money that, you know, we can go to more permanent  
10 neighborhood school facilities.

11 I've got multipurpose rooms that aren't adequate  
12 and are old and need modernization. I've got where -- how  
13 many accessible restrooms do I have on the campus. That's a  
14 big ticket item right now, not only accessibility, but do  
15 you have enough toilets. Do you --

16 CHAIRPERSON BUCHANAN: So I've got a question --

17 MS. STEER: Sure.

18 CHAIRPERSON BUCHANAN: -- because I'm not sure we  
19 need to go into quite that level of detail. I think we get  
20 it and I'm not sure I'm okay with any of the three proposals  
21 from staff, even though I appreciate all the work they've  
22 done.

23 But I think in my mind there is sort of that  
24 dilemma in terms of if you're going to grow from where you  
25 are now to -- what did you say? 25,000 --

1 MS. STEER: 25,000 students.

2 CHAIRPERSON BUCHANAN: -- students -- okay --  
3 clearly -- and you're at 6,500 now and I'm not -- let's just  
4 say it all was going to happen in the next five years  
5 because I'm not sure -- I know, but let's just say for  
6 hypothetical -- you know, let's just say it were. I mean  
7 I -- or whatever's going to happen.

8 Let's say the next five years, you're going to go  
9 to 10,000 students because I don't think we should worry  
10 about what's going to happen 30 years down the road because  
11 that's a little too speculative. I'm not sure anyone can  
12 plan with accuracy at that point in time. We don't even  
13 know what the birth rates will be or whatever else and they  
14 probably haven't pulled the tentative maps on what's going  
15 to be built that far down the road.

16 So let's say you're going from 6,500 to 10,000.  
17 Okay. If you're generating new student eligibility for that  
18 3,500 students, clearly you've got to -- I mean the people  
19 there and the people indirectly paying the developer fees,  
20 the State's giving you the eligibility to follow those  
21 students, clearly somehow we have to ensure that those  
22 students have adequate permanent housing.

23 I mean that's the whole goal of this program;  
24 right? Now, I can understand that you may not build a new  
25 high school. There's just no way you would generate enough

1 students out of that additional 3,500 to justify a new high  
2 school.

3           You may or may not build a middle school. You  
4 know, you probably have enough for two elementaries. You  
5 may have enough eligibility for a middle, but you may or may  
6 not.

7           So I'm not sure I want to be as rigid as some of  
8 the suggestions from staff, even though I think they're  
9 taking a look at our goals, but do you think as a district  
10 or board you should at least be identifying where these  
11 students are going to go?

12           You're going to say the students from these  
13 villages are going to attend our existing high school, and,  
14 therefore, the high school eligibility for those kids needs  
15 to go to making sure we add. Maybe you're going to expand  
16 it or whatever is going -- for those students so that they  
17 then have classrooms at the high school.

18           I mean it seems to me that while you don't want to  
19 be so rigid that I can only spend it here, it also seems to  
20 me if they're generating that, you know, the Board has some  
21 obligation to identify where those students are going to go,  
22 whether it's a new school that you have to build or we're  
23 going to expand our middle school or high school or whatever  
24 and there should be some obligation then to have the grants  
25 follow. Maybe to completely rigid or whatever, but on the

1 other hand, if you were to use the grants for other  
2 purposes, then you have no grants for those students and no  
3 classrooms to house them and I think that's what, in my  
4 mind, we want to try and avoid.

5 MS. STEER: Yeah. I think -- I agree with that.  
6 I think, absolutely, as long as we had some sort of tracking  
7 and I would support that and I think that's something that  
8 we're looking at in our district in particular is how we  
9 want to make sure we track all that money that comes in and  
10 make sure that we're not overspending, if you will, even in  
11 its own village towards elementary and then not have enough  
12 left over to cover school facilities for middle and high  
13 school students as well.

14 CHAIRPERSON BUCHANAN: Right. And you clearly  
15 have to identify.

16 MS. STEER: Yeah.

17 CHAIRPERSON BUCHANAN: I mean you're going to have  
18 in some areas, particularly when you get to the secondary  
19 level -- but it just seems to me that there's got to be some  
20 assurances that the grants you're getting for major new  
21 developments -- and I don't even know how we'd -- if there's  
22 consensus or how we would define infill, other things like  
23 that. Clearly, those -- you know, you use existing schools.

24 ASSEMBLYMEMBER HAGMAN: Just my comments on this  
25 is, one, I don't know if there's a problem, but there's

1 concern. And I think the more you try to put in codes and  
2 regulations, the harder it is to be flexible and we're going  
3 to add to this four-, five-, six-year type build-out.

4 And I think one of the things that this process --  
5 this Board for a little bit has identified was that, you  
6 know, start at the beginning, by the time we get bond funds  
7 out and -- it does take multiple years to get it down and  
8 it's hard.

9 Now, I've sat on these planning meetings on city  
10 council and my county board to say, you know, something like  
11 this kind of plan -- we want to plan out 50 years to make  
12 sure that we're putting our arterially roads in, we're  
13 putting our infrastructure, we build out.

14 But more than likely, it's not going to happen. I  
15 still have plans on our books from 30 years ago for our  
16 area. There we -- you know, for the west end of San  
17 Bernardino. That was going to grow another 5- to 10,000  
18 homes. It's not going to happen until the economy comes  
19 back. It may happen 50 years from now -- for any years now.

20 So you can't really go off this. I agree with  
21 that. But I think, though, the best way we could do is  
22 empower our staff to look at and make commonsense decisions.  
23 Okay. This is what they're applying for. They're using  
24 this data. They're using more on the conservative side a  
25 little bit of things, make sure you check, you know, the

1 balance. They come up with 5,000 tract map and you'd call  
2 the city and say, well, they only asked for the first 200  
3 house phase and the economy's going to slow, but we're  
4 expecting this, then you make the best judgment more on the  
5 conservative side and that way if a school district has a  
6 problem with your staff's recommending or ruling, then  
7 that's when you come to us and you present to us and say  
8 here, here's our data behind it. We don't want to just go  
9 for the 200 or 500 homes that we project the next three  
10 years. We want to go for the 3,000 homes we expect because  
11 this is what's going on. These are our trends.

12 And it's more of a consensus that way. But the  
13 more you put in the rules and regulations, it's going to be  
14 harder for the districts and the staff to really match up  
15 and I too appreciate all the work put in and you could see  
16 the goals we're trying to do.

17 And there may not be that many bad examples out  
18 there, but we don't want to come back after spending the  
19 taxpayers' bond money to bond out for 30 years and having to  
20 come back 10 years or a new administration for the school,  
21 come back. Well, we didn't use these, we built this, this,  
22 and this and now I have no place to put my kids. We have no  
23 more eligibility.

24 And that's the one thing we want to try to avoid  
25 is are we building capacity on this 30-year bond money and

1 not temporary buildings, not portables, not -- other things  
2 that would be nice to have for here and now, but we want to  
3 make sure that the long-term planning's behind there and  
4 have confidence in our staff to kind of make those judgments  
5 and if there's a process that if the district does not agree  
6 with the staff's recommendation, come back up for the Board  
7 to hear and vet. I think that's kind of the direction I  
8 would go.

9 CHAIRPERSON BUCHANAN: When you have a new village  
10 and you're working with developers and the city or county,  
11 whichever agency's approving it, do you now identify where  
12 those students are going to go to school or where the  
13 schools are going to be in the beginning of that process?

14 MS. STEER: We currently in our jurisdiction, we  
15 are asked to work with the developers to identify possible  
16 future school sites. Their EIRs to date have not identified  
17 interim sites for the students to go to. It has not spoken  
18 to that, nor has it really been addressed how we're going to  
19 pay for those school sites if we don't have appropriate  
20 funds.

21 So our city is a little bit -- trying to be very  
22 politically correct here -- a little bit behind some of the  
23 other times and districts around us because this is fairly  
24 new growth. It's very rural for a very long time. We got a  
25 patch of growth, everybody got real excited, and then the

1     downturn.

2                   So they haven't seemed to want to engage a school  
3     district on a base level so that we can really address a lot  
4     of those mitigation concerns.

5                   CHAIRPERSON BUCHANAN:  So what do you do when you  
6     comment on the EIR?  I mean obviously you have to say we  
7     can't accommodate these students in the current schools that  
8     we have.  Therefore, you've got to make that finding  
9     basically to level your -- to assess your level two fees;  
10    right?

11                   MS. STEER:  Absolutely.

12                   CHAIRPERSON BUCHANAN:  You can't -- and so  
13    therefore, you know, we are going to need to build new  
14    schools or classrooms to be able to accommodate them.

15                   MS. STEER:  We do.  We address in writing -- when  
16    EIRs are put around for comment, we have done public comment  
17    at numerous meetings.  In fact, right now we are in  
18    litigation with our local jurisdiction.  So -- over CEQA  
19    issues.

20                   CHAIRPERSON BUCHANAN:  Yeah.  So I don't know --  
21    so my belief is I don't want to be completely rigid.  On the  
22    other hand, whether the Board -- there's some kind of  
23    finding by the Board or clearly some plan that shows, okay,  
24    you know, we're using this eligibility from, in your case,  
25    these new villages or whatever.

1           You know, we know that it's supporting the schools  
2 that those students are going to -- permanent schools those  
3 kids are going to attend. Whether it's a new school you're  
4 building or a high school you're expanding, it just seems to  
5 me there ought to be some kind of nexus there.

6           MS. MOORE: And I guess I'm just -- I'm on the  
7 opposite side of it.

8           CHAIRPERSON BUCHANAN: Right.

9           MS. MOORE: We have differences of opinion. I  
10 just believe that districts should have the flexibility to  
11 use their eligibility as they roll out their projects  
12 appropriately. I think that they at the local level have  
13 the best sense where the next new school needs to be built,  
14 when that high school can be built, when they can generate  
15 enough funding for those larger facilities like high schools  
16 and I think that if we put the dollar, you know, on the  
17 dwelling unit or on the student that we are going to slow  
18 down the potential construction because those monies could  
19 just pool waiting, waiting, waiting for the school that  
20 could be built when they could be utilized better I think in  
21 a district.

22           And I'm just not convinced there's a problem.

23           ASSEMBLYMEMBER HAGMAN: Would you ever allow a  
24 district, if there was a scenario where they did use their  
25 eligibility, now they have their growth, but they have no

1 eligibility left, come back for emergency funds and grants  
2 on top of that?

3 MS. MOORE: No, I don't. I think that they've  
4 used their eligibility and they have to live with the  
5 accountability and the consequences of that.

6 Again have we had an appeal that said I used my  
7 eligibility over here and now I need it over here. I don't  
8 recollect one.

9 So that's where I'm saying I'm not sure about the  
10 problem.

11 CHAIRPERSON BUCHANAN: I don't think that's an  
12 appeal you'd ever have. You know, I mean you might end up  
13 with a financial hardship, but I don't know how you'd have  
14 an appeal to say I made a mistake, I used my eligibility  
15 when I shouldn't have, so can you give it back to me.

16 MS. MOORE: Well, I just think that we have had a  
17 very -- particularly around in enrollment projections, you  
18 know, we've had a system that's been in place for a long  
19 time trying to project out enrollment so that we were  
20 building schools on time.

21 You know, in my trench years, we were never --  
22 that cohort never caught up to what we actually needed, but  
23 it was the system in place and you utilized it and you built  
24 the schools the best that you could.

25 I just think it's a micro-management that is --

1 I'm not convinced yet we need to solve.

2 CHAIRPERSON BUCHANAN: I respect that and I -- for  
3 what it's worth, I'm not talking about the cohort. I'm  
4 talking about when you're building --

5 MS. MOORE: Well, it's an augmentation to the  
6 cohort.

7 CHAIRPERSON BUCHANAN: Right. Right.

8 MS. MOORE: And it's --

9 CHAIRPERSON BUCHANAN: But the growth that comes  
10 out of the cohort --

11 MS. MOORE: It's looked at overall. It's not  
12 looked at -- unless you're a high school attendance area --

13 CHAIRPERSON BUCHANAN: Right.

14 MS. MOORE: -- it's looked at overall and then we  
15 give districts that overall capability to address the needs  
16 where they determine they need to.

17 CHAIRPERSON BUCHANAN: But the growth that comes  
18 from the cohort could well be just houses turning over  
19 within a district and that should stay within the core. I'm  
20 talking about when you add on to that cohort for tentative  
21 maps for major developments that have been approved, should  
22 those have to follow, whether they're following in existing  
23 schools.

24 I know you're waving your head no. I'm just  
25 bringing up the question. We may not go there, but I -- you

1 know, if those kids are going to attend existing schools or  
2 if they're going to attend new schools, should there be  
3 some -- you know, some identification of where those  
4 students are going to be housed knowing that you're -- you  
5 know, you're actually spending money to house those  
6 students.

7           That's -- you know, so I'm -- clearly we're going  
8 to agree to disagree on this, but -- are there any more  
9 questions or any more comments?

10           MS. ALLEN: Good afternoon. I'm Cathy Allen,  
11 Sacramento City Unified School District.

12           I just want to offer a couple of comments that may  
13 or may not have been maybe vetted early when this topic came  
14 up.

15           My old district -- so it was kind of interesting  
16 to hear about what's going on there. Some things never  
17 change. Not your fault by the way.

18           So big district where I'm at right now. We are, I  
19 guess you would call us a declining enrollment district.  
20 I'd like to think we're leveling off a little bit.

21           And we would be the infill projects that we  
22 briefly mentioned today. So if this type of a concept is to  
23 go forth, I guess I like the idea of at least being able to  
24 discuss the -- what would happen if this was applied to  
25 school districts such as mine that has a lot of -- not a

1 lot -- some infill projects.

2           So the three things that really stick out in my  
3 mind are we have open enrollment, we have program  
4 improvement, and we have schools of choice. So I have  
5 really no say where those kids are going to go from that  
6 infill development. They could go across town.

7           So if I have to stick to an attendance boundary  
8 area, it's just going to be a challenge. So I just want to  
9 make sure that we have an opportunity to discuss any of the  
10 ramifications that might happen because of that.

11           CHAIRPERSON BUCHANAN: I will -- I think I've said  
12 clearly I don't think -- I think with infill, I think that's  
13 a whole different story than when you're actually taking  
14 land, having a whole new development, and bringing that in,  
15 so --

16           MS. ALLEN: Okay. And then just my last comment  
17 and it was kind of mentioned up here. You know, with all  
18 the emphasis that we've seen directed to us with Prop. 13  
19 and the Governor's initiative and LCFF, it is all about  
20 local control and again taking away that flexibility to be  
21 able to -- I don't want to use the word the control -- but  
22 to control at a local level would really be very taxing to  
23 us. So --

24           CHAIRPERSON BUCHANAN: Right.

25           MS. ALLEN: -- we're trying to abide by that.

1 We're trying to make adjustments and move forward and having  
2 this flexibility allows us to continue to do that, so --  
3 thanks for your time.

4 CHAIRPERSON BUCHANAN: You're welcome. Any more  
5 comments on this? I think we're now --

6 MS. MOORE: You have another.

7 CHAIRPERSON BUCHANAN: Oh, okay.

8 MS. CUNNINGHAM: Hi. I'm Alona Cunningham from  
9 Jack Schrader's office and I just wanted to make a big  
10 picture comment and that is that I think that the new  
11 construction calculations are adequate and think it gives  
12 districts reasonable options for determining new  
13 construction eligibility.

14 And I think that for the most part districts  
15 make -- you know, I think we need to have the confidence in  
16 the district administration to build schools where they're  
17 needed, where development is occurring.

18 With that being said, I think that there are some  
19 scenarios which these proposed changes wouldn't fix and that  
20 is, for example, if the planning department says okay,  
21 there's Building A in this high school attendance area -- I  
22 mean Development A in this high school attendance area and  
23 Development B in this high school attendance area and  
24 Development A is going to occur first. So the district uses  
25 eligibility to put the project there and then after

1 everything's already going, they realize that, okay, there's  
2 been a change. The development is actually going to happen  
3 at Development B.

4 So they're building a school over here. The  
5 development has changed to here and in the end, it will work  
6 out. It will be an inconvenience --

7 CHAIRPERSON BUCHANAN: Right.

8 MS. CUNNINGHAM: -- for a while, but I just wanted  
9 to point out that these changes wouldn't address that  
10 because if both developments have tentative approvals, both  
11 could be included.

12 CHAIRPERSON BUCHANAN: Right. But that's only --

13 MS. CUNNINGHAM: So I think it's a timing issue.

14 CHAIRPERSON BUCHANAN: That's only if you restrict  
15 to high school attendance area, which I'm not sure that I --  
16 as I said, I'm not -- I personally am not sure I agree with.

17 MS. CUNNINGHAM: Right.

18 CHAIRPERSON BUCHANAN: I just -- you know, my  
19 question is should there be any tie on -- where you have  
20 whole new developments, any tie to making sure you've got  
21 housing for those students.

22 MS. CUNNINGHAM: And I guess my point is, is that  
23 both of those developments would be approved and both could  
24 be used.

25 CHAIRPERSON BUCHANAN: Right.

1 MS. CUNNINGHAM: But the timing isn't ideal and,  
2 you know, there was a change that would be out of the  
3 district's control. Unforeseen.

4 CHAIRPERSON BUCHANAN: Right. I think I'm in  
5 agreement with you.

6 MS. CUNNINGHAM: So just wanted to --

7 MR. MIRELES: Seems like under that scenario,  
8 Option 2 would work because you can group the two tentative  
9 tract maps and build within those two developments. Just an  
10 idea.

11 MS. CUNNINGHAM: But you would still have a  
12 scenario where you have a school over here when it would  
13 have been better to put it over here. But because you're  
14 already started --

15 CHAIRPERSON BUCHANAN: Well, you have to allow --  
16 you know, my issue is supposed I want to build a theater at  
17 High School A and I say, okay, I've got this eligibility.  
18 Even though the eligibility's coming from these villages  
19 that are generating those students, I'm going to go ahead  
20 and use, you know, 300 students for the theater.

21 Now all of a sudden, you know, a few years down  
22 the road, I have overcrowding at my schools and I've got  
23 these 300 kids that I used and I really need to expand an  
24 elementary school, but I don't -- I've used my grants. I  
25 can't use it on those kids. Now I've got to send the kids

1 across town ten miles to a school. I mean that --

2 MS. CUNNINGHAM: But at the same time, sometimes  
3 districts know that they have a need now that they want to  
4 address and they have a plan, knowing that they will have --

5 CHAIRPERSON BUCHANAN: Right.

6 MS. CUNNINGHAM: -- students in the future and  
7 they have a different plan and they meet both needs by  
8 planning. And I think just --

9 CHAIRPERSON BUCHANAN: Right. So I mean the  
10 question in my mind again is just -- and I may be in the  
11 minority, but I'd want to at least discuss it -- is, you  
12 know, should there be any way in a broad sense without being  
13 prescriptive and I don't want to tell districts how to  
14 plan -- that we know that, you know, the grants ultimately  
15 are going to house students.

16 Whether you add in Attendance Area A or B first, I  
17 don't really care. But, you know, it's pretty hard to  
18 explain to parents, well, the reason I had to divert your  
19 kids to different school is because I spent my eligibility  
20 on those students to build this nice theater at this school  
21 and we can't afford it.

22 MS. CUNNINGHAM: Um-hmm.

23 CHAIRPERSON BUCHANAN: You know, I mean that was  
24 my only question I have and I -- you know, there may not be  
25 support for it or not, but I'm just questioning whether or

1 not there's any kind of balance there.

2 MS. CUNNINGHAM: Okay. Thank you.

3 CHAIRPERSON BUCHANAN: I don't -- are there any  
4 more comments? I don't think we have any consensus. So  
5 whether we bring it up again later, bring it forward, bring  
6 both ideas up or drop it, I don't know. We can kind of  
7 figure out where we're going to go later on that.

8 The next item is consolidating grants --  
9 supplemental grants. And maybe since we -- I don't want to  
10 speak for the members, but since we've gone over several  
11 times the types of grants and everything there are, maybe we  
12 can sort of get down to the recommendations which really  
13 show that most of them are very specific and we probably  
14 can't consolidate. But anyway, I know you've taken a look  
15 at it.

16 MS. SHARP: Thank you. My name's Tracy Sharp and  
17 I'm presenting the item on the options for consolidating  
18 grants.

19 Thank you for that introduction, Madam Chair.

20 ASSEMBLYMEMBER HAGMAN: Any questions?

21 MS. SHARP: We did look at and you can see our --  
22 the initial part of the item here is basically an overview  
23 and analysis. How often are these grants drawn on. What  
24 are the criteria. How are they calculated, their average  
25 grant amounts, as I said, the criteria for them.

1           We looked at them closely to see what makes sense  
2 to potentially combine and -- so there is a fair amount of  
3 background. There are statistics on the grants themselves  
4 that were offered over -- since 1998.

5           And so if we do jump in directly, as you  
6 mentioned, to the options, what we looked at for new  
7 construction potential best candidates are the automatic  
8 fire detection and alarm system grant and the automatic  
9 sprinkler system grant as potential ones to roll into the  
10 base grant.

11           Now the automatic fire detection and alarm grant  
12 for the most part applies to all projects when it was  
13 implemented. Basically it's all new classrooms, get this  
14 grant and are required to put in a fire detection and alarm  
15 system. They were approved -- or submitted and approved by  
16 DSA after July 2002.

17           So for the most part under new construction,  
18 that's going to be every project, except -- there's one  
19 exception and that's the temporary portable. So there is  
20 that one exception in the statute.

21           It's grade-level specific, so it would match.  
22 When the CCI is adjusted each year, this is adjusted as  
23 well. So it fits in there. That was one of our  
24 considerations.

25           Now, the automatic sprinkler system grant, while

1 it follows a similar pattern, it is slightly different and  
2 there's more than one exception here. The exception of  
3 course is the standalone portable building and then also it  
4 applies to all new schools submitted to DSA after July of  
5 2002.

6 But there's a differentiation here between  
7 additions to existing sites and new schools. So if your  
8 existed and the plans were approved before the July 2002  
9 date, you're not required to put in the sprinkler and  
10 therefore, the project wouldn't qualify for the grant.

11 So there's a possibility here that those additions  
12 to existing sites, that group of projects if it were rolled  
13 in would be potentially given an extra amount, resulting in  
14 overfunding. So there's that exception on this particular  
15 grant.

16 And so those were the two with those caveats I  
17 mentioned about the exclusions and how additions are looked  
18 at slightly differently -- would be reasons -- or  
19 considerations basically for rolling it in or not rolling it  
20 in.

21 So those are the two for new construction. And I  
22 will jump to Part B of Option 1 which addresses the  
23 supplemental grants for the Modernization Program, which is  
24 on page 35.

25 And once again we've looked at the automatic fire

1 detection and alarm. Similar reasons. This one fits and  
2 that it's required for all projects with the exception of  
3 that temporary portable building that's going to be sited  
4 for less than three years.

5           And so if we looked at our numbers and why they  
6 didn't get it, basically if they didn't take the grant, it  
7 was mostly because it was predated its establishment.

8           And it -- basically the \$200,000 project value is  
9 the trigger for this and most mod projects that we see come  
10 in are at least that, so it gets triggered.

11           The other grant that we looked at that is related  
12 to fire code requirements and also includes accessibility  
13 upgrades is the supplemental grant that provides a  
14 district -- there's two options actually for this  
15 supplemental grant. One is a basic 3 percent increase to  
16 cover the cost of accessibility and fire code upgrades that  
17 are required by building code, and the other is one that we  
18 often refer to as the 60 percent option.

19           It's what is the district spending, what are  
20 their -- what's the minimum work required to bring up to  
21 current building code in regards to accessibility  
22 requirements and fire, life, safety requirements. We look  
23 at that -- the total cost estimate for those upgrades, take  
24 a deduction for an amount that's included in the mod base  
25 grant, and come up with -- like I said, we often refer to as

1 the 60 percent option for the supplemental grant.

2           And we have some stats there on how often it's  
3 been requested since it came into play in 2007 that the  
4 option was available to districts and we see about 75-25  
5 split in the occurrence.

6           Now, with 3 percent option, like I say, is a flat  
7 amount. The 60 percent option is intended to provide grants  
8 that are more closely related to what's actually happening  
9 on the project itself. So the consideration here is that if  
10 it were rolled in as a flat amount that it would not be  
11 project specific anymore. It would be a flat amount. Some  
12 projects might get less, some would get more. It would be  
13 less project specific.

14           CHAIRPERSON BUCHANAN: The problem with ADA is  
15 that depending on the type of school and the elevations and  
16 everything, it can vary so dramatically from one school to  
17 the next.

18           It seems to me if you're going to consolidate, you  
19 might as well just either do the 60 percent for all or keep  
20 the two problems, but I don't know how you come up with a  
21 flat number of all schools so that it ends up being  
22 equitable.

23           MS. SHARP: That is a consideration for many of  
24 these grants is they are -- the supplemental grants are  
25 focused on what are your conditions at your site. That's

1 part of the qualifying criteria for the supplemental grants.  
2 It's an attempt to recognize what's happening at an  
3 individual site that --

4 CHAIRPERSON BUCHANAN: Right.

5 MS. SHARP: -- would incur additional costs.

6 Might happen on School A over here but not be happening on  
7 School C over there.

8 ASSEMBLYMEMBER HAGMAN: And can I just follow up  
9 on that. I'm just a little bit confused.

10 So if I'm putting in the fire detection or  
11 whatever that system may be, I have to get the whole school  
12 ADA compliant in order to stick that in?

13 MS. SHARP: Possibly.

14 ASSEMBLYMEMBER HAGMAN: So how many schools are we  
15 not hitting because they can't afford their portion to do  
16 ADA compliance because of that and how many doesn't have  
17 protection or upgrades because of that?

18 MR. MIRELES: Well, that's a tough question to  
19 answer. We don't know, but again if you look at the  
20 structure of the additional -- and this is additional grants  
21 that we're talking about. This is above and beyond the base  
22 grant for modernization.

23 ASSEMBLYMEMBER HAGMAN: Okay.

24 MR. MIRELES: So the 3 percent is a percentage of  
25 the base grant. The 60 percent is the actual cost estimate

1 that it takes --

2 ASSEMBLYMEMBER HAGMAN: All right. Yeah.

3 MR. MIRELES: -- to get them compliant.

4 ASSEMBLYMEMBER HAGMAN: Altogether we did a  
5 thousand projects -- 1,100 projects.

6 MS. SHARP: And that thousand projects  
7 represents -- since there have been two options prior to  
8 that, the districts had the 3 percent option. It's only  
9 been since 2007 that both options were available to  
10 districts.

11 CHAIRPERSON BUCHANAN: Bill, do you have any  
12 comments?

13 MR. SAVIDGE: Well, I just thought it would be  
14 interesting for the members to think about because part of  
15 what we're sort of dancing around here is how do we be as  
16 specific about each project as possible and yet keep it  
17 simple. Why don't we go back to a cost per square foot? In  
18 other words, previous programs have used -- have paid a  
19 dollar per square foot cost based upon the actual  
20 construction incorporated in the DSA plans.

21 That might be another way to think about it, just  
22 as an option.

23 CHAIRPERSON BUCHANAN: But what do you do for a  
24 school that was built in the '60s or '70s, you know, the  
25 ones that sort of had what I would call the finger design.

1 MR. SAVIDGE: Yeah.

2 CHAIRPERSON BUCHANAN: You know, an administration  
3 building and all the class room wings and it's all on one  
4 level and accessibility isn't a major issue. Then you go  
5 into a city where you've got two or three stories and maybe  
6 you don't even have an elevator, maybe you do. Maybe --  
7 you've got all different other issues.

8 And so the cost for ADA for a school can vary  
9 dramatically and one school sort of comes out ahead and  
10 another school doesn't have enough. And ADA compliance can  
11 each up a significant portion of the modernization funds  
12 that you're using, you know, particularly on the district  
13 side.

14 So it just seems to me that on the one hand that  
15 simplifies, but on the other hand, I'm not sure it  
16 simplifies in a way that we can say overall it's still an  
17 equitable program.

18 MR. SAVIDGE: Well, and remember the local  
19 district's going to paying a share of that. So if the local  
20 districts in San Francisco with a hilly site for ADA, it's  
21 going to be paying a lot more money than the flat site area.

22 CHAIRPERSON BUCHANAN: But if we just give them  
23 all a flat amount --

24 MR. SAVIDGE: Well, no, we're talking -- I mean  
25 the concept would be if you use the dollar per square foot

1 that it would be based upon the cost of construction. You  
2 had the actual cost to build the project.

3 CHAIRPERSON BUCHANAN: But if we're giving them a  
4 cost per square foot --

5 MR. SAVIDGE: You develop a cost per square foot  
6 for the project and then you split it, whatever the State  
7 share/local share match is and use that so you're developing  
8 a project --

9 CHAIRPERSON BUCHANAN: So you're going to use the  
10 cost per square foot that ties to a specific project or  
11 that's an average?

12 MR. SAVIDGE: Just doing the concept --

13 CHAIRPERSON BUCHANAN: I'm just trying to get --  
14 I'm just trying to have a better understanding of what your  
15 concept is. Is it to tie it to what the actual construction  
16 cost is? I mean a lot of construction costs go up in the  
17 city if you have to do your staging two blocks away or  
18 whatever.

19 So is it going to be unique to --

20 MR. SAVIDGE: That would be reflective of the  
21 urban site security impact supplemental grant that gets  
22 added on in that location. So that gets reflected in that  
23 actual cost.

24 Didn't the -- there may be some old-timers in the  
25 room. Didn't we do -- didn't we have a program that used a

1 cost per square foot previously?

2 MS. MOORE: I mean I'm -- old-timer, I don't know  
3 if I like that. But certainly built schools under square  
4 footage and I was going to actually bring it up during the  
5 classroom count discussion.

6 I think it's an open topic that could be part of  
7 the deliberations here because we did convert from a square  
8 footage program to an ADA program and each have their  
9 benefits and liabilities.

10 Square footage, you definitely are paying for what  
11 type of square footage you were building and then you have  
12 to equalize it out for some things that you're talking  
13 about. So, you know, if you're in an urban area -- and as I  
14 recollect, we had the geographic enhancers or whatever we  
15 called them -- indices for different areas because it -- you  
16 know, and -- or if you're constructing in Tulare and it's  
17 really hard to get people to come out there to build a  
18 building, it's reflected in the construction costs and we  
19 reflected those in the indices.

20 So I actually think the square footage and the per  
21 ADA basic program element issue would be a good one -- a  
22 good topic of discussion.

23 CHAIRPERSON BUCHANAN: To look at?

24 MS. MOORE: And this is one component of that.

25 CHAIRPERSON BUCHANAN: Maybe --

1           MR. MIRELES: And again this topic and the others  
2 assumes that the same system continues. Talking about a  
3 whole new system of cost per square feet is a fundamental  
4 change in the way we fund the programs and require much more  
5 extensive analysis.

6           CHAIRPERSON BUCHANAN: Yeah. If you're going to  
7 talk about that, you should have area adjustments in your  
8 basic grants. I mean it's not just ADA. It's the whole  
9 cost of building.

10          MR. ALMANZA: So it sounds like we'll want to make  
11 it more complicated than --

12          CHAIRPERSON BUCHANAN: Well, I think -- I mean  
13 maybe there's consensus on the fire alarm and the other --  
14 the sprinklers -- the automatic fire detection alarm system  
15 and the sprinkler system and to just increasing the grant  
16 amount for that, but before -- can we -- I don't know --  
17 Tom, you look like you're ready to say something.

18                 Is there anyone in the public that would like to  
19 comment on this issue before we --

20          MR. CARDONI: Good afternoon. I'm Paul Cardoni  
21 with San Francisco Unified. We just completed a 2006 bond  
22 program at approximately 35 sites that were State funded  
23 with mod funds and we found the supplemental grant for  
24 access, life, safety to be very beneficial as it really  
25 assisted us in bringing those buildings into full compliance

1 and not eating into the actual building improvements we were  
2 making at those facilities.

3 So I urge you not to change that.

4 CHAIRPERSON BUCHANAN: So let me ask this. I mean  
5 I think ADA compliance -- at least I'm with you on -- it's  
6 too unique to try and fold it in.

7 If we increase the base grant for fire, life, and  
8 safety, would that be a problem or -- I mean I --

9 MR. CARDONI: Well, I --

10 CHAIRPERSON BUCHANAN: So if you don't eliminate  
11 it but you fold it into the base grant and increase the base  
12 grant itself.

13 MR. CARDONI: Well, it would depend on what the  
14 difference is. The 3 percent access, life, safety really is  
15 pretty minimal when you look at the total base grant. The  
16 additional 3 percent isn't that great.

17 CHAIRPERSON BUCHANAN: No. That's ADA. I'm  
18 talking about the fire and sprinklers and the --

19 MR. CARDONI: I thought that the 60 percent  
20 included --

21 CHAIRPERSON BUCHANAN: Okay.

22 MR. CARDONI: -- an actual cost estimate for both  
23 ADA and fire, life, safety.

24 CHAIRPERSON BUCHANAN: Right. I guess what I'm  
25 asking is if -- okay. You're right on the 60 percent. So

1 if we took out accessibility and dealt with the fire  
2 detection alarm and the automatic sprinkler, is that --

3 MR. CARDONI: No, because DSA requires us to meet  
4 a minimum requirement and the difference between the  
5 3 percent bump up to the base grant and the 60 percent is  
6 significant.

7 And I don't know in your proposal about square  
8 footages or making some base grant allowance, the program as  
9 it is has been a huge benefit to San Francisco Unified. So,  
10 you know, depending on your future conversations and  
11 direction -- I don't have an answer. I'm just here to say  
12 that the program as it is for that 60 percent has really  
13 aided us.

14 CHAIRPERSON BUCHANAN: And if we left the  
15 60 percent the way it is in terms of like on new  
16 construction, the automatic fire detection alarm system,  
17 automatic sprinkler, do you have an opinion on whether that  
18 could be simplified by adding it into the base grant or  
19 whether that should remain separate?

20 MR. CARDONI: Well, again the difference is  
21 significant and I just prefer to keep it the way it is.

22 CHAIRPERSON BUCHANAN: Okay. All right. Thank  
23 you.

24 MR. CARDONI: Thank you.

25 CHAIRPERSON BUCHANAN: Any other comments from

1 anyone? All right.

2 MS. MOORE: Oh, we have one.

3 CHAIRPERSON BUCHANAN: Okay.

4 MR. WHITE: Good morning. My name's Tim White,  
5 Associate Superintendent from Oakland Unified. Interesting  
6 conversations today for us. I think what I'd like to make  
7 in terms of a statement to the Board is related to a  
8 particular project that you guys have actually done a great  
9 job in supporting us with.

10 We're currently in the process of building an  
11 elementary school -- actually it's going to be a K-13,  
12 called La Escuelita Elementary School. Some of you guys  
13 have actually visited that site.

14 And we were actually very blessed to receive about  
15 \$25 million in funding associated with the project. The  
16 project is about a hundred million dollar project.

17 And we actually took advantage of several of the  
18 supplemental grants in addition to the base grant to build  
19 this project. Obviously, the bulk of the money comes from  
20 local bond funds and so one of the experiences for us is  
21 that we were able to build a very comprehensive school  
22 program that actually incorporated in elements from high  
23 performance incentive grants, that incorporated in elements  
24 associated with academic curriculum to make sure that the  
25 facility itself is actually matched and conducive to deliver

1 the type of curriculum that we want to have in that  
2 particular school site.

3           And I think what I would like to urge this Board  
4 to do is to actually look at the combining of the  
5 supplemental types of grants.

6           Ultimately for us, a school district that has  
7 about 500 acres of land and in a city like Oakland, we're  
8 the second largest landowner in the entire city next to the  
9 port. And so as school districts in an urban context like  
10 ourselves gets an opportunity to build new facilities, our  
11 experience has been one that's been successful, but we would  
12 like to see the program streamlined.

13           We'd like to see a more streamlined application  
14 process that's a little bit more simple to encourage school  
15 districts like Oakland to be more comprehensive in its  
16 approach to integrating in things like healthcare clinics,  
17 things like nutrition programs that actually are for urban  
18 kids' access to food and fresh food and healthcare clinics,  
19 all of those things that urban kids necessarily need to  
20 buttress their learning.

21           And as you guys are able to create a program for  
22 us that allows us to be inclusive, we think that a program  
23 that lines up with facilities and the way the facilities are  
24 funded should be lined up in the same manner that you've  
25 lined up local control funding.

1           And so we don't think that there's a difference  
2 between how these two should be looked at. We think that  
3 the separation between what's happening with academia and  
4 the local control funding formula and how we're piecemealing  
5 a lot of the things associated with the building program are  
6 not very conducive for the type of learning environment that  
7 we ultimately need and that if you were able to find a way  
8 to package these supplemental grants in a fashion that made  
9 it simpler for us, it allows us to be more comprehensive and  
10 actually put into place structures and educational  
11 environments that actually start to address the needs of  
12 those people, particularly in urban areas that have been the  
13 least well served as we go forward.

14           I think it's not lost on this Committee that  
15 modernization does create in an urban environment -- as an  
16 example in my environment where I have 680 portables and  
17 30 percent of those are older than 60 years old. Actually  
18 have 340 core buildings and approximately 64 percent of  
19 those are older than 50 years old.

20           And so in an environment where you have a  
21 competitive marketplace for students, buildings are actually  
22 no different than some of the devices that you actually have  
23 there on your desk. Buildings are actually third teachers  
24 for students as well and as we start talking about equity,  
25 implementation of the common core, smarter balance

1 assessment, we really have to give some thought to how we  
2 address old stock -- urban stock to make sure that urban  
3 kids have an equal opportunity as well as those kids  
4 receiving the benefits of new construction dollars, that  
5 give them different environments and also immediately put  
6 them in a position to be more successful down the road.

7 CHAIRPERSON BUCHANAN: I actually with you and  
8 where Oakland is really lucky is you do pass bonds because  
9 there are rural areas that can't pass bonds.

10 But I'd be just curious and also grateful if some  
11 of the concepts you're saying, if you have specific concrete  
12 ideas on how to, you know, combine the grants or consolidate  
13 or, you know, do something different, I mean I'm sort of  
14 hearing that everyone likes the way the program works now  
15 and even staff is having trouble identifying ways that we  
16 can consolidate.

17 But if you have ideas, if you could actually put  
18 them down on paper and actually give us examples of how you  
19 think that would work, that would be very helpful.

20 ASSEMBLYMEMBER HAGMAN: I have a follow-up  
21 question. Just -- you mentioned a lot of your buildings are  
22 over 50 years old and some of your portables, over 30 or so  
23 years old and you have the ability to bond.

24 And so having not kept up -- the city's not kept  
25 up the maintenance or replacing of like portables because

1 the intent of portables way back when were to be portable  
2 not permanent structures.

3 So how'd you get so far behind?

4 MR. WHITE: So it's actually an interesting  
5 question. I would actually think we're actually the flip  
6 side of the coin of the question. We're actually ahead.

7 In the last ten years, we've replaced over 220  
8 portables, still leaving us with 680 portables on our  
9 campuses, and so we've replaced a huge amount of those  
10 portables and our direction from the Board given the bonding  
11 capacity was to prioritize the replacement of portables with  
12 core facilities.

13 Obviously, Oakland is in an area that's urban  
14 impacted and so we have small campuses and not a lot of land  
15 availability and as we replace those 200 portables, we've  
16 replaced them with new core facilities.

17 The reality for us is that we are so far behind  
18 the eight ball to begin with that even replacing 220  
19 portables has left us with this reality of additional  
20 portables and their need for replacement. I guess that's my  
21 biggest concern going forward is we went through this huge  
22 growth spurt of State/local bonding our last 15 years, you  
23 know, close to, what, 35 State billion dollars and I know  
24 70 billion dollars locally. That's unsustainable. You  
25 cannot keep this going for the next -- I mean that's been

1 over 15 years.

2           You cannot keep doing this. And for new areas  
3 where you have new construction bonds and fees coming in,  
4 you may be able to build a new school now and then and maybe  
5 it'll help out, but if you don't have a maintenance program  
6 where you can basically put money away when you build this  
7 new building so you can replace it 40 years from now and  
8 there's somehow built in some kind of structure, you know,  
9 the State cannot, at least my opinion, keep bonding out the  
10 way it has been and I don't think locals could do that  
11 either.

12           And that's a bigger question. That's what we're  
13 trying to get to the ultimate answer, but I think we're  
14 working on bonds and development fees to maintain schools  
15 and that's the only money are you looking at doing that and  
16 it's not sustainable.

17           And all this money come in -- a hundred billion  
18 dollars we spent over the last ten years, you know, 30 years  
19 from now, all these buildings will be out unless you keep up  
20 the maintenance and keep them going and you'll build  
21 structures that you can keep up -- modernize all the time.

22           I don't know. I'm just -- you know, you have big  
23 district and, you know, there has been a lot of development,  
24 you know, and --

25           MR. WHITE: Right.

1 ASSEMBLYMEMBER HAGMAN: -- so how do you as an  
2 urban city keep this going all the time.

3 MR. WHITE: You know, I think for us it's been  
4 challenging. As you've noted, Oakland in spite of being one  
5 of the most impacted urban areas in the country, we've  
6 passed over a billion dollars in bonds. We have continued  
7 to go to the voters, most recently in November for \$475  
8 million and they approved it almost with a referendum vote  
9 of close to 80 percent.

10 And so still an insufficient amount to actually  
11 support the need. And so if we do have an opportunity to  
12 present to this Committee some ideas -- some specific ideas  
13 about reform, particularly as it relates to those school  
14 sites in urban environments that have the similar type of  
15 conditions that we do, we will welcome that opportunity.

16 ASSEMBLYMEMBER HAGMAN: Thank you.

17 MS. MOORE: I would just echo the Chair's comments  
18 on if you have ideas that we could consider, particularly on  
19 two fronts, one on serving students in urban areas around  
20 modernization and how -- you know, what are issues that we  
21 should consider in that context.

22 And secondly, having had the benefit and pleasure  
23 of seeing La Escuelita, which is an exemplary school, and  
24 how it serves students in the 21st century, if we -- also in  
25 a new construction aspect, if you have ideas around how we

1 can provide incentives for more types of those -- more of  
2 those schools being built in our urban areas, I too would  
3 appreciate that, so -- thank you.

4 CHAIRPERSON BUCHANAN: What's the enrollment at  
5 La Escuelita? What's the projected enrollment there?

6 MR. WHITE: So interesting, La Escuelita is at the  
7 current time an elementary school. There's about 350, 360  
8 students.

9 CHAIRPERSON BUCHANAN: You said it's going to be a  
10 K-12.

11 MR. WHITE: Yeah. The elementary school  
12 La Escuelita is about 360. It has a magnet high school at  
13 the time, enrollment about 200 students, and we are building  
14 a middle school component as well for the --

15 CHAIRPERSON BUCHANAN: So what's the capacity  
16 going to be for the school?

17 MR. WHITE: Total capacity for the school will be  
18 about 800.

19 CHAIRPERSON BUCHANAN: So you're going to spend a  
20 hundred million dollars to provide 800 student capacity?

21 MR. WHITE: Yeah, it's -- you know, it's much,  
22 much more than a school. I mean obviously it's a community  
23 center. It's going to have a community kitchen. It's grid  
24 neutral. We won't actually be paying any bills whatsoever  
25 on that in terms of our energy costs and it has a huge

1 amount of features, television studios, and so it's an  
2 integrated community site in addition to an elementary  
3 school.

4 CHAIRPERSON BUCHANAN: Okay. Yeah. If you could  
5 share your thoughts with us, that would be wonderful, and  
6 you can send it to me or to Lisa or Bill and we'll make sure  
7 that all the members get a copy.

8 So, you know, I don't -- we had -- or at least I  
9 had a grand idea that maybe we could consolidate grants and  
10 simplify and I think we're probably finding out that it's  
11 easier said than done, although we can certainly -- the  
12 Governor asked us to simplify and we can certainly say we  
13 looked at it.

14 I don't know if anyone else has any comments or --

15 ASSEMBLYMEMBER HAGMAN: I'm just -- and I'm not  
16 picking on your plan because I -- I'm sorry -- the gentleman  
17 that just left from Oakland, I'm not trying to pick on your  
18 local decision to make that school or that facility for a  
19 hundred million, but that's roughly 120,000 per student in  
20 construction costs for the amount of services that are being  
21 served there.

22 And I'm just wondering how can the community keep  
23 affording the bond that aggressively? Are they paying them  
24 down quickly or are you -- how do you afford something like  
25 that? I could buy them all new condos.

1           MR. WHITE: All new condos? You know, it is a  
2 priority for Oakland to actually look at the demographics in  
3 our communities and make sure that we actually build in  
4 those communities that have been disenfranchised the same  
5 type of facilities that affluent neighborhoods actually get.

6           And so if you actually come to Oakland, you will  
7 see local dollars being put into some of the most energy  
8 efficient, cutting edge, technologically advanced facilities  
9 possible and they're in the middle of some of the worst  
10 depressed areas of Oakland.

11           We believe that it's necessary to help close the  
12 achievement gap and the opportunity gap. For us this  
13 project started out as an \$80 million project. We hope to  
14 bring it in at \$80 million. Whether or not that's the case,  
15 I don't know.

16           We're in a phase two right now. We typically have  
17 spent about \$60 million, \$70 million a year in facilities  
18 improvements and the only thing that you can look forward to  
19 I think in terms of hope and possibilities for a town like  
20 Oakland is through education.

21           We have one of the highest crime rates in the  
22 entire nation.

23           ASSEMBLYMEMBER HAGMAN: No, that's what I was  
24 wondering. I mean you have a lot of other issues there  
25 locally and I'm sure there's a lot of priorities from the

1 local government to try to figure out what is their  
2 priorities.

3 MR. WHITE: Right.

4 ASSEMBLYMEMBER HAGMAN: Is it infrastructure. Is  
5 it education. Is it crime and all the rest. I'm just --  
6 that's an aggressive -- I'm just -- you know, I'm off topic  
7 a little, but I'm just curious to hear those numbers coming  
8 from a local, you know, former mayor and all the rest of it,  
9 trying to divide it out and I come from a pretty well to do  
10 area and we don't have any of those type of facilities.  
11 Even brand new, our city's only 20 plus years old, so our  
12 facilities are 20 years old or less --

13 MR. WHITE: Right.

14 ASSEMBLYMEMBER HAGMAN: -- and the stuff I  
15 commissioned six years ago didn't have, you know, any of the  
16 things you brought up. So -- and we had a hard time paying  
17 for it. So --

18 MR. WHITE: So, you know, again, 475 million  
19 passed in bond last year. Prior to that, about a  
20 1.2 billion in bonding since 1994 and three different bond  
21 measures. And for us, we've actually leveraged that into  
22 maybe a dollar against every -- or maybe 30 cents State  
23 money for every dollar that the school district -- the local  
24 community actually puts in.

25 And so we continue to go out to the voters and the

1 voters there, knowing that the State has not actually  
2 carried their share, has continued to put out money in their  
3 pockets and so very rarely have they not approved a general  
4 obligation bond for us, and in spite of them carrying the  
5 bulk of the financial burden for the program, there is still  
6 a huge need out there.

7 ASSEMBLYMEMBER HAGMAN: Okay. Thank you. Sorry  
8 to put you on the spot. I'm just curious.

9 MR. SAVIDGE: Mr. Hagman, I think one of the other  
10 things too for a lot of the urban projects, especially like  
11 Mr. White's in Alameda County, the projects I worked on in  
12 Contra Costa -- the project involved demolishing an entire  
13 city block or so, you know, basically and then temporary  
14 housing, relocation, all the expenses of that, then  
15 redeveloping.

16 So it's not really like building a new school in a  
17 greenfield area. So you get a lot of significant costs  
18 related to that and your per student cost goes way up.

19 CHAIRPERSON BUCHANAN: Okay. Are we ready to move  
20 on? Any more comments? Portable -- we're now moving onto  
21 portable classrooms, Tab 3.

22 MS. SHARP: Okay. I'll be speaking to that item  
23 as well. It seems timely that we're coming up on this  
24 discussion now -- everything that has been discussed up to  
25 this point.

1           CHAIRPERSON BUCHANAN: Right. So maybe we can --  
2 if anyone -- do you have an objection with moving to the  
3 options on this as well?

4           MS. SHARP: Sure. Yeah. So our goal here with  
5 the options -- I'm starting on page 54 of the item -- is we  
6 looked at this from the perspective of the whole idea of  
7 funding portables, we're not funding portables, and looked  
8 at it like, you know, if we do this in new construction,  
9 what does the flip side on modernization do.

10           And basically it goes from funding of most  
11 restrictive to maybe least restrictive and each of the  
12 options could meet different goals or a combination of  
13 goals.

14           So the first one basically, as I said, most  
15 restrictive. It would suggest no funding for -- under new  
16 construction or mod for portables. And this would require  
17 changes to education code. We have some considerations  
18 listed here and that it would take away flexibility from  
19 districts in how they add capacity to their sites and  
20 without participation on the mod side, they couldn't even  
21 replace existing portables.

22           And then we've also noted the consideration that  
23 under the government code, one of the potential criteria for  
24 being able to levy developer two fees is to have 20 percent  
25 of your capacity as relocatable.

1           So those would be considerations if it were a no  
2 funding for either program.

3           Option 2 would suggest potentially no new  
4 construction funds for adding new portables or not allowing  
5 the use of new construction funds for portables and for  
6 modernization, limit it to -- allow the use of modernization  
7 funds to generate eligibility for portables and potentially  
8 allow a district, if they were intending to replace a  
9 portable, to do it possibly before the 20-year mark as an  
10 incentive to do that a little bit earlier.

11           And once again these are -- there are educational  
12 code changes that would be required and the considerations  
13 are the same as with the first option.

14           Then moving along to Option 3, the -- it's again  
15 similar to the prior two, but in this case, once again  
16 provide no new construction funding for portables and limit  
17 the use of modernization eligibility to just replacement of  
18 portables with permanent.

19           And we -- in considering these options, we looked  
20 into what is the cost of a portable and came up with some  
21 very rough estimates. We put out some calls to the  
22 manufacturers and said, okay, what's the base-base cost of a  
23 portable, basic 960 square-foot classroom, and got back the  
24 55,000 is the base cost for that portable.

25           Now, that doesn't include getting that portable

1 fully functioning on the site. So we, in addition,  
2 contacted some districts and found out that it really  
3 depends on the site conditions. It could range anywhere  
4 from an additional 58,000 up to potentially an additional  
5 200,000 depending on the extent of utilities and how this  
6 needs to be hooked up to get it fully functional and usable  
7 as a classroom.

8           So as I said, this is a very rough estimate just  
9 to get an idea for discussion on this item. So what we  
10 found out in that, a basic average that the cost would be  
11 roughly 146,000 based on those calls that we made.

12           CHAIRPERSON BUCHANAN: Averages; right.

13           MS. SHARP: Averages, yes. And so in looking at  
14 this, you know, basically comparing that to would it fit in  
15 the Modernization Program as a replacement. So we put that  
16 in there for comparison.

17           In order to do this, there are potentially two  
18 ways that it could be done. Under the program changes  
19 necessary on page 60, one option is to create a -- say a  
20 supplemental grant to augment the current modernization  
21 grant. We could do that potentially in regulation. That  
22 would help a district fill that gap between replacement from  
23 their base modernization grant or the second option to  
24 accomplish this could be to make a change specifically to  
25 the education code and basically increase the mod grant if

1 this option were pursued.

2           So the considerations once again are similar and  
3 with the additional consideration here that it could  
4 increase the need for modernization bond authority if more  
5 per pupil grant is provided to do these replacements only.

6           But all the other considerations remain the same.

7           CHAIRPERSON BUCHANAN: Are there any questions?  
8 Any comment from the public on this? Every district has  
9 portables; right?

10           MR. DIXON: Madam Chair, Committee members, Joe  
11 Dixon. I'm the Assistant Superintendent of Facilities,  
12 Santa Ana Unified School District.

13           I'm going to wrap in a few of your topics today  
14 with the handout that I gave you. What I gave you is one of  
15 our elementary school sites we transformed from a K-5 to K-8  
16 configuration. That was to allow parental choice.

17           You know, with urban districts or every district,  
18 boundaries really are nonexistent. Kids can attend schools  
19 outside their boundaries. We had many parents who asked  
20 that we change the configuration of this site to allow, you  
21 know, really to stay in the district because there weren't  
22 any other options.

23           How we paid for this, that's eight portable  
24 classrooms. They're installed at grade with foundations.  
25 They're stucco wrapped. They're nice buildings -- they're

1 very nice buildings and they came in --

2 CHAIRPERSON BUCHANAN: Are these the wheel-on that  
3 you put in stem walls and install to grade or are they the  
4 ones where you pour slab and more or less --

5 MR. DIXON: We did all the site work. They're  
6 manufactured off site, brought in, and constructed on  
7 site -- two pieces per portable.

8 CHAIRPERSON BUCHANAN: I'm sorry. Could you --  
9 the question was, yeah, are they the wheel-on or are they  
10 the ones where you actually pour the slab and basically  
11 construct them?

12 MR. DIXON: No. They're built off site and  
13 wheeled on and then finished at the site.

14 CHAIRPERSON BUCHANAN: So then if you want to  
15 remove them, you can put --

16 MR. DIXON: I can remove them.

17 CHAIRPERSON BUCHANAN: -- the wheels back and you  
18 take them to another site.

19 MR. SAVIDGE: Break the stucco, but --

20 CHAIRPERSON BUCHANAN: So they're truly --

21 MR. DIXON: Wheels?

22 CHAIRPERSON BUCHANAN: Well, we've had discussions  
23 about what is a portable --

24 MR. DIXON: Right.

25 CHAIRPERSON BUCHANAN: -- versus a modular or

1 whatever, so --

2 MR. DIXON: No, no, no. They're brought out on a  
3 trailer with the, you know, oversized --

4 CHAIRPERSON BUCHANAN: Right.

5 MR. DIXON: -- on the freeway.

6 CHAIRPERSON BUCHANAN: Right. And so you have the  
7 choice you could just bring it -- you can leave them with --  
8 put the ramps or you can do what you did --

9 MR. DIXON: Yeah --

10 CHAIRPERSON BUCHANAN: -- in terms of --

11 MR. DIXON: Flush, yeah.

12 CHAIRPERSON BUCHANAN: Yeah. We've put them in at  
13 grade. I just want to be sure we've -- I have an apples to  
14 apples understanding of --

15 MR. DIXON: Yeah. Yeah. Well, and I want to talk  
16 about for a minute, Mr. Hagman's question earlier about how  
17 did we get so many portables and things like that too.

18 Remember, before 1998, we had that 30 percent  
19 portable component or relocatable --

20 CHAIRPERSON BUCHANAN: Relocatable component,  
21 yeah.

22 MR. DIXON: -- to use a correct word. Then  
23 class-size reduction came in. And remember when that came  
24 in, we had months to put that into place.

25 CHAIRPERSON BUCHANAN: An explosion; right.

1 MR. DIXON: And then for school districts like  
2 Santa Ana, we had the Quality Education Investment Act.  
3 QEIA, came in for class-size reduction, so we added  
4 portables then.

5 In Santa Ana though -- let me make this point --  
6 we've removed -- since 2009, we've removed 385 portables.  
7 But the option to have portables is important for districts  
8 because you do it quick. You could do it relatively cheap  
9 and they're really good buildings.

10 And how long do they last? It depends, as on any  
11 building, how you maintain them. You fix the roof, you fix  
12 the air conditioning, you take care of them, they last a  
13 long time. They're made of steel and wood and concrete and  
14 all those things that permanent buildings are made from.

15 So, you know, I think the option of portables is  
16 an important one for school districts and again we use  
17 developer fees. We don't have any new construction  
18 eligibility. We don't have any local bond money and that's  
19 how we did that project. That was the point I wanted to  
20 make. Thank you.

21 CHAIRPERSON BUCHANAN: Okay.

22 MR. TAYLOR: Good afternoon, Madam Chair, members  
23 of the Subcommittee, Darrell Taylor. I'm from Colton Joint  
24 Unified School District.

25 I have some familiarity with that project. I

1 formally worked in Santa Ana and so I'm really familiar with  
2 that site in particular.

3 I wanted to say, given the context that Joe just  
4 spoke in, I thought that there were a lot of good ideas of  
5 terms of how to address a district's desire -- in this  
6 particular section, how to address a district's desire to  
7 remove portable classrooms and replace them with something  
8 permanent. I think that's something a lot of districts want  
9 to do.

10 In Colton are two comprehensive high schools. We  
11 just completed a third comprehensive high school, but the  
12 existing comprehensive high schools had buildings from the  
13 '30s, from the '50s, from the '70s and each campus had  
14 almost a hundred portables on them. And we've removed over  
15 half of those portables from each of those sites.

16 And so that's a focus of our district as well.  
17 But I do believe that there's an ongoing need depending on  
18 conditions; right? If you look across all the districts in  
19 the State, increases in enrollment -- some of the conditions  
20 that Joe spoke up -- increases in enrollment, you might have  
21 a need for portables, and I think that those things should  
22 be funded.

23 But one of the things that I think the discussion  
24 may have started on here is that within the context of this  
25 section, at least I'd say six of the seven options, if

1 they're combined in some fashion, might really bring some  
2 shape to some of the things districts are trying to do.

3           So on the one hand, I certainly think that we  
4 still need to fund portables in terms of whether it be new  
5 construction, you might have need as was talked about  
6 earlier in a fast growing district and to actually have to  
7 service the classroom needs for those students.

8           You could have other issues, policy issues that  
9 come up where you have to address that need. And so I think  
10 there's importance in serving that.

11           But at the same time, districts don't want to  
12 necessarily continue with, you know, portables as the only  
13 option. Right? It's not necessarily preferred.

14           And so if you take something -- and I forget which  
15 option. I apologize. I can't remember all the numbers.  
16 But there was option that suggested that districts could be  
17 incentivized per se for removing a portable early; right?  
18 And that you could acquire your eligibility.

19           You combine that with the fact that if you still  
20 have funding for installing portables when you need it, but  
21 at the same time, when you're ready to remove those  
22 portables, now you've got an incentive. You've got a  
23 financial incentive that says now I've got -- I can access  
24 the funds I need to get rid of that thing and put a  
25 permanent structure on site. I think that's a very powerful

1 combination. It's something that should be explored  
2 further. So --

3 CHAIRPERSON BUCHANAN: Okay. Are there any other  
4 comments?

5 MR. BAKKE: Eric Bakke with the Los Angeles  
6 Unified School District. Thanks for having this today.

7 My comments kind of bridge some of the earlier  
8 conversation about modernization in urban districts.

9 In our district years ago, we saw an enrollment  
10 boom of about 200,000 kids. Portables were the only way we  
11 can house those kids in such short notice. It took us so  
12 long to access land in such a dense environment, we wouldn't  
13 be able to do it without portables.

14 So back then there was certainly a need. Who's to  
15 say that maybe we might experience something in the future.  
16 I don't know. So I just put that out there. In our --

17 CHAIRPERSON BUCHANAN: Did you use new  
18 construction grants for those portables?

19 MR. BAKKE: This is --

20 CHAIRPERSON BUCHANAN: Or did you --

21 MR. BAKKE: This is before we actually had a bond  
22 program.

23 CHAIRPERSON BUCHANAN: Right.

24 MR. BAKKE: So this -- that's what actually  
25 prompted the folks in our community to start supporting the

1 bonds was the sudden growth.

2 CHAIRPERSON BUCHANAN: Right.

3 MR. BAKKE: Even today, we've built 130 brand new  
4 schools, all permanent. I still have 200,000 kids in  
5 portables today. We still have the need. We want to get  
6 rid of our portables. We're working towards that. We've  
7 got a lot of the portables off. We've got all of our  
8 schools and the primary reason we've kept the portables is  
9 because we wanted to maintain traditional two-semester  
10 schools.

11 CHAIRPERSON BUCHANAN: Sure.

12 MR. BAKKE: For years, decades, I don't think LA's  
13 seen their school without a multi-track, six track school  
14 system.

15 So for right now, we're continuing to build. We  
16 just passed a bond in 2008. We're just starting to  
17 hopefully issue the end of the year. But our plan is going  
18 to look at our existing schools.

19 For example, there's a school on Ninth Street,  
20 just opened up. It had been closed for the past four years.  
21 It was built in 1890. It was operational until a few years  
22 ago.

23 The school provided virtually no services or  
24 features for those kids in that school whatsoever. It just  
25 opened up today. It is the pride and joy of that school.

1 It sits in downtown Los Angeles right on Skid Row and that  
2 community could not be happier.

3 There's only about three -- well, there's now four  
4 elementary schools that service the downtown Los Angeles  
5 area and so it's a great school. It's serving about 800  
6 kids and it's serving both -- it's a co-habitation with a  
7 charter school and a public school.

8 So what we had to use was portables during that  
9 interim sited at different school sites. So the portables  
10 do serve a purpose. I don't think anyone argues that they  
11 should be the sole source of housing.

12 CHAIRPERSON BUCHANAN: So this is where I  
13 struggle. I agree there's a purpose. Certainly interim  
14 housing, you're not going to build permanent for interim  
15 housing.

16 You have a short-term enrollment bubble you're  
17 trying to deal with.

18 MR. BAKKE: Right.

19 CHAIRPERSON BUCHANAN: You know, but -- because we  
20 don't know exactly how many kids are going to sign up at  
21 every school every year. So there are times when I think  
22 there's an appropriate use.

23 The question becomes with State funds and we're  
24 building permanent -- basically we should be building  
25 permanent buildings to house kids that we expect to be there

1 over time. Should we be, one, incentivizing bringing on  
2 portables because our district did sort of what you did with  
3 portables at grade way back before we could pass a bond. I  
4 will tell you that the buildings do not least in the same  
5 way that permanent construction does.

6 I mean I may be biased there, but I remember I  
7 visited Jensen Ranch Elementary School in Castro Valley that  
8 was all portables at grade and it looked great when it first  
9 done, but a few years down the road, it was a noticeable  
10 difference and even when they're designed to be there on an  
11 interim basis, too often, you know, you've got 25, 30 years  
12 down the road, you're still doing this.

13 So it always drove me nuts when 30 percent of the  
14 buildings had to be -- I don't know -- permanent,  
15 relocatable, whatever you wanted to call. We didn't bring  
16 on the wheel-on ones for that in our district.

17 But also when I will give the same grant amount  
18 for a permanent stick-built that I do for portables,  
19 sometimes you incentivize that and then 20 years down the  
20 road, you really can't necessarily modernize. You find  
21 yourself in a position to replace with even less money. So  
22 you're in a worse financial situation than you're in today.

23 And part of the reasons we've had the critically  
24 overcrowded schools and the ORG grants and everything  
25 else --

1 MR. BAKKE: Um-hmm.

2 CHAIRPERSON BUCHANAN: -- is to allow kids,  
3 regardless of their neighborhood, to go to a school in a  
4 quality school that's permanent construction.

5 So part of what we do with this program in  
6 providing grants is we also tend to incentivize. And so  
7 when I look at this -- and this is an area -- you know, it  
8 potentially does cost more, but the question is, is that how  
9 do we then for districts that have significant numbers of  
10 portables provide incentives to replace them if we believe  
11 long term we need to have more permanent buildings.

12 My own belief is that modernizing them is a waste  
13 of money -- your money and my money, the State's money --  
14 okay. I just don't think it's what we should be doing.

15 But at the same time -- and you know now that we  
16 don't double count anymore and then we can allow you  
17 modernization funds to go towards replacing portables  
18 without creating a problem, but my question is, is should we  
19 then allow those students to be added back in to new  
20 construction eligibility and provide an incentive, you know,  
21 once and for all to actually build permanent construction to  
22 replace these portables and really give the kids the school  
23 facilities they need.

24 You know, at the same time, on new construction,  
25 I'm not sure new construction dollars should be used for

1 these wheel-on portables. Maybe you had to and I know you  
2 didn't do it with State funds. I mean there are times, but  
3 I just don't see how it's a wise use of taxpayer dollars to  
4 continue have these all over the State of California.

5 ASSEMBLYMEMBER HAGMAN: And I wanted to -- this  
6 has been something that I've been talked about too. First  
7 of all, I think there's a difference between portable and  
8 modular. Okay.

9 CHAIRPERSON BUCHANAN: I'm talking about the  
10 wheel-on --

11 ASSEMBLYMEMBER HAGMAN: Yeah. So I mean just --

12 CHAIRPERSON BUCHANAN: -- portables.

13 ASSEMBLYMEMBER HAGMAN: -- you know, I'm a hundred  
14 percent aligned with the Chair that I do not want to see a  
15 dollar spent on anything that's not going to last the 30  
16 years it takes to pay it off. Okay. Period. And I don't  
17 think the ones that are meant for the bump-ups, the  
18 temporary housing, things like that are meant to be there  
19 for 30 years.

20 But I do think maybe in -- honestly, I didn't read  
21 all the options, but I mean one of them is we start a  
22 program that -- and some kind of pool of dollars from  
23 somewhere that we actually help lease out those things for a  
24 short period of time, five years or less, we follow the  
25 bump-up or something.

1           You know, so that way you're not taking it out of  
2 building funds, but you have this rotating stock that you  
3 use. I'm sorry.

4           MS. MOORE: We had that program.

5           ASSEMBLYMEMBER HAGMAN: Did you? That work or --

6           MS. MOORE: It was an excellent program, Emergency  
7 Repair or Emergency Classroom Program; right?

8           ASSEMBLYMEMBER HAGMAN: Yeah. I just don't want  
9 to see 30-year bond money going toward something that's not  
10 going to last at least the 30 plus years going out there and  
11 then -- so at least Option B, so I'd probably be interested  
12 in or the different levels of funding. I'm not going to pay  
13 the same amount per student for something that's not going  
14 to last that long as you would for something else, and that  
15 may be the reverse incentive versus paying them to take down  
16 the portables, saying look, if we're going to rebuild or  
17 modernize, you're going to get the smaller amount for  
18 something that's not permanent versus larger amount that is  
19 and trying to work that into it.

20           Because I do see the flexibility needs for  
21 districts to be able to be flexible. You know, from this  
22 session, I'm moving over. I'm modernizing this school. I  
23 need to shut it down for two years while I do this. I got  
24 to spread it out three other schools, but that's what  
25 leasing's for. You put them out there for two years and

1 then after you rebuild this other one, you move them back  
2 in.

3 But it shouldn't be the bond funds going toward  
4 that -- the long-term bond dollars.

5 CHAIRPERSON BUCHANAN: Well, and replacement  
6 should be if you are replacing with permanent, you've  
7 brought in utilities. That's why some of these costs can go  
8 so high because of the grading, the utilities, and  
9 everything else, but, you know, I do question should we have  
10 an incentive to be able to help districts finish replacing  
11 their portables.

12 MR. BAKKE: And my point was just simply that they  
13 serve a purpose. They still have a need and I just wouldn't  
14 want the program to be so rigid that it excludes your option  
15 to even think about that to house on an interim basis.

16 CHAIRPERSON BUCHANAN: So how would you do that?  
17 I'm just -- do you have any thoughts on, okay, I mean would  
18 you expect new construction grants, the same level of  
19 grants, for a wheel-on portable?

20 MR. BAKKE: No. Gosh, no. We -- no. We've had  
21 this issue several years ago on this particular issue about  
22 new construction grants and the value of the grant for the  
23 use of your modernization -- or your portable or your  
24 modular.

25 Your costs are not the same. You know, your per

1 pupil grant was based on the idea that you're talking about  
2 a new site and new development.

3           When you're talking about portables or modulars  
4 are usually -- at least in my case -- in our district's  
5 case, it's an addition to an existing school site. So you  
6 don't have a lot of the same site development work as much  
7 as you would if you had a brand new site that you're  
8 starting from scratch.

9           And so the per pupil grant for new construction is  
10 far overvalued. How it should get tweaked or adjusted, I  
11 mean I -- we haven't run any numbers to figure that out, but  
12 certainly it's a lot more than it's necessary.

13           So from that perspective, I think one of the  
14 recommendations was to adjust the per pupil grant for new  
15 construction for modulars or portables and we would concur  
16 that that makes a lot of sense.

17           CHAIRPERSON BUCHANAN: So then if you bring in  
18 modular or portables, even with the lower and new  
19 construction grant, what happens 20 years down the road when  
20 they really need to be replaced and can't be modernized. I  
21 mean what are you doing --

22           MR. BAKKE: Yeah.

23           CHAIRPERSON BUCHANAN: -- over the life cycle of  
24 those buildings?

25           MR. BAKKE: Our district looks at it at this

1 point -- I mean at -- back in the '80s and '90s, it was a  
2 life and death kind of situation. It wasn't even  
3 contemplated --

4 CHAIRPERSON BUCHANAN: Right.

5 MR. BAKKE: -- you know, good or bad. It was just  
6 this is what we have to do.

7 CHAIRPERSON BUCHANAN: I agree with you on that.  
8 You were stuck.

9 MR. BAKKE: Nowadays, where we're at, you know,  
10 we've got a \$7 billion bond that we're going to undertake  
11 and our plan is to do a number of the Ninth Street  
12 elementary schools. We're going to tear down existing  
13 schools because they no longer serve their purpose. They're  
14 far beyond, you know, their need, but we don't have sites to  
15 build.

16 So we have to use and look at the existing school  
17 sites.

18 CHAIRPERSON BUCHANAN: But you --

19 MR. BAKKE: Lisa and Juan were able to come --

20 CHAIRPERSON BUCHANAN: But there's nothing that  
21 would prohibit you from using portables for interim housing;  
22 correct?

23 MR. BAKKE: No. And that's what I'm saying is  
24 that we just want to make sure that there's some ability to  
25 do that.

1           CHAIRPERSON BUCHANAN: Yeah.

2           MR. BAKKE: The way I was reading these options,  
3 it just seemed as though there was no recognition, no  
4 eligibility, no way to incorporate into your budgets.

5           ASSEMBLYMEMBER HAGMAN: I just don't want to use  
6 bond money to pay for interim housing though. I just  
7 don't --

8           MR. BAKKE: And for us, we're going to use it on  
9 like you're saying. Not necessarily a lease. For us it  
10 makes more sense to buy them and move them than to lease  
11 them. But the reality is, is that they're short term.

12          CHAIRPERSON BUCHANAN: But you have to use --  
13 you -- I mean --

14          ASSEMBLYMEMBER HAGMAN: No. You want to use them,  
15 but you could lease them. You could use operational funds,  
16 something else besides the 30-year bond money.

17          CHAIRPERSON BUCHANAN: You wouldn't -- but I mean  
18 they -- most schools, if you're replacing a school, you  
19 have -- we have -- part of your total cost of the project is  
20 bringing on some temporary wheel-on portables to house --

21          MR. SAVIDGE: 85 portables.

22          CHAIRPERSON BUCHANAN: -- those kids for the year  
23 or year and a half while you're going through construction  
24 and then you take them away.

25          MR. BAKKE: Just an eligible expenditure.

1           MR. SAVIDGE: It's an eligible expenditure, but  
2 the State doesn't give you additional funds for it.

3           MR. BAKKE: We just want to make sure that's still  
4 intact, not to close the door on that as an option as we go  
5 forward. Just recognize that need.

6           ASSEMBLYMEMBER HAGMAN: So a different scale for  
7 new construction, different scale for add on to an existing  
8 site which would be less, and then some possibility of  
9 short-term housing dollars, leasing expenditure monies out  
10 of that for the project.

11          MR. ALMANZA: Supplemental grant.

12          CHAIRPERSON BUCHANAN: Supplemental grant, yeah.

13          ASSEMBLYMEMBER HAGMAN: That you can add together.

14          MS. MOORE: I have a couple of comments and that  
15 not necessarily directed to your testimony but just in  
16 general on this issue, one being that I would strongly  
17 support the ability -- that the modernization dollars that  
18 we're not modernizing portables. I do think that that money  
19 should be going to replacement of those units.

20                 They do have their useful life and I think it's  
21 important to acknowledge that.

22                 I have a completely different direction on some of  
23 this in the sense of the equity issue of why some entities,  
24 schools or county offices, have had to utilize this type of  
25 construction and to me the interesting facts would be around

1 how much of our hardship projects are portable because I  
2 think that is a part of the issue.

3 I'm not sure there was an incentive to use -- you  
4 know, to decrease the cost of classrooms so I can build some  
5 huge multipurpose room or gym or something to that effect.  
6 I think there's potentially a group of projects that because  
7 they're under hardship, which means they have to stay  
8 within -- they had to stay within the State standards at the  
9 time, they had to go to that form of construction to meet  
10 their budgets.

11 And to me that's the more -- I'd like to see the  
12 quantitative component of that and to address that issue,  
13 that have we forced some districts and county offices and  
14 others into that situation merely because of the cost and if  
15 so, we ought to correct that in the new program.

16 CHAIRPERSON BUCHANAN: Well, financial hardship is  
17 going to be another discussion. But I think, you know --  
18 and I think you may be right there. I don't know. I mean  
19 it's -- I think under financial hardship, you've seen  
20 permanent, you've seen portables, but probably is not  
21 enough. So I think we need to talk about that and  
22 eligibility.

23 I do think, though, as most of the speakers have  
24 said, most of the portables that are here today in districts  
25 throughout the State are here because prior to Prop. 39 when

1 districts basically couldn't pass bonds at all, their only  
2 option was to add portables and when class-size reduction  
3 came in, it was August. You had to have buildings done, you  
4 know, within a little over a month's time and then as you  
5 expanded your grade levels, your only option to get them on  
6 that quickly was portables. And so we had an explosion of  
7 use there and --

8 MS. MOORE: Well, and we had a statewide policy  
9 that 30 percent of your construction had to be in portables,  
10 so those --

11 CHAIRPERSON BUCHANAN: You could do --

12 MS. MOORE: Those still exist.

13 CHAIRPERSON BUCHANAN: It was -- they didn't have  
14 to be wheel-on portables. I mean you could have the modular  
15 ones where they come in, pour the slab -- I mean  
16 essentially -- you know, in the 30 percent, they could be.

17 AUDIENCE: 30 percent had to be removable.

18 CHAIRPERSON BUCHANAN: Removable but -- I know  
19 that -- I know from our own district, we poured slabs, we  
20 had the relocatable, but our 30 percent were not all  
21 wheel-on portables. I believe that the requirement was  
22 strictly wheel-on.

23 AUDIENCE: I think some -- whether they were  
24 wheel-on or not --

25 CHAIRPERSON BUCHANAN: Right.

1 AUDIENCE: -- if they were portables, they got --

2 CHAIRPERSON BUCHANAN: Yeah. Well, it's -- right.  
3 But I think there's a combination and we've been stuck with  
4 all these and I don't think it's -- again I just don't think  
5 it's a good expenditure of taxpayer funds to continue to  
6 modernize buildings that just don't get the job done and  
7 aren't necessarily best utilization of the site.

8 MR. DUFFY: Madam Chair, somebody mentioned  
9 earlier maybe an old-timer could give some input on  
10 something and I don't know if there's any old-timer in the  
11 room, but I'll maybe stand in because I have a few years in  
12 this program.

13 Several things. One, there was a period of time  
14 when people referred to portables and there were two  
15 different kinds. And really one was not a portable. It was  
16 the wheel-on and it was a trailer. It was a DOH, Department  
17 of Housing --

18 CHAIRPERSON BUCHANAN: Right.

19 MR. DUFFY: -- label on the building and it was  
20 true that those were used in California and they were used  
21 throughout California to meet the needs of housing students.

22 And there's a direct relationship to that -- to  
23 another policy area that I want to make, but the other kind  
24 of portable is the portable that is approved by the Division  
25 of the State Architect, which meets Field Act standards,

1 structural safety standards, fire, life, safety standards,  
2 and access compliance standards. And certainly those grew  
3 over time.

4           But those of us that worked in schools during the  
5 period of time of the 1980s and 1990 when we had this  
6 tremendous explosion of growth had to make a choice. Do you  
7 go with a DOH trailer because it actually had wheels on it  
8 and axle when it came onto the site and then it was put on  
9 jack stands just like a car in a garage, or do you go with a  
10 DSA-approved building, and that was a choice sometimes that  
11 had to be made quickly.

12           But the people that I remember working with, and  
13 including those in my district when I was a CBO and a  
14 superintendent, went for the safe buildings that are the DSA  
15 buildings and those buildings were indeed portable because  
16 they could be moved. And they didn't wheels on them, but  
17 they could be moved and they could be put -- as I think you  
18 were referencing earlier, they could above grade with a ramp  
19 or they could be basically on a slab, on grade, or something  
20 else.

21           Those buildings kept school districts like my  
22 school district that grew by, in one year, no exaggeration,  
23 24 percent between June and September. Another year, it was  
24 18. It was double digits for about five years in a row.

25           Without those buildings, we wouldn't have been

1 housing children. We would have been on year-round school  
2 and potentially just maybe going into the tank financially  
3 because it was so tremendous in terms of growth.

4 Those portable buildings allowed us to educate  
5 students. So there seemed --

6 CHAIRPERSON BUCHANAN: Did you get new  
7 construction grants for those buildings?

8 MR. DUFFY: If -- the other policy area that I was  
9 going to reference this to is developer fees and I want to  
10 come to that, but to answer your question, you could under  
11 the State program probably figure out a way to do that  
12 before the statutes of 1986, but the statutes of '86 -- and  
13 there were three bills that basically combined together to  
14 change the program -- that's where you had to build the  
15 30 percent classrooms as portables.

16 CHAIRPERSON BUCHANAN: Right.

17 MR. DUFFY: And God rest his soul, Senator Leroy  
18 Greene believed that because you have population shifts that  
19 you should be able to move --

20 CHAIRPERSON BUCHANAN: Right. You could just move  
21 them from --

22 MR. DUFFY: Yes.

23 CHAIRPERSON BUCHANAN: -- one area to the other.

24 MR. DUFFY: And so districts purchased portable  
25 classrooms or relocatable classrooms. They also built

1 stick-built classrooms that could be moved, basically --

2 CHAIRPERSON BUCHANAN: Right.

3 MR. DUFFY: -- taken away from the rest of the  
4 building. They were typically on the end of the building --

5 CHAIRPERSON BUCHANAN: That's exactly right.

6 MR. DUFFY: -- but you could walk through them  
7 today and you can hear the resonance because of walking, you  
8 know that there's crawl space underneath them. But --

9 CHAIRPERSON BUCHANAN: Well, not all the  
10 stick-built had crawl space. Some were on slabs.

11 MR. DUFFY: Some could have been on slabs as well.  
12 The point about portables is that they have been a mainstay  
13 in California. We could not have sustained the growth that  
14 we had in the '80s and '90s without them.

15 Now, just another point and Ms. Moore brought this  
16 up, that the State had an emergency portable program and  
17 that portable program saved a number of us and because  
18 indeed it was to go quickly and after a period of time, it  
19 went very, very quickly when there was a change in the  
20 executive officer at OPSC who said we need to make this  
21 happen and it was done quickly.

22 And I'll be quick here, but I really wanted to  
23 make a couple of points.

24 If you say portable, you can say portable and  
25 mean -- like saying car. There isn't just one kind of car.

1 There's many different kinds of cars that you could  
2 purchase.

3 Portables may be purchased meeting Field Act  
4 standards that may be higher end or lower end. The State's  
5 emergency portables were on a bid and they typically were a  
6 lower-end portable. But they met the Field Act standards  
7 and they were serviceable buildings and I remember using  
8 hundreds of them.

9 But I don't think portable is a pejorative term  
10 and I think there's been some discussion that portable  
11 really has a negative connotation.

12 We need to have portable classrooms in California  
13 because of a variety of things. When were you dialoging  
14 with Ms. Steer, she was talking about trying to plan. You  
15 can't really plan with that kind of growth without expecting  
16 that you're going to have portable classrooms.

17 CHAIRPERSON BUCHANAN: I don't think anyone's  
18 saying you can't have portable classrooms on campuses. I  
19 don't think -- unless I'm wrong, I don't think there's  
20 anyone who's saying --

21 MR. DUFFY: Okay.

22 CHAIRPERSON BUCHANAN: -- you can't have portables  
23 and clearly we need to refine the definition. The questions  
24 we're asking is, one, what kind of construction should we  
25 incentivize --

1 MR. DUFFY: Through the State program.

2 CHAIRPERSON BUCHANAN: -- through the State  
3 program and, two, I think some of us are trying to  
4 acknowledge that we still have a portable problem -- and I'm  
5 going to use the word portable, not negative -- in the State  
6 of California where we have portables that most people would  
7 agree have exceeded their useful life and, you know, the  
8 question becomes do we provide money for modernization or is  
9 it a better use of everyone's funds to provide some kind of  
10 additional incentive to replace those portables which we  
11 know are going to need to be on the school for --

12 MR. DUFFY: Well, one suggestion -- and this is  
13 really what I was motivated to come up and say initially --  
14 was that you have a regulation in place that is not statute  
15 and it's really not based in statute that identifies how  
16 long a portable may be on a site in a school district and  
17 not be charged as a building that would be considered  
18 permanently there.

19 And that was changed. It used to be -- considered  
20 to be five years by your reg and it was changed in 2005 I  
21 believe through our urging to at least go out to eight years  
22 because of a disagreement that we had with a former  
23 executive officer.

24 My point is you could adjust that regulation, not  
25 needing any legislation, and basically -- potentially have a

1 profound effect upon districts --

2 CHAIRPERSON BUCHANAN: But --

3 MR. DUFFY: -- being able to replace certain  
4 portables with permanent classrooms.

5 CHAIRPERSON BUCHANAN: Had -- what I don't get --  
6 and I don't want to beat a dead horse here -- is I don't  
7 know a district that's ever brought on a portable that's  
8 thought that portable was going to be there five or ten  
9 years down the road.

10 Districts that I see, they bring them on because  
11 they have some kind of critical housing need at the time.  
12 Whether it's unexpected growth, whether it's class-size  
13 reduction, whatever it is, they have a housing need that  
14 they need to satisfy.

15 MR. DUFFY: Yes.

16 CHAIRPERSON BUCHANAN: The easiest way to satisfy  
17 that is through portables. You can, okay, well, we won't  
18 count it against you for the first five years, but after  
19 that, we will or we won't count it against you for the first  
20 eight years and after that, you will, but chances are pretty  
21 good that most of those portables are going to still be  
22 there five to eight years down because that school that  
23 you're building cost more than you anticipated or you  
24 weren't able to pass the bond or the State program ran out  
25 of money or whatever, and so you still have them.

1           And now to count them against them provides even  
2 less of an incentive to replace them when I think, you know,  
3 we have to ask ourselves as a State, you know, what kind of  
4 facilities we want for all of our children and I think most  
5 of us would agree that if we had a choice, we'd have all  
6 high-quality, stick-built buildings.

7           We're never going to have -- we're never going to  
8 reach that goal because there's always going to be things  
9 that are unforeseen, but when we're spending the State  
10 dollars, should we try and provide incentives to have the  
11 stick-built. Should we try and provide incentives to  
12 replace what we're all calling the portables that no one  
13 likes -- to replace those with permanent construction so  
14 that over the life cycle of that building, when it comes  
15 time to modernize it again or whatever, we're modernizing a  
16 building that's really meant to last a long period of time.

17           MR. DUFFY: Well, one thing you could do is review  
18 that regulation, so -- and let me -- the other issue.

19           The use of those DOH trailers and DSA portable  
20 buildings really became an issue and a need in California  
21 because of the growth I mentioned, but they're directly  
22 linked to developer fees.

23           In 1979, SB 201 became law and those of us that  
24 were dealing with schools and development at the time dealt  
25 with it. And basically that statute, which is still in

1 place, identified that you could spend those dollars on the  
2 rental of temporary classrooms and that was one of the  
3 reasons why that -- I think that industry took off in  
4 meeting the needs of districts who were trying to respond to  
5 the environment.

6 CHAIRPERSON BUCHANAN: Right.

7 MR. DUFFY: So we have a linkage there that has  
8 stayed in place for some time. And I think you got to the  
9 issue of why in the discussion we had with Heather Steer.

10 So let's look maybe broadly at how we plan and if  
11 the State program is expecting us to put in permanent  
12 classrooms, then to recognize that those permanent  
13 classrooms may be funded by the State if that's the intent,  
14 but that some largesse needs to be given districts because  
15 they're not just going to happen overnight and spikes of  
16 growth are going to happen.

17 Maybe it's not going to be like the '80s and the  
18 '90s again, but it certainly looks like it's going to be in  
19 the Steer's district.

20 Anyway, thank you very much. I appreciate you  
21 listening.

22 CHAIRPERSON BUCHANAN: Okay. Are there any more  
23 comments on --

24 MR. STILLWELL: Hello. My name's Bill Stillwell.  
25 I'm a member of the Schools Facilities Manufacturers

1 Association and I represent Meehleis Modular Buildings in  
2 Lodi.

3 There's a third definition of modular construction  
4 that seems to be alluding everybody here. It's custom  
5 modular components.

6 CHAIRPERSON BUCHANAN: Right.

7 MR. STILLWELL: It's an actual slab on grade.

8 CHAIRPERSON BUCHANAN: Yeah. We're not -- those  
9 aren't the buildings we're referring to when we talk about  
10 portables.

11 MR. STILLWELL: But as we go through this, modular  
12 kind of gets thrown into that portable thing that's -- you  
13 know, we just want to make very clear as an association that  
14 everybody is understanding --

15 CHAIRPERSON BUCHANAN: We understand those aren't  
16 wheel-on portables.

17 MR. STILLWELL: Yeah. All right. Thank you so  
18 much.

19 CHAIRPERSON BUCHANAN: Thank you.

20 ASSEMBLYMEMBER HAGMAN: Just one last comment  
21 then. Sorry to excuse myself, Madam Chair, but I do have  
22 another commitment I'm late for.

23 I think a lot of this stuff came from the regular  
24 SAB meetings where we're looking at building a new school  
25 site. You have so much eligibility. The school district

1 gets X amount of dollars. We're expecting those dollars to  
2 be spent in a permanent, what we'd call 30 plus year  
3 facility, and then the school district gets their dollars,  
4 matches up with their bond dollars, and then, you know, four  
5 years later when they go to build out, build something  
6 different than what the expectations were or maybe not the  
7 same cost of buildings being put in.

8           So, you know, there's always different costs of  
9 whatever kind of structure you build then because of other  
10 priorities that came up or other issues or just don't have  
11 as much money. A lot of times, those State dollars are not  
12 being used on the permanent structures and that's I think  
13 all we're trying to get to here.

14           If you're going to use that 30-year bond money,  
15 can we put in something that's going to last that period of  
16 time. There's definitely a place for portables, but should  
17 we have another program, if we go off a new bond, for  
18 temporary type of buildings. Should we incentivize more  
19 other type of construction techniques to bring the cost  
20 down.

21           And we're looking at the one example from Santa  
22 Ana. It's \$6,000 a student versus \$120,000 a student in  
23 Oakland as far as facilities, you know, apples and oranges  
24 completely.

25           But do we -- having that regulation, since our

1 initial thought with this is we just give the State money  
2 and you guys do what you want, but is there any recourse.

3           And I like Ms. Moore's point that, hey, if you  
4 spend your eligibility, there's no exception. Come back up.  
5 We don't have to give you nothing else. Maybe there'd just  
6 be that much absolutes.

7           But on the appeal process, what I've been hearing  
8 is a lot of district administrations that get stuck with  
9 decisions that were made by previous administrations and so  
10 the people who are currently in charge had nothing to do  
11 with the circumstance they're in now and they come to us and  
12 say, well, we need to be the exception because the previous  
13 two superintendents ago or the previous board, you know, 15  
14 years ago made bad choices.

15           And what we're talking about is not current year  
16 budgets or anything like that. We're talking about a long  
17 time for the State to pay back these bonds and so there  
18 should be the minimum criteria at all that we invest our  
19 bond dollars in the -- local school districts could do what  
20 they want with their money, their operations, but shouldn't  
21 there be criteria for what we spend our dollars on.

22           CHAIRPERSON BUCHANAN: Do you have a comment you'd  
23 like to make?

24           MR. KNAPP: Yes. Good afternoon. I'm Michael  
25 Knapp. I'm the Chair of the School Facilities Manufacturers

1 Association.

2 I've been listening to the discussion and I think  
3 there is a point of view that the Subcommittee needs to  
4 consider.

5 The school districts are making a clear point that  
6 they need portables to respond to their demographics. No  
7 question about that. But ultimately it's really a question  
8 of money.

9 We build facilities for school districts today and  
10 if they have sufficient monies, however those come through  
11 in all the various grants and if it's hardship grants or if  
12 they have, you know, developer fees, or however they can --  
13 local bonds -- if they have enough money, they're going to  
14 build permanent facilities.

15 And when they don't, they start thinking about  
16 portables.

17 And my empirical experience from dealing with the  
18 districts is that there is a difference not only in the  
19 facilities in response to the demographics, but also in  
20 those facilities as learning environments. And there's a  
21 difference.

22 And I guess I would point out to the Subcommittee  
23 and, Kathleen Moore, I don't know if you're acutely aware of  
24 this -- that difference is also something that the districts  
25 need to consider and do consider very sincerely.

1           So I don't have an answer to what you're grappling  
2 with and I understand the -- Assemblymember Buchanan, your  
3 point of view completely. It's a complex problem. My point  
4 is it really boils down to a money problem ultimately for  
5 the districts. And the facilities they want to have are  
6 controlled by how they can fund them.

7           CHAIRPERSON BUCHANAN: Well, and they're  
8 controlled -- I mean in terms of your developer fees,  
9 whether they're level one or level two, they're controlled  
10 by a local community's willingness to step up because the  
11 State has never been a hundred percent source of funding.

12           MR. KNAPP: I understand that.

13           CHAIRPERSON BUCHANAN: In fact, you go back to the  
14 '70s, you know, pre-Prop. 13 and the State basically  
15 provided zero. Occasionally, you'd get, you know, emergency  
16 funding for schools, but schools were the responsibility of  
17 the local communities.

18           We have a situation now where we have a program  
19 where the State's designed to partner with local  
20 communities, to help provide an incentive for local  
21 communities to pass bonds, and to be able to build quality  
22 schools so we can get rid of this sort of backlog that we've  
23 accumulated where I think we all agree aren't the kind of  
24 learning environments we'd like to provide for all of our  
25 students.

1           So I'm not sure we've resolved the issue entirely.  
2 I think there is some consensus that we'd like to have  
3 incentives to build -- to replace what I would call the old  
4 wheel-on portables that really aren't providing the kind of  
5 educational environments we'd like, that we'd like to have  
6 incentives to be able to build permanent stick-built versus  
7 the -- I don't know what you want to call them -- wheel-on  
8 portable, whatever you want to call them. I'm not sure  
9 we've come up with what the right combination is there.

10           But I don't think it serves the State well to put  
11 money into buildings that we know were really not designed  
12 to last long term.

13           So are there any other comments?

14           MR. KNAPP: I would just comment that I did  
15 applaud the staff for their phrase of the permanent modular  
16 that they have --

17           CHAIRPERSON BUCHANAN: Right. I know it's -- so I  
18 think we have the gentleman from San Francisco and then  
19 items four and five in our packets are really just there to  
20 provide background information. I don't know if we have --  
21 I know Assemblymember Hagman has to leave, but --

22           MR. CARDONI: Hello again. Paul Cardoni, San  
23 Francisco Unified. You already have an incentive for  
24 replacing bungalows and that's the Overcrowded Relief Grant  
25 Program.

1           If you want to simplify it and promote bungalow  
2 replacement, you need to provide a supplemental grant under  
3 the mod program that provides a grant that perhaps could  
4 equal 60 percent of the replacement cost of the bungalows  
5 with permanent facilities.

6           CHAIRPERSON BUCHANAN: But the ORG Program works  
7 well for San Francisco. It worked well for LA. There are  
8 districts who have portables who don't qualify to  
9 participate in the ORG that, you know, they would like to  
10 replace as well.

11           MR. CARDONI: Well, then you just -- I don't know  
12 whether they were participating in the School Facility  
13 Program or not. If you could just provide the incentive  
14 somewhere for them to -- and make it enough money to make it  
15 worth their while to replace those units --

16           CHAIRPERSON BUCHANAN: Right.

17           MR. CARDONI: -- with permanent facilities.

18           CHAIRPERSON BUCHANAN: But I think the questions  
19 we're dealing with is how do we make sure we have the  
20 incentive to replace and then how do we make sure that there  
21 is some sort of incentive to build -- and I think it's what  
22 all of you want to do now -- to build permanent --

23           MR. CARDONI: Yes.

24           CHAIRPERSON BUCHANAN: -- facilities now going  
25 forward so you don't find yourselves 20 years from now with,

1 you know, the same kind of background buildup you have of  
2 portables or worse than where you are right now.

3 MR. CARDONI: Thank you.

4 MR. WHITE: So I like the direction the  
5 Committee's taking in terms of saying -- of understanding  
6 that school districts do have a need to have a tool at their  
7 disposal, whether that tool is a portable building or not.  
8 And there are needs for those.

9 I think for me even in school closures, we found a  
10 necessity to use portables to displace the housing when  
11 we're trying to find savings from closing schools in areas  
12 where we don't have the enrollment.

13 And so we do need those portables. The ORG  
14 Program I think has been a good program. Even Oakland's  
15 been benefitted by that --

16 CHAIRPERSON BUCHANAN: Right.

17 MR. WHITE: -- I think to the tune of at least two  
18 projects.

19 CHAIRPERSON BUCHANAN: Right.

20 MR. WHITE: I think the problem for me, kind of  
21 elephant in the room, is like sometimes it's a very top down  
22 kind of mandate as in 19 -- was it '94 when the requirement  
23 was 30 percent of our stock be in portables. I think that  
24 it would be refreshing to have the State come back and say  
25 as an incentive, because we helped push you into a position

1 where you've got that kind of sprawl on your campuses, that  
2 you guys work out some type of incentive associated with  
3 that mandate from back then that actually reverses out that  
4 number of portables.

5           For us, obviously, stick-built, permanent  
6 construction does facilitate the best type of opportunity to  
7 create the learning environments necessary for students  
8 today and we do -- we would much rather, as the gentleman  
9 said, have permanent stick-built construction than not. But  
10 in some cases, particularly in some of our more depressed  
11 areas, the best you could do is a portable.

12           And a portable facility will be a much better  
13 educational environment than some of the stick-built  
14 facilities --

15           CHAIRPERSON BUCHANAN: I can tell you that even in  
16 more suburban environments there are times, given the design  
17 of the school, that we'd rather be in portables.

18           So is there any other comment. Tabs 4 and 5 were  
19 provided as background and our Committee's getting a little  
20 bit thin, so I would maybe -- if there's no objection --

21           MS. MOORE: Are we going to put them over to talk  
22 because there are options that are related to the -- excuse  
23 me. There are options related, so we'll talk about them  
24 later or --

25           CHAIRPERSON BUCHANAN: I would think it would be

1 better -- I mean I -- yeah, I think we should put them over.

2 MS. MOORE: Yeah. No, I'm -- but we'll still talk  
3 about them.

4 CHAIRPERSON BUCHANAN: I mean I know -- no. I'm  
5 not opposed. I just think that we've covered a huge area  
6 which we know and there's more to talk about that I would go  
7 ahead and thank everyone for coming and your input --  
8 adjourn the meeting for today and we'll --

9 MS. MOORE: Can I just make a final comment?

10 CHAIRPERSON BUCHANAN: Yes. That's right.

11 MS. MOORE: I personally really appreciate all the  
12 stakeholder testimony that came forward today and I would  
13 encourage districts and other entities that are affected by  
14 what the State Allocation Board may consider in the  
15 future -- I would encourage you to continue to come forward.

16 Your input that you provided today is I think  
17 great value added to the conversation.

18 CHAIRPERSON BUCHANAN: Right. Yeah. And I echo  
19 that. Tom Duffy and I had a conversation. It's much more  
20 helpful to have your input while we're discussing these  
21 things than, you know, a month or two later. So -- and we  
22 don't have all the answers. We're just trying to explore  
23 different areas. So thank you very much.

24 MR. ALMANZA: And thank you to staff for all the  
25 work --

1                   CHAIRPERSON BUCHANAN: Yes, all the work, I know.  
2 You know what, we're all learning a great deal and that's  
3 critically important to hopefully coming up with a good  
4 program.

5                   (Whereupon, at 4:26 p.m. the proceedings were recessed.)

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