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CALIFORNIA STATE ALLOCATION BOARD
SCHOOL FACILITY PROGRAM REVIEW SUBCOMMITTEE
PUBLIC MEETING

STATE CAPITOL
ROOM 447
SACRAMENTO, CALIFORNIA 95814

DATE: THURSDAY, SEPTEMBER 5, 2013

TIME: 2:07 P.M.

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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

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:

BILL SAVIDGE, Assistant Executive Officer

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

JUAN MIRELES, Deputy Executive Officer

P R O C E E D I N G S

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CHAIRPERSON BUCHANAN: I'm going to go ahead and call the meeting to order and -- so can we take roll just to keep track of who's in attendance.

MS. JONES: 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.

CHAIRPERSON BUCHANAN: Yeah. My understanding he will be here. So we just have two items plus public comment, but the first is to discuss the issue of how classrooms are counted and loaded for the purposes of determining the inventory for funding purposes.

MR. MIRELES: Thank you, Madam Chair. This is an item that we held over from the last meeting.

CHAIRPERSON BUCHANAN: Right.

MR. MIRELES: And basically it's to talk about how we count classrooms and load them for purposes of determining eligibility for the School Facility Program and

1 then how we fund in new construction.

2 There have been -- several comments have been made
3 about the way we currently identify classrooms. There's
4 Title 5 regulations that may not be necessarily aligned with
5 the School Facility Program regulations in terms of defining
6 what a classroom is. So the question came up whether they
7 should be aligned or not.

8 And then we also had some questions as far as the
9 loading standards. Currently, it's 25 pupils for
10 kindergarten through sixth grades and 27 for 7 through 12
11 and whether we keep this traditional loading standard or
12 switch to something different.

13 So before we get started, just a brief reminder of
14 how the program currently works.

15 In terms of new construction eligibility, the
16 definition of a classroom -- the counting of a classroom is
17 very important in determining eligibility. Basically we
18 take a look at all the classrooms and determine the
19 district's total gross classroom capacity.

20 So we take a look a look at what the district has
21 in terms of classrooms and compare that to projected
22 enrollment. If there's more projected enrollment than
23 classrooms to house those students, then there is
24 eligibility for purposes of new construction eligibility.

25 Now, the statute has a broader definition of what

1 a teaching station is and then it is further defined in
2 regulations. The regulations go further to talk about what
3 types of classrooms are counted and again this is for
4 purposes of the School Facility Program.

5 Certain things that get counted are, you know,
6 types of classrooms that were funded through the
7 Lease-Purchase Program. Even classrooms that are included
8 in closed schools. If a district has them in inventory, we
9 count them for purposes of the program.

10 There's also some exclusions. So you have this
11 gross classroom count, but then certain classrooms may be
12 excluded such as classrooms that are less than 700 square
13 feet.

14 So that's the way it currently works in terms of
15 the classroom counts. Again currently, the loading
16 standards are in statute, the 25 for K through six and the
17 27 for 9 through 12.

18 And then the way we fund is basically when we get
19 an application for funding, we take a look at the plans in
20 that project and we count the number of classrooms as we
21 currently define them and then that results in a
22 corresponding grant amount in terms of pupil grants.

23 So with that in mind, we have a couple of options
24 for the Subcommittee to consider and this is -- to consider
25 something different in the current program. The idea with

1 all of these options is to have a consistent model that is
2 used both for determining the classroom count in determining
3 eligibility and also for purposes of awarding grants for new
4 construction funding.

5 So with that in mind, the first option is
6 basically to get away from the traditional four walls and a
7 door approach and look at teaching stations.

8 Currently -- there's an example on page 71 -- if
9 you have a total area of 3,840 square feet that is divided
10 by four identified classrooms of 960 square feet, we load
11 each of those, if they're a lone entry, at 25 students per
12 classroom.

13 So that -- those classrooms, it would be four of
14 them and it would equate to a hundred pupil capacity.

15 On the right-hand side, we have the same total
16 area, but the classrooms are larger areas. So there's two
17 classrooms there, 1,920 each, and each of those are
18 housed -- are loaded at 25 students per classroom.

19 So in that situation, you have two classrooms with
20 a 50 pupil grant capacity.

21 So the idea -- the concept behind Option 1 is to
22 basically go away from that traditional four walls and door
23 approach to identifying the teaching station and it's
24 regardless of whether they're divided by four walls. It
25 would have to be something that -- you know, that is

1 identified as a teaching station and it could have changes
2 to the way we currently do the classroom count.

3 This is largely a shift in practice and policy,
4 more so than in regulation, in terms of especially
5 identifying classrooms that are larger than 960 square feet.
6 There isn't anything in regs that specify how. So that's
7 something to consider.

8 At the bottom of page 71, there are some examples
9 of how this could work. So the same -- on the left-hand
10 side, it's the same 3,840 square feet area divided by four
11 classrooms and 25 students per teaching station -- excuse
12 me. This would result in four teaching stations for a
13 hundred pupil capacity.

14 However, using the same approach on the right-hand
15 side, you could have two teaching stations that have 50
16 pupils on the one side and then one teaching for 25 pupils
17 on the other.

18 So in that situation, you would have three
19 teaching stations for 75 pupil capacity under the new
20 system.

21 So a couple of things to consider, if the
22 Subcommittee wishes to pursue this new system is -- the
23 first one is that basically we believe that the Department
24 of Education would need to provide guidelines as far as what
25 would be a teaching station and how the number of teaching

1 stations are identified within a given area.

2 Another consideration is that it may require that
3 we review the same set of plans in terms of when they're
4 approved from the Division of State Architect versus
5 preliminary plans that get submitted to the Department of
6 Education.

7 Oftentimes, districts submit the plans to both
8 agencies at the same time and it may or may not result in
9 the same plans that get approved by the Division of State
10 Architect. We use those plans to award grants which again
11 may or may not be different than the initial submittal.

12 And another consideration is this would require
13 reestablishing the eligibility to use this new system. So
14 far we've been using the four walls and door approach to
15 establish eligibility for the districts that are coming into
16 the program. We believe that this would require going back
17 and reestablishing the eligibility for all those districts
18 and using this new system.

19 And it would be difficult to sometimes match the
20 square footage with teaching station again if areas are less
21 than 700 square feet per classroom.

22 So there's a couple of, again, considerations for
23 this option.

24 I don't know, Madam Chair, if you want me to go
25 through all the options or stop at each one and answer

1 questions or go through the rest of it.

2 CHAIRPERSON BUCHANAN: Why don't you go through
3 all the options.

4 MR. MIRELES: Okay.

5 CHAIRPERSON BUCHANAN: I think that --

6 MR. MIRELES: So Option 2 is a little different.
7 Instead of teaching stations, we look at the student
8 classroom capacity.

9 So it's a similar concept, but you look at the
10 number of pupils housed versus the teaching station or the
11 four walls and door concept.

12 Again this would require that the Department of
13 Education to determine what the student capacity for the
14 project would be. And then the number of student capacity
15 of the project would equate to the number of pupils housed
16 and result in funding for new construction.

17 A couple of considerations of this approach is
18 basically we think that it would still require us to go back
19 and reestablish eligibility under this new system.

20 And if you go back -- again when districts
21 establish eligibility, it's what's considered a snapshot in
22 time. So they -- a lot of districts establish eligibility
23 early in the program. So it may be difficult to go back and
24 determine what the capacity was at that time. Something to
25 consider if we decide to explore this further.

1 And again we think that we may need to be looking
2 at the same set of plans, you know, that have been approved
3 by DSA to ensure consistency.

4 The last option is to basically use a square
5 footage based approach. So there would have to be a
6 predetermined area per student. As an example, there could
7 be 35 square feet per pupil. So when you take a look at the
8 total area -- this is in the middle of page 73 -- if you
9 have 1,500 square feet, you divide that amount by the
10 predetermined square feet. In this case, it's 35. And that
11 would equate to 43 pupils and that is the amount of pupil
12 grants the district would be able to request for purposes of
13 determining -- of establishing grants for new construction.

14 There could be also some checks in terms of making
15 sure that the classrooms are less than 700 -- or not less
16 than 700. We also think that there may be consideration for
17 different types of students, you know, in terms of the area
18 per student. You may have to have a different amount for
19 students such as special day class pupils or kindergarten
20 students that may require a different area amount.

21 Similar considerations as some of the other ones,
22 we think that this one may provide the most flexibility.
23 There could be -- you would still be required to reestablish
24 eligibility and again to account for the square footage at
25 the time when they establish eligibility.

1 And then the last option is basically no changes.
2 If the Subcommittee is interested in pursuing the same
3 approach that we have now, Option 4 would be basically to
4 make no changes.

5 So those are the options we have for discussion.
6 We'd be happy to answer any questions.

7 CHAIRPERSON BUCHANAN: Okay. And before we start
8 asking for our comments, is there any public comment on
9 this? Come on up.

10 MR. ULRICH: Right here?

11 CHAIRPERSON BUCHANAN: Right there's perfect, yep.
12 As long as you speak into the mic there, it's -- great.

13 MR. ULRICH: Well, Madam Chairperson, members of
14 the Committee. Good afternoon. My name's Don Ulrich. I'm
15 the Assistant Superintendent of Facilities in Clovis Unified
16 and a member of the CASH board of directors.

17 Before I started at facilities, I spent 25 years
18 as a -- you know, in the education side as a teacher site
19 administrator and I spend seven years as an intermediate and
20 high school principal.

21 And I want to tell you Ms. Moore has done an
22 excellent job advocating for flexibility. I think she
23 understands that real well and is able to communicate the
24 need for, you know, instructional spaces that could be
25 smaller than a regular classroom, larger than a regular

1 classroom, meet needs of intervention, meet needs for career
2 technical education -- different types of instructional
3 models is what we're advocating for.

4 You know, I want you to know that CASH supports
5 this flexibility in designing classrooms. I don't believe
6 there's any doubt that the education community supports
7 flexibility in funding classrooms also.

8 But we do want to recognize that the OPSC needs a
9 way to adequately hold schools accountable for using State
10 funds and I was really glad to hear today that we're talking
11 about options that will provide that flexibility. I think
12 that's real important to know.

13 And I want to offer that anybody from CASH, myself
14 included, can work with OPSC to really come up with the
15 guidelines that will support flexibility and balance that
16 with the accountability that you're looking for.

17 I believe that, you know, there's also an issue
18 with educators. Moving teachers to a different mode of
19 instruction, a different method of instruction than 1 to 30
20 or 35 is a difficult challenge.

21 You talk to any educator that's tried to implement
22 changes in instruction, that is challenging. And what I'm
23 happy to see is that OPSC is looking at supporting that
24 change rather than supporting a model that is still that
25 900 square foot box that limits the type of instruction that

1 we want to do to offer our kids -- our students -- 21st
2 century schools and 21st century learning.

3 So if you have any questions of me, I'd be glad to
4 answer them and thank you for the opportunity to speak.

5 CHAIRPERSON BUCHANAN: Sure. Thank you. Is there
6 anyone else who would like to comment? Thank you.

7 Ms. Moore, do you have any comments or questions?

8 MS. MOORE: -- Mr. Hagman.

9 ASSEMBLYMEMBER HAGMAN: Always have some kind of
10 questions.

11 CHAIRPERSON BUCHANAN: Okay.

12 ASSEMBLYMEMBER HAGMAN: I just wrote down some
13 notes. I like the fact that it's flexible, not just for the
14 schools, but also for OPSC as administrators to look at
15 these things.

16 I think if you go one formula or the other --
17 let's say the room's 1,200 square feet and you go for the
18 square foot thing, you're really only going to put 25
19 students in there. It's probably not fair to the school.

20 At the same time, we also want to kind of control
21 our costs. So I was wondering how the format fits into the
22 reimbursement for the school construction.

23 So if I design a place like we were talking about
24 your example earlier, the area that you may have like an
25 open area or teaching stations versus walls, so that could

1 be group activities as well as individual activities. And
2 we fund that at a certain rate per student.

3 And then later on, that does get converted to a
4 wall type of structure, temporary, inside, how does that get
5 recalculated toward the number -- you know, do those types
6 of things change? Because we're looking at the 900 square
7 feet versus a 1,500 square foot room because maybe it's
8 vocational ed part of it or something. How's that -- they
9 can only fit 25 students in there.

10 I mean how is all this going to work. And what I
11 want to do, more than try to figure out this the only black
12 and white type of thing. You need guidelines.

13 But I'd also like for staff who's been trained on
14 this to look at this -- this makes sense. We want to see
15 this happen and if there's a problem between you and the
16 school district -- to all of us up here and say this is why
17 we want it configured this way and we have a different
18 calculation.

19 At the same time, I want to be -- protect the
20 people's dollars and say, well, we can't afford to have
21 these larger rooms if we're somehow funding it differently.

22 So I just wanted those checks and balances to give
23 you the most flexibility. So I'm trying to figure out which
24 option that is really.

25 MR. MIRELES: Right now, we don't address changes

1 after funding. So this -- all these models assuming the
2 current system continues in terms of the State provides
3 funding, and --

4 ASSEMBLYMEMBER HAGMAN: Per student.

5 MR. MIRELES: Well, yes, and then after the
6 apportionment, we don't go back currently and check to see
7 if the configurations have changed.

8 ASSEMBLYMEMBER HAGMAN: What happens if they come
9 back five years from now or seven years from now and we have
10 in our records 6,432 seats and they say no, we only have
11 5,000 because we reconfigured. How do you address that?

12 MR. MIRELES: The only thing that we check is that
13 we check the classrooms -- the classrooms in the plans that
14 were funded. We may go back out and check to make sure that
15 those classrooms are there, the physical spaces.

16 Now, the districts may choose to use them
17 differently. We don't check for that. We just check
18 basically that the physical area was built at design of the
19 plans. That's the current practice now.

20 We didn't address how that would work or if it
21 would be different with any of these models. We had to look
22 at that from that perspective.

23 MS. MOORE: Go ahead.

24 MR. ALMANZA: I'm just curious. Do you have any
25 examples -- recent examples of a school's plans ran into a

1 problem because of our method of funding in regard to the
2 type of school that they wanted to build?

3 MR. MIRELES: Not that comes to mind. I think
4 maybe some of the districts might have a better idea, but I
5 know that there's been -- in the past, there's been some
6 questions about what we've identified as a classroom in the
7 plans for the purposes of funding versus what the district
8 believes that it should be and in those cases, there may be
9 a difference in terms of what the Department of Ed
10 identified as a classroom pursuant to their regulations.

11 It's -- there's been a few cases that has come up
12 and the funding could be affected -- it is affected because
13 we look at the program and the regulations and award grants
14 pursuant to our regs which may or may not be different with
15 what the district identified the classroom -- the space as
16 or the Department of Ed.

17 I don't have a specific example in mind right now,
18 but I know that in the past --

19 MR. ALMANZA: So it doesn't happen too often?

20 MR. MIRELES: I don't think so. I think if you
21 look at the --

22 MS. MOORE: Well, there's a difference of opinion
23 on that probably because we see it at the Department of
24 Education and we've had these -- page 15 is an example of
25 one that was not able to be funded and it was a school

1 district that wanted to do their classrooms in small group
2 learning -- individual learning areas and it was not able to
3 be funded through the program, which raised for me along
4 with some other examples that it's not because OPSC didn't
5 necessarily want to fund them. It's just some of the
6 parameters of the program have prevented people from moving
7 forward with other types of educational environments.

8 When we -- a couple of points that I'll make on
9 this because it is the issue I brought forward and it is one
10 that I feel passionately about and that is that we should
11 not be precluding educational arrangements that school
12 districts want to have.

13 And I think -- there's two parts of that. One may
14 be that some have tried it and didn't -- weren't successful.
15 I think moreover we have a system that says we fund 960, so
16 that's what we get.

17 If you have a system that says we fund flexibility
18 or we'll fund you however educationally you need in your
19 area, that's a different kind of message I think to
20 districts.

21 And so systemically, I think that we have limited
22 choice for education in terms of how we fund and -- for
23 certain designs. So that's one component of it and I think
24 that we should be able to fund different alternatives.

25 Now, the Department of Education I actually

1 believe is in the best position to be able to determine what
2 is appropriate educationally. I mean that is our role and
3 that is our role in the system in partnership with OPSC and
4 DSA in bringing these projects forward to ensure that both
5 they're accountable and that they're educationally adequate.

6 So, you know, I think I would advocate for your
7 solution I think number two. Very appreciative of the
8 solution because I think there is a solution out there that
9 the Board would feel, you know, nobody's willy-nilly just
10 getting grants and yet that it's -- that school districts
11 have the flexibility.

12 Two other points that I would make is I think that
13 we -- two things. We ought to be looking at -- the loading
14 factor for schools was put into place at the time that we
15 were -- the State had public policy around 20 to 1.

16 We have a new public policy around local control
17 funding formula that I think we ought to be thinking about
18 in terms of what does that mean for the loading for schools.
19 My understanding is it's 24 to 1 and/or what you may be
20 under contract locally.

21 And I think that the Board needs to be in
22 alignment with where education is moving on that issue.

23 And then finally I would say I don't necessarily
24 agree that moving forward and looking back has to be the
25 same parameters. I think the looking back can certainly be

1 the kinds of schools that we had created and built to date
2 and there are classic classroom configurations. And that
3 can be a counting mechanism if we want, so to speak, for
4 inventory, but looking forward, I certainly think that there
5 can be different types of learning stations funded and
6 accounted for.

7 If you have to translate it to a classroom
8 equivalency or something to that effect, it's very doable,
9 but I don't see that we have to treat the past and the
10 future the same and would actually not advocate for that.

11 I think we -- you know, we've done an inventory
12 and we probably will do a new one based on what we built in
13 the past.

14 And then finally I want to make sure that this
15 translates over also to modernization, that we aren't
16 preventing the modernization of schools to reconstruct the
17 learning space area by our viewpoint on what is a classroom
18 or not, so again providing for that flexibility that we need
19 moving forward.

20 ASSEMBLYMEMBER HAGMAN: Can I just ask a couple --

21 MS. MOORE: Sure.

22 ASSEMBLYMEMBER HAGMAN: -- questions I guess.

23 First of all, the Department of Education set the
24 regulations what's a classroom or not. So why would we be
25 trying to redefine it? What does -- Education take the lead

1 and say we certify this as a classroom?

2 MS. MOORE: We would certainly welcome that.

3 ASSEMBLYMEMBER HAGMAN: I'm just wondering. Does
4 that -- if we're paying per student and we're only paying a
5 certain fee. So it doesn't go up or down depending on the
6 size of the room, depending on whatever the case may be. So
7 if the State Architect and you guys approve this is a
8 classroom, it's not going to make a difference because we're
9 still funding the same amount per pupil; correct?

10 MS. MOORE: That is correct. We have translated
11 that per pupil amount back into a loaded classroom.

12 ASSEMBLYMEMBER HAGMAN: Okay.

13 CHAIRPERSON BUCHANAN: So --

14 ASSEMBLYMEMBER HAGMAN: So if you kept the per
15 pupil versus per classroom as far as funding, if you -- I'm
16 thinking -- you know, my son's taking college classes. He's
17 a senior in high school right now. He's taking a couple
18 night classes. They have bigger lecture halls now, you
19 know. Maybe --

20 MS. MOORE: 200 people in that room.

21 ASSEMBLYMEMBER HAGMAN: Yeah. And maybe they want
22 a 200-person room just so they can combine classes that are
23 more sustainable with that. And others -- a lab, you may
24 not have room for more than 50 or 20 people in it. You
25 know, but as long as you guys determine that's the purpose

1 for the room, we're still only paying per student.

2 MS. MOORE: That is correct. And what -- where
3 the issue comes is to capacity.

4 So let's say in your example, you know, the
5 capacity indicated is 200 students. So 200 students are
6 funded.

7 I think that when the program originally began in
8 1998 we had these grants. I think that school districts
9 believed that they were going to be able to ask for those
10 grant amounts and then proceed to house their students and
11 it evolved from there into counting of classrooms to
12 determine the capacity.

13 ASSEMBLYMEMBER HAGMAN: You also have to count the
14 classrooms to figure out how many you can house right now
15 versus your eligibility and that's how you get your
16 difference.

17 So I guess it's not so much how much more we're
18 funding but how do you start off with a number of classrooms
19 you have right now and that again goes back to we're
20 construction oriented here, but from the education system
21 standards of what is a classroom or what is a particular
22 thing --

23 CHAIRPERSON BUCHANAN: Well, can I get in my two
24 cents here.

25 ASSEMBLYMEMBER HAGMAN: Yeah.

1 CHAIRPERSON BUCHANAN: Because I think there are
2 some important issues. If you want to sit down, I'll call
3 on you in a few minutes. Thanks -- since we started our
4 discussion here. But I think that --

5 AUDIENCE: -- stand --

6 CHAIRPERSON BUCHANAN: Well, and I think anyone
7 else behind you, if they're trying to see anything.

8 So I think there are important issues here and I'm
9 not sure that they're not somewhat interrelated and we don't
10 have to find some sort of a happy medium.

11 You know, one question I think that gets asked is
12 there a demand for alternative designs and clearly I think
13 you can say any school district that wants to participate in
14 the program probably knows the rules and will design around
15 the rules.

16 So we probably have some, like you suggested,
17 Ms. Moore, that aren't submitting because they know they
18 don't qualify.

19 Now, I don't necessarily see the demand as half
20 the schools in the State want to change how they design
21 schools. I mean there are plenty of people who like a
22 traditional classroom design. So I don't quite see that,
23 but the question is should we allow flexibility and how are
24 we going to allow that flexibility.

25 I believe we should allow flexibility. You gave

1 an example at a prior meeting where you might have a school
2 that wants to have a whatever it is, 3,840 square foot
3 classroom, whatever it is, and combine four classrooms and
4 have four teaching stations.

5 I don't have a problem with them doing that, you
6 know, whether I agree with it educationally or not, but I
7 want to be able to count that as four teaching stations. I
8 don't want to count that as one and then have you come back
9 and say I want to add three more.

10 So that's where I think the balance of the
11 flexibility and accountability comes in in terms of -- you
12 know, and maybe you could have a minimum of -- you know, if
13 you divide -- I divided it on my calculator -- 700 divided
14 by 25 students comes out to 28 square foot per student.

15 So I don't know the best way to implement that,
16 but ultimately I think if we are then funding that for a
17 hundred students, it should count as four teaching stations
18 and we should have a way of counting that in our inventory
19 that I think we're all agreeing that we need as four
20 teaching stations so that the taxpayers are funding a
21 hundred students. They know that they're getting four
22 teaching stations out of that and we have a match. So --

23 MS. MOORE: Great. We're right there with you
24 and --

25 CHAIRPERSON BUCHANAN: So the question becomes is

1 how do we accomplish this in a way that's reasonable and
2 efficient and allows for that level of accountability.

3 I'm not sure we necessarily have the answer in any
4 particular one option here, but maybe there's consensus
5 around what we want to accomplish there, whether it's
6 strictly -- I mean there should be -- certainly the
7 Department of Ed can approve classrooms, but there's got to
8 be some kind of coordination between the Department of Ed
9 and our programs in terms of how -- what we're counting and
10 how we're funding.

11 There's got to be some sort of level of agreement
12 if we're going to administer this in an efficient way.

13 ASSEMBLYMEMBER HAGMAN: And to make sure that we
14 just add on to -- that what's counted today -- what we fund
15 today isn't recalculated in a different way later to the
16 detriment of the taxpayers. So if we fund 400 students
17 today and then all of a sudden, that 300 foot classroom
18 doesn't fit for them --

19 CHAIRPERSON BUCHANAN: Right.

20 ASSEMBLYMEMBER HAGMAN: -- and we may -- even the
21 State -- there's legislation, you can't teach in anything
22 less than 900 square feet and all those things don't count,
23 I don't want to end up repaying for the classrooms later
24 either, so --

25 MS. MOORE: No. And I think that school districts

1 realize that and I think in the program we've always pretty
2 much, you know, yes, the title changes. Probably we've had
3 some differences in definitions like in 1998 when 700 square
4 feet under became not a classroom.

5 I mean, yeah, we have those changes, but I think
6 on the whole, what we're saying to school districts I
7 believe is okay, you've created capacity for 500 students.
8 That's what you're charged. That's what it is forever more.
9 Those 500 students are considered housed.

10 How you house them, whether you did in a
11 double-loaded corridor or whether you did in a completely
12 different looking plan is your educational need and
13 prerogative and I think districts are used to that.

14 They're not going to then come back in and say,
15 well, now I want more money. And that's why --

16 CHAIRPERSON BUCHANAN: They would if they could
17 and I think we want --

18 MS. MOORE: Well, I think it's a rule for their --

19 CHAIRPERSON BUCHANAN: And I think --

20 MS. MOORE: -- that you know that your capacity
21 was 500, it's 500 until --

22 CHAIRPERSON BUCHANAN: Well, but I think we need
23 to be sure that however --

24 MS. MOORE: -- for the life of the building.

25 CHAIRPERSON BUCHANAN: -- we design our

1 regulations or whatever --

2 MS. MOORE: Yeah.

3 CHAIRPERSON BUCHANAN: -- there is some kind of
4 accountability there. I'm going to use your big classroom
5 example.

6 MS. MOORE: Um-hmm.

7 CHAIRPERSON BUCHANAN: You know, if it's whatever
8 it is, 3,000, what is it, 840 -- I'm --

9 MS. MOORE: It's on page 13, so --

10 CHAIRPERSON BUCHANAN: Okay. Well, whatever that
11 is --

12 MS. MOORE: Um-hmm.

13 CHAIRPERSON BUCHANAN: -- I'm going to round out
14 to let's assume a typical classroom's a thousand square feet
15 instead of 960 because that makes it easy, okay? And we
16 have 4,000.

17 I think you want to have some sort of
18 accountability so that, you know, if you want to divide it
19 up, you can divide it up into reasonable classrooms, that
20 you don't have a situation where you do end up with -- as
21 Assemblymember Hagman says, you do end up with 300 square
22 foot rooms that you can't use for anything later on.

23 So I think you've got to have flexibility, but
24 you've got to have some kind of reasonableness and you've
25 got to have some kind of way of holding a school district

1 accountable now and in the future --

2 MS. MOORE: Um-hmm.

3 CHAIRPERSON BUCHANAN: -- for that space. And I
4 think the original intent of this program was to basically
5 say we're going to give you a grant. We're not going to
6 tell you exactly what you have to do.

7 So what we want to be sure is if we're giving new
8 construction dollars that ultimately that money's being
9 spent wisely. It's going to house students and it's going
10 to meet the needs over time.

11 ASSEMBLYMEMBER HAGMAN: If I could follow up.
12 Right now we have these things in regs. So -- have too many
13 examples, but do you have examples of schools that have
14 asked for recalculation when they come back based on our
15 design not working?

16 MR. MIRELES: No, I don't have any examples.

17 ASSEMBLYMEMBER HAGMAN: Because we have so much --

18 CHAIRPERSON BUCHANAN: But we only --

19 ASSEMBLYMEMBER HAGMAN: -- structure in the plans
20 as it is right now.

21 CHAIRPERSON BUCHANAN: That's right. They have to
22 build classrooms that are over 700 square feet now so that
23 you have a match.

24 ASSEMBLYMEMBER HAGMAN: So if you had it where
25 Department of Education approves a school for 700 students

1 and then you would get the plans, how would we structure our
2 internal regs for you say yes, we agree with DOE, we're
3 funding for 700 students, or no, we have a problem with this
4 because of our thoughts of practicalness or whatever the
5 case may be from your experiences and there's that check.

6 So, you know, I don't think it's going to happen
7 very often because again what school's going to invest their
8 own money in something that's not going to be practical for
9 them as well.

10 CHAIRPERSON BUCHANAN: Well --

11 ASSEMBLYMEMBER HAGMAN: But if there is that
12 system where you both agree and you certify that minimum is
13 700 students so that they can't come back and say it's
14 really only 600 later and next time they come for
15 modernization, they come up for new construction, whatever
16 the case may be, to add on, that 700 baseline's always going
17 to be there.

18 MS. MOORE: I am definitely open to checks and
19 balances, but another component that I think we ought to
20 think about is not duplicating effort.

21 And I think that I would hope we could get to a
22 place where we don't have one agency checking another
23 agency's work. I mean -- and then are we -- you know, am I
24 going to need to check Division of State Architect's work.

25 So I think we ought to agree that each entity

1 brings to the table their particular expertise. They're
2 reasonable. They're accountable and let the system work
3 that way. I mean OP --

4 CHAIRPERSON BUCHANAN: I think that the idea would
5 be to have conversation up front so we have some agreement
6 in terms of what we're going to allow, how we're going to
7 determine, and how we're going to count it.

8 MS. MOORE: Absolutely.

9 CHAIRPERSON BUCHANAN: And there has to be some
10 consistency there because there's that coordination in terms
11 of what are you going to build and how you're going to count
12 it and if we don't -- if the right hand doesn't know what
13 the left hand's doing --

14 MS. MOORE: I agree.

15 CHAIRPERSON BUCHANAN: -- we're just asking for
16 problems down the road.

17 MS. MOORE: Well, that's why we've talked about
18 that, you know, Title 5 and OPSC's regs we need to be
19 consistent and be -- so that we don't send a mixed
20 message --

21 CHAIRPERSON BUCHANAN: Right.

22 MS. MOORE: -- to school districts. I think the
23 other component that is involved in this is the schools
24 districts and their educational plan and their educational
25 specification and what their community wants to achieve from

1 their --

2 CHAIRPERSON BUCHANAN: Right.

3 MS. MOORE: -- modernization and new construction
4 projects.

5 CHAIRPERSON BUCHANAN: But we're just talking --
6 I'm going to give you an example that probably I'm sure was
7 true in Bill's district and maybe many of the districts
8 where the audience worked, you know.

9 We had a time when we had the open classroom, you
10 know, in our schools, and if you had a room like this or if
11 schools -- representative school, you could see from one end
12 to the other, and --

13 MS. MOORE: I don't think we're talking about the
14 open classroom.

15 CHAIRPERSON BUCHANAN: I'm not talking about --
16 I'm using this as an example to say what districts went in
17 then and did and they started going in and adding partitions
18 and building walls, but that open classroom design then was
19 designed to hold a certain number of students. And my
20 belief is if we're going to approve alternative designs and
21 that's the way the district wants to go because it believes
22 it's the best educational program for its students and I'm
23 not -- I don't want to second guess, but I just want to be
24 sure -- and I think this piggybacks on what Assemblymember
25 Hagman's saying. I just want to be sure that if you go in

1 and you want to change that design that it's not on the
2 State's dime. It's on -- I mean the district has made that
3 decision and we have to be sure that whatever you've
4 designed there in terms of square footage counts for that
5 number of students.

6 And so, you know -- because if we're not -- I
7 agree that we shouldn't be dictating that, but again you've
8 got to balance that --

9 MS. MOORE: Sure.

10 CHAIRPERSON BUCHANAN: -- what you're doing with
11 how you count it and how you're -- you know, and what the
12 accountability is, you know, both at the time you're
13 building it and going forward.

14 MS. MOORE: I'm convinced. I think we can easily
15 get there --

16 CHAIRPERSON BUCHANAN: So --

17 MS. MOORE: -- to have a model that all parties
18 buy into --

19 CHAIRPERSON BUCHANAN: Right.

20 MS. MOORE: -- and agree is functional, that has
21 the accountability and the flexibility.

22 ASSEMBLYMEMBER HAGMAN: And maybe what you do is
23 set your baseline a little more conservative as far as the
24 construction, but have a process -- because 99 percent of
25 the -- you know, the classrooms and things like that are

1 going to be fitting that baseline model -- but also have a
2 process where if you want to do something more creative,
3 that process articulated so they can come to you --

4 MS. MOORE: Here's where I want to be. I don't
5 want our policy to preclude people coming out of the gates
6 from designing in a manner that may be they need to be
7 designing for 21st century learning.

8 So whatever our policies are, they should be
9 saying if you are designing, you know, for 21st century
10 learning, if you're designing for a more traditional,
11 however you're designing, it's okay. We're going to fund
12 you, but not to put the stops on to where you don't have
13 anybody coming in with the exceptions and you continue to
14 have only one model dominate our educational system which
15 may not work for all situations.

16 CHAIRPERSON BUCHANAN: I think we're in agreement
17 there in terms of how do we, you know -- we don't want to
18 preclude other designs. We want to be sure that we are
19 housing the number of students for which we're giving
20 eligibility and we have a way of counting that in a
21 meaningful way.

22 And if one district's 21st century design is
23 different than another and District A finds it's not working
24 down the road that District A has that responsibility. I
25 mean we're not going to pay for to change. I mean they're

1 taking responsibility. They've got the freedom. They're
2 also taking the responsibility for what they're building.

3 So we have -- you know, we have all those elements
4 in the plan.

5 MR. SAVIDGE: Can I make a couple comments? So as
6 we get close to trying to come to a resolution, I heard
7 Ms. Moore say that she liked Option 2 and that is the -- or
8 CDE reviews the project and determines what the capacity is.

9 And I think one thing we should look at is that
10 Option 3 is actually one way of doing that. There's
11 probably other ways to --

12 MS. MOORE: The square footage.

13 MR. SAVIDGE: The square footage of learning area
14 per pupil.

15 MS. MOORE: Um-hmm. Of learning area.

16 MR. SAVIDGE: That's one way that you would
17 potentially use and there's probably other ways. I don't
18 know what it is -- what they are, but to me it seems like
19 Option 3 is really a subset kind of, of Option 2, so they
20 meld together because that's probably one of the best ways
21 to determine capacity is using the square feet of learning
22 area because you probably have metrics from other states and
23 guidance from teacher organizations, that kind of stuff,
24 where you could set up --

25 CHAIRPERSON BUCHANAN: Well, but there's nothing

1 in Option 3 that says you're going to have, you know, one --
2 how many teaching stations you're having per a given set of
3 students.

4 MR. SAVIDGE: It's just about the capacity.

5 CHAIRPERSON BUCHANAN: Right.

6 MR. SAVIDGE: It's the student capacity.

7 CHAIRPERSON BUCHANAN: And so that's completely
8 open ended. So I think the question's got to be -- the
9 thing about Option 2 which I think has appeal as well is
10 you're talking about teaching stations per students and
11 I don't know what the right answer is.

12 Clearly, I think we can develop -- I'm not sure we
13 have to decide which the right answer is today other than
14 maybe have some agreement that we'd like flexibility, but we
15 want to have accountability that we're -- that we have the
16 right number of teaching stations per student and that we
17 are holding districts accountable longer term to those
18 teaching stations that we fund, so we're not funding them
19 today and then having a different model tomorrow and funding
20 them a second time.

21 MS. MOORE: And we're -- I obviously support that
22 and just indicate that, you know, that is one of the roles
23 of the Department of Education is to ensure that there's
24 educational adequacy.

25 So in partnership with OPSC in terms of the

1 accountability, I think we can get there and I just -- I
2 want to see a role -- that education is forefront in the
3 role of ensuring that it's educationally adequate as well --
4 as financially sound.

5 CHAIRPERSON BUCHANAN: Are there any more -- you
6 still have a burning comment you want to make?

7 MR. SAVIDGE: So basic concepts -- I think we have
8 agreement on a set of basic concepts --

9 CHAIRPERSON BUCHANAN: Right.

10 MR. SAVIDGE: -- so we can try and structure a
11 consensus recommendation out of that.

12 CHAIRPERSON BUCHANAN: Yeah. Yeah. I mean my
13 issue with 3 is I could go out and build a 50,000 square
14 foot gym and just have cubicles for everything else. I mean
15 there's got to be --

16 MS. MOORE: And I think you would see the
17 Department of Education have a problem with that.

18 CHAIRPERSON BUCHANAN: So -- I would think you
19 would too, but that's why --

20 MS. MOORE: So -- so -- so --

21 CHAIRPERSON BUCHANAN: That's why I'm saying --

22 MS. MOORE: There is -- I think there's
23 reasonableness in all of this.

24 CHAIRPERSON BUCHANAN: I'm not saying you would,
25 but that's why I'm saying to me reasonableness is going to

1 tie into teaching stations.

2 MS. MOORE: And we do it every day already. I
3 mean we count the classrooms already in these programs.

4 CHAIRPERSON BUCHANAN: Right.

5 MS. MOORE: And then they come to OPSC and they
6 get counted again.

7 CHAIRPERSON BUCHANAN: Right.

8 MS. MOORE: So that's some repetition --

9 CHAIRPERSON BUCHANAN: Right.

10 MS. MOORE: -- goes on.

11 CHAIRPERSON BUCHANAN: Well, that's --

12 MS. MOORE: But --

13 CHAIRPERSON BUCHANAN: I wasn't bringing that up
14 suggesting that you weren't responsible. I was bringing
15 that up saying I think that's why --

16 MS. MOORE: I knew you weren't.

17 CHAIRPERSON BUCHANAN: -- we need additional
18 conversation so you figure out how it all fits together in a
19 way that's both fiscally responsible, provides the
20 flexibility, but also provides us with, you know, the right
21 number of teaching stations to accommodate the kids.

22 So do you still have a comment to make? All
23 right.

24 MR. DIXON: Sorry about standing up. I'm should
25 have raised my hand. As a school person, we follow rules

1 usually.

2 Joe Dixon, Assistant Superintendent in Santa Ana
3 Unified and CASH Chair and thank you, Madam Chair, and
4 Committee Members. I stood up because I wanted to help
5 Mr. Almanza with his question of examples and OPSC didn't
6 have any.

7 Three years ago, we had a superintendent who was
8 the assistant to Arne Duncan in Washington, D.C. --
9 Assistant Secretary of Education, and she came in with some
10 ideas for flexible learning spaces.

11 We're very active in the Overcrowding Relief Grant
12 Program. For example -- and usually -- the examples I'm
13 going to use is for secondary schools, but we -- we're
14 building a 40 classroom building to replace 40 portables.

15 Now, per regulation, we have to have 40 classrooms
16 or 40 teaching stations. Our superintendent who's been all
17 over the country looking at best practices for education
18 said, geez, can't we make these flexible learning spaces and
19 the answer is no. By the ORG regulation, we replace 40
20 teaching stations/40 classrooms with 40 classrooms.

21 And when you get in -- and all districts are
22 different; right? Different sizes, different geography.

23 We have 2,500 kids on 20 acres. It's a tight
24 site. So it's not like we could expand the building. We're
25 trying to free up green space.

1 So we're stuck, if you will. It is very nice and
2 we appreciate the support from the State for the
3 Overcrowding Relief Grant. Very nice classroom building,
4 but it doesn't have the 21st century classroom model that we
5 hoped to build.

6 ASSEMBLYMEMBER HAGMAN: What do you see as that?
7 What do you envision as the 21st century model?

8 MR. DIXON: Collaborative spaces especially
9 secondary schools for project-based learning, STEM academy
10 type of things, with -- for us and what Dr. Melendez, who is
11 our superintendent, talked about was a large learning space
12 with smaller pull-out areas around it and then they
13 collaborate in that flexible learning space and the larger
14 space for project-based learning.

15 And if you go to certain charter schools in
16 San Diego -- I visited a lot. L.A., I visited a lot --
17 they've been utilizing that model very successfully.

18 ASSEMBLYMEMBER HAGMAN: Now, how would that look
19 from a -- I guess a cost to a district as far as you put
20 three sets of traditional 25-student classrooms. You have
21 75 people utilizing the space around or how's -- I'm trying
22 to --

23 MR. DIXON: The same square footage could be
24 utilized. The smaller -- pull-out rooms would be smaller
25 than 960 or 900. So let's say it's a 2,000 square foot

1 flexible --

2 ASSEMBLYMEMBER HAGMAN: So it sounds like the
3 square footage calculation per student would be roughly --

4 MR. DIXON: The same.

5 ASSEMBLYMEMBER HAGMAN: -- workable too. Yeah.

6 MR. DIXON: The same. And I support the
7 flexibility. I just wanted to give an example, but we
8 appreciate the flexibility that you're talking about.

9 MR. ALMANZA: So it's stifled innovation, the
10 current process. Your ability to innovate --

11 MR. DIXON: Right.

12 MR. ALMANZA: -- classroom design.

13 MR. DIXON: It stifles that, yes.

14 CHAIRPERSON BUCHANAN: Well, I think their
15 innovation is in how they're delivering the instructional
16 program. They want the facility to support the
17 instructional program that they're doing.

18 I think -- and in terms of some of what we've
19 talked about, you're probably still -- your student-teacher
20 ratio on an overall basis in terms of your number of
21 teaching stations is probably still staying the same.

22 And so that's why I believe we can probably find a
23 way if we want to have the discussions to meld both.

24 There are going to be schools that are going to
25 want still the traditional method. I mean that the

1 standards, you know, Common Core and all that doesn't change
2 and it may be in some communities or schools, they're going
3 to deliver it one way and others are going to deliver
4 another way depending on what the needs are.

5 And what I'm hearing is you want flexibility to be
6 able to adjust to the needs of your unique community and how
7 you want to deliver that program.

8 And so I think -- I don't think that's
9 unreasonable. You know, the question becomes is how do
10 we -- said by the first speaker, how do we tie that
11 flexibility to the accountability because both have to go
12 hand in hand in terms of how the State writes you dollars
13 for your facilities.

14 And, you know, I'm not so sure if we didn't have a
15 conversation that we couldn't find a way that allows us to
16 maintain an inventory and count spaces in a way that, you
17 know, if we're giving you money for -- if we kept the 25 to
18 1 -- and maybe it shouldn't be that because as Ms. Moore
19 points out the new class size reduction is only funded at 24
20 to 1 not 25 to 1.

21 But if we were to count the 25 to 1 and we gave
22 you money for a hundred students, we're expecting you to
23 have the equivalent of four teaching stations.

24 How you design those may be up to you, but how we
25 count them has to be a way that is reasonable and makes

1 sense as well.

2 MR. DIXON: And we support that and we appreciate
3 that -- or I do. Even within our community, there could be
4 schools that are traditional, let's say, and other ones with
5 flexible learning spaces.

6 CHAIRPERSON BUCHANAN: That's right. And --

7 MR. DIXON: Right. So --

8 CHAIRPERSON BUCHANAN: But we just want to
9 ultimately be sure that, you know, whatever we have is
10 reasonable and -- to meet our demands.

11 MR. ALMANZA: Thank you.

12 MR. DIXON: Thank you.

13 CHAIRPERSON BUCHANAN: So we somewhat are in
14 consensus here; right?

15 MS. MOORE: I think we're -- I think we have the
16 basis of consensus and --

17 CHAIRPERSON BUCHANAN: Right.

18 MS. MOORE: -- I think that we could work with
19 that --

20 CHAIRPERSON BUCHANAN: Right.

21 MS. MOORE: -- building on the principles that you
22 indicated, flexibility, accountability, a role for the
23 Department of Education I mean in determining the
24 educational adequacy and ensuring that we are -- we -- the
25 Department of Ed, the Office of Public School Construction,

1 and frankly the Division of State Architect are in sync.

2 CHAIRPERSON BUCHANAN: So can I add -- and can I
3 add one word? Flexibility, accountability, and I'm going to
4 add consistency. We want to be sure that we have
5 consistency between Department of Ed and OPSC in terms of
6 how we count --

7 MS. MOORE: Absolutely. Yeah

8 CHAIRPERSON BUCHANAN: -- and we all -- so --

9 MS. MOORE: I'm good.

10 CHAIRPERSON BUCHANAN: So we all -- hopefully then
11 bring that -- we're not going to have all the answers in all
12 this, but we'll bring that back when we --

13 ASSEMBLYMEMBER HAGMAN: Bill, figure it out.

14 CHAIRPERSON BUCHANAN: -- when we --

15 MS. MOORE: I actually -- I thought that staff did
16 a fabulous job of summarizing and putting --

17 CHAIRPERSON BUCHANAN: Yeah. No, I --

18 MS. MOORE: -- forward possible solution.

19 CHAIRPERSON BUCHANAN: Yeah. Well, we've talked
20 before. I mean these are all big issues and it's -- I think
21 it's healthy that we have all these conversations and we
22 don't necessarily have to have all the answers initially.

23 MS. MOORE: Yeah. Right.

24 CHAIRPERSON BUCHANAN: So now we're going to
25 discuss options for the School Facility Programs.

1 MS. KAMPMEINERT: So our next topic is the
2 Modernization Program and this was a discussion that was
3 requested it be brought back for ways that we might make
4 potential changes to the Modernization Program.

5 And -- we're preparing this report the way we
6 looked at it was that it may actually be two separate
7 questions. One would be a way of looking at potential
8 changes to how you generate modernization eligibility and
9 then going hand in hand with that, though a slightly
10 different process, might be how we look at providing
11 modernization funding.

12 And this was in response to concerns that the
13 current funding model didn't take into account things such
14 as the condition of the facilities.

15 For example, a 40-year-old building might be in
16 great condition because of the type of construction or the
17 district's level of maintenance, whereas you might have a
18 ten-year-old facility that needs modernization now even
19 though the current program wouldn't see that building for a
20 number of years.

21 And then there were some other points brought up
22 related to campuses that had facilities that had different
23 ages and how that can be difficult to do a complete
24 modernization project and then also that the current system
25 was -- may not provide sufficient funding to do educational

1 modernization as well as just modernization of the
2 facilities themselves.

3 So just as a brief reminder, the current
4 eligibility program is age based for facilities and it uses
5 a pupil grant model based on the enrollment at the site, the
6 capacity of the site. So we're looking at modernizing
7 buildings that are of permanent construction at 25 years and
8 portable facilities at 20 years and then that's further
9 limited potentially by the number of students that are
10 enrolled at the site at the time the eligibility is
11 determined or updated.

12 So in looking at ways to approach this, we came up
13 with two options for eligibility models and one could be a
14 condition-based model and then the alternative might be an
15 age-based model with some potential modifications to things
16 we look at today such as enrollment at the site, et cetera.

17 And then the funding models we have listed three,
18 one using a cost estimate, one looking at square footage for
19 funding, and then also looking at the current model of per
20 pupil.

21 So on page 18, we start with the modernization
22 eligibility models and the first one that we have listed is
23 an option to determine the eligibility for the buildings
24 based on the conditions of the facilities.

25 And this -- under this site, it takes age simply

1 out of the factor of modernization eligibility and school
2 districts or other entities would perform an assessment of
3 the facilities on the site and rate the condition of the
4 buildings and identify the work that was necessary.

5 And this rating system would then correspond in
6 some way to dollars available for the school site. And
7 there are -- the Board could establish different types of
8 rating criteria. We've listed a couple examples. There
9 is -- could be a numerical index that assigns a building a
10 score and that's -- there's a tool out there called the
11 Facilities Condition Index that could be used.

12 And then also we have an example of an assessment
13 with the facility inspection tool that's -- that was used in
14 combination with the Emergency Repair Program and that is a
15 more simple ranking where it gives buildings just an
16 identifier of fair, good, poor, and then those broader
17 categories could be connected to funding amounts.

18 Now, those are not the only methods you could use
19 to rank buildings. There could be many variations of that.
20 Those are two of the main categories that we were looking at
21 there.

22 Now, with this, buildings are going to have
23 different level of need and there may not be unlimited
24 dollars. So it would be necessary to consider potentially
25 how to prioritize or potentially cap eligibility at the site

1 as there may not be enough funding to cover all of the needs
2 that are identified by the assessment of the facilities.

3 And then the other thing to point out is that
4 while the system -- it could completely eliminate the age
5 requirement, it may be worthwhile to consider whether the
6 Board would then want to think about age so that we're not
7 putting modernization dollars into a building that just
8 received new construction funding five, ten years ago. That
9 may not be something that folks are interested in doing.

10 So that is something that could be put into place
11 where the main driver would be the condition of the building
12 with some parameters around it.

13 And then -- so the other thing would be when a
14 district could update its eligibility. If you move away
15 from an age-based concept, then you lose the every 20 years
16 or 25 years you can come in again, get additional
17 modernization dollars.

18 So there would need to be something set forward if
19 I modernize today based on the condition of my facilities,
20 when can I touch this building again with State funds.

21 So that would need to be something else that was
22 considered there.

23 The system would require both regulatory changes
24 in statute and it's one of the methods that we were putting
25 out there for consideration.

1 And would you like me to go through the other --

2 CHAIRPERSON BUCHANAN: Yeah, go through all of
3 them and we'll take comments and then we'll go to member
4 discussion here.

5 MS. KAMPMEINERT: Okay. So the other method that
6 we have here is to continue to determine the eligibility
7 based on the age of the facilities but take a look at some
8 of the issues that might be limiting flexibility in the
9 Modernization Program with the way the program is presenting
10 today.

11 And one of those things may be looking at sites as
12 a whole versus partial site eligibility. So if you have a
13 site where half the buildings are brand new and half the
14 buildings were built 50 years ago, it makes it more
15 complicated to do projects.

16 So one of the things we put out there was maybe
17 there was a threshold for when the entire site would become
18 eligible for modernization and you could set that at varying
19 numbers, but maybe 70 percent of the site needs to be of a
20 certain age and then the entire site could get funding to be
21 modernized. And then all of the buildings would receive
22 essentially a new date on that.

23 So there'd still be a minimum age, but it would
24 not be building by building or classroom by classroom, but
25 it would look more at the site in totality and then set some

1 parameter where we're going to reach 60 percent, 70 percent,
2 80 percent of the site and then you can do the whole site.

3 And then the other thing we considered was
4 removing the pupil grant cap because right now if you have a
5 school that was originally built for 500 pupils, if of age,
6 when you come in to modernize, if you only have 350 pupils
7 at the site, then the program limits the eligibility that
8 you can request at that 350 pupil grants, which there's --
9 comments have been made that just because the kids aren't
10 there doesn't mean that the facilities are then less
11 expensive to modernize or that they don't need
12 modernization.

13 So you could lift the pupil grant cap and base
14 modernization eligibility on the original capacity at the
15 site so that the modernization dollars are tied to the
16 facilities rather than the students that are currently
17 enrolled at the site.

18 And on page 21, we've listed some considerations
19 for continuing the age-based models with the minor changes
20 the partial site and the enrollment issues and just things
21 to consider. This doesn't make a distinction to the
22 condition of the facilities and it could increase the demand
23 for modernization bond authority because you're potentially
24 modernizing buildings earlier than would be anticipated.

25 And these changes would potentially results in

1 districts receiving more funding under the new method than
2 they would under the program as it's established today.

3 Those are the two main eligibility concepts that
4 we had.

5 CHAIRPERSON BUCHANAN: Okay. Are there any
6 comments? Come on up.

7 MR. DIXON: Thank you. I'll be very brief because
8 I -- there are some other folks who want to speak as well.

9 You know, modernization is so complex, I don't
10 think today there's enough time to really fully vet some of
11 the issues.

12 I would ask respectfully that a whole Subcommittee
13 meeting be devoted to modernization. I can give you a lot
14 of different examples.

15 What I passed out right now is just one example.
16 In Santa Ana, we have again a really small site. The
17 playground's on the roof. We spent more of our money
18 modernizing that school, but we weren't able to complete all
19 the DSA-required fire and life safety items.

20 In fact, I have a meeting October 1st with San
21 Diego DSA to go over what am I going to do.

22 We did want to finish it. Again we replaced the
23 roof. It's a concrete roof. Again the playground's on the
24 roof, so it was real expensive, and we had an Emergency
25 Repair Program -- we're on the list -- the unfunded list for

1 that, so we anticipate getting that funding, but we haven't.
2 The State hasn't funded that for three years, four years.

3 So we're stuck. We're stuck and we weren't able
4 to complete the modernization. We're already \$2 million
5 over. We're double what we should have spent, so -- anyway,
6 I would just request that perhaps a full Subcommittee
7 meeting on modernization take place. Thank you.

8 CHAIRPERSON BUCHANAN: Any other comments? Come
9 on up.

10 MR. WHITE: Good morning, Madam Chair --
11 afternoon, Madam Chair, Subcommittee. My name's Tim White,
12 Associate Superintendent from Oakland Unified and I will be
13 brief as well.

14 I'd like to request as Joe Dixon did that actually
15 a matter like this requires a deep dive -- much deeper dive.
16 I think what we have just heard presented by staff are some
17 great options for us.

18 I am concerned about things associated with
19 modernization as we have discussions about redefining
20 classrooms and having the ability to give districts
21 flexibility in how we actually design and teach our
22 classrooms and the spaces that we want to teach our kids in,
23 particularly in urban environments where our stock is
24 primarily aged stock. In some cases, buildings are a
25 hundred years old and obviously the limitations of

1 flexibility associated with those are severe and folks who
2 actually have new construction grants don't have those kind
3 of restrictions in terms of determining what future spaces
4 should look like to be configured for our kids to be
5 educated in.

6 And so I think the classroom definition does
7 coincide with modernization and it clashes and restricts a
8 large portion of the whole State from creating spaces that
9 are educationally sufficient.

10 And so as we start looking at funding models
11 associated with that, I think we do need to look at
12 educational sufficiency.

13 And I did hear Director Moore mention that as well
14 because we modernize schools and actually get them up to
15 code, but if schools don't actually create environments
16 where you can educate kids, then what good is having a code
17 compliant facility to begin with.

18 And so educational sufficiency has got to be
19 included and whether or not that project's a modernization
20 project or a new construction project, our whole goal in
21 these facilities is to make sure that kids get an equal
22 opportunity for education. And so you have to consider
23 what's happening on the curriculum side with the Common
24 Core, with the local control funding formula, smarter
25 balance assessments, and we need to be ready in urban

1 environments with old stock as well as new facilities in
2 non-urban environments.

3 And so I do believe some consideration and
4 flexibility should be given to urban environments or
5 environments that have old stock so that at a certain point,
6 maybe it's feasible for us to demolish old facilities and
7 replace them with new facilities similar to what Bill
8 Savidge had set a model for in the district that he came
9 from. I would like my district to have same.

10 CHAIRPERSON BUCHANAN: My district did the same
11 thing, even though it's a suburban district, and it just
12 meant that obviously that more --

13 MR. SAVIDGE: Did fewer schools.

14 CHAIRPERSON BUCHANAN: That's right. More
15 responsibility fell on the district.

16 MS. ALLEN: Good afternoon. Cathy Allen,
17 Assistant Sup, Sac. City Unified School District.

18 As my colleague, Mr. White, appropriately called
19 them aging stock or old stock I think, I have 86 schools.
20 Most of them are old and a lot of them have a lot of
21 challenges obviously.

22 So one of my concerns -- and I definitely want to
23 echo what has been said that I do think a separate
24 discussion would be wonderful to have and I think it would
25 be a great opportunity to allow us to bring forth to you

1 very specific examples of maybe why an option would work
2 better or might not work better and what are some of the
3 constraints that we found when we were working under the
4 current program and what were we maybe not able to do, what
5 were we able to do.

6 I'm a little cognizant of using the condition of
7 the facility as a method and I want to say this almost kind
8 of leans more towards the State's funding side. You know, a
9 lot of us have had our general fund maintenance budgets
10 devastated obviously and I understand it's all about local
11 control, but some of us are not able to adequately maintain
12 our facilities to the degree that we should be able to and
13 so --

14 CHAIRPERSON BUCHANAN: Do you know any districts
15 that are? I don't think it's some of us. I don't think
16 that it's --

17 MS. ALLEN: Most of us? Okay.

18 CHAIRPERSON BUCHANAN: I don't think it's ever
19 been -- I don't think the amount that the State's
20 provided -- I don't care whether you're urban, suburban,
21 relatively new district, or old district. I don't know any
22 district that has had adequate funding from the State to
23 maintain its facilities.

24 So I don't think we ought -- it's a card that
25 applies to everybody across the State.

1 MS. ALLEN: Yeah. Well, and the frustrating side
2 to that for everybody is that, you know, instead of being
3 able to put some regular routine maintenance money into, you
4 know, keeping an HVAC system up and running for its expected
5 life, we don't. We let it fail and then, ooh, guess what,
6 we can use bond money to replace it if we're fortunate to
7 have a bond.

8 So the condition of facility I think is -- would
9 have to really kind of dig into that a little bit deeper.

10 But I think there's enough of us out here, you
11 know, and the CASH membership and other districts as well
12 just would be very happy to provide good living examples of
13 what did work, what didn't work, and maybe if you could take
14 a look of some of the options that are presented to see what
15 would help.

16 MS. MOORE: I have a question, Cathy. I am really
17 interested in the condition aspect of the proposal and also
18 it aligns with work that we've already done and that was
19 done through the U.C. Berkeley Center for Cities and Schools
20 as well in their report.

21 So I'm curious a little bit more -- and maybe if
22 you're not ready here today, but in the future -- about what
23 is the reticence around that issue where you said I'm a
24 little concerned about condition or being judged on
25 condition. Is that the issue or what -- funding on

1 condition.

2 MS. ALLEN: No. I just -- I would hate to see
3 folks let their schools get so bad that they now become
4 eligible for modernization dollars and maybe they could have
5 used bond dollars to fix things or replace things. I
6 mean --

7 MS. MOORE: If we put in place a bond bill next
8 year, though, they have one year to let their facility go to
9 shot. So I agree we should not have public policy that
10 inadvertently encourages bad behavior.

11 On the other hand, to me we've had a policy that's
12 been disconnected from what is actually happening at a site
13 and I applaud the staff for bringing forward some options
14 and some investigation of that very issue.

15 MS. ALLEN: I think the age along with the
16 condition obviously has, you know, two huge factors in
17 anything whether it's the life cycle of a roof or an HVAC
18 system or the amount of ADA requirements that are necessary
19 to be done.

20 So I mean there's a lot of big ticket type of
21 considerations. Anyway --

22 CHAIRPERSON BUCHANAN: Are there any other
23 comments? I'll take -- I think we all have -- we could
24 engage in a discussion and not -- I'd rather have everyone's
25 comments first and then we'll --

1 MR. ORR: Good afternoon. I'm Bill Orr, the
2 Executive Director of the Collaborative for High Performing
3 Schools or CHPS. Thank you for the opportunity to talk
4 briefly.

5 I'd like to highlight three things. The first one
6 is Kathleen just mentioned a minute ago that there have been
7 several initiatives -- several reports generated over the
8 last couple of years. One of them was a Schools of the
9 Future initiative that was initiated shortly after Tom
10 Torlakson took office and then the report that Kathleen just
11 mentioned.

12 And I think there's a lot of great information in
13 both of those documents that could really lend to a broader
14 discussion about how to approach modernizations. And so I
15 would definitely support basically pulling together a
16 meeting to just look at modernizations.

17 The other thing I wanted to do was just briefly
18 mention two other ways that school facilities -- existing
19 school facilities have been assessed that are related to
20 CHPS. The first one is called the operations report card
21 which is a benchmarking and improvement tool for existing
22 schools.

23 And rather than look at the condition of building
24 systems like a facility condition index would, it actually
25 looks at the learning environment. So it focuses on indoor

1 air quality, acoustics, lighting, thermal comfort, energy
2 efficiency, water conservation, and you basically come up
3 with a score based on that.

4 So instead of just looking at whether or not the
5 roof needs to be repaired, you're actually looking at are
6 the levels of lighting in the classroom appropriate for
7 learning and the same on all of the other attributes.

8 So that's just another -- it's very complementary
9 to a facility condition assessment, but it really looks at
10 whether or not the bones are good for the classroom from a
11 learning perspective.

12 The other thing I wanted to just mention is --
13 actually it's very ironic. Sac. City did a master plan
14 looking at the condition of their schools and what they
15 actually did was they used the CHPS criteria as a method to
16 go through and assess the condition of all of the schools in
17 the district and really driving that was if they could
18 improve the attendance in the district by 1 percent, what
19 additional ADA would that bring to the table.

20 So in addition to sort of the construction funding
21 side, it's also looking at it from a system's perspective.
22 And I think that's really what we need to look at because
23 the disincentives for -- you know, based on need to get more
24 dollars, you know, you basically have to look at that whole
25 puzzle.

1 So just in summary, I would support having a
2 separate meeting just to look at modernizations, to look at
3 the degree of need, and then also to look at some other
4 assessment tools that might be relevant.

5 CHAIRPERSON BUCHANAN: I'll give you my two cents
6 on all of this. Is there anyone else who wants to speak
7 before me --

8 AUDIENCE: Modernization or any of the other?

9 CHAIRPERSON BUCHANAN: Well, we're on this topic
10 right now, modernization.

11 MS. KAMPMEINERT: We had some funding thoughts
12 too. Did you want us to briefly highlight those or --
13 because we've just gone through the eligibility piece?

14 CHAIRPERSON BUCHANAN: Well, you talked a
15 little -- so, yeah. Go ahead. I thought we had covered
16 them in terms of how you might fund them on different areas.
17 So go ahead.

18 MS. KAMPMEINERT: It's somewhat familiar but --
19 determine the eligibility and then some ways to fund them
20 and I'll keep it brief since I know we've already had some
21 comments, but on page 22, we get into the funding models and
22 there's three we propose, the third one being keep it based
23 on a pupil grant method.

24 CHAIRPERSON BUCHANAN: Right.

25 MS. KAMPMEINERT: But some of the thoughts we had

1 were -- and the funding models we were thinking could be
2 used with either method of eligibility, whether you
3 determine it based on a condition assessment or whether it's
4 an age based, but once you've determined the eligibility
5 under model one, you would use a cost estimate to determine
6 the cost for the site.

7 And that would work with both the conditions-based
8 assessment and the age-based assessment, but that cost
9 estimate would either determine your cap for the site or,
10 you know, you could do potentially small projects based off
11 of it and just kind of go up to that grant amount.

12 Use of a cost estimate, some of the considerations
13 that is potentially going to increase processing time for
14 districts and staff as we would need to do potentially more
15 detailed review of the cost estimate. So that's one of the
16 considerations.

17 Districts may be able to request smaller projects
18 that are currently under the program because it would be
19 based on actual cost, so that might provide some more
20 flexibility and then the other thing to point out on that
21 model is that we do currently have programs that use the
22 cost estimate in the School Facility Program. However, all
23 of those programs are based on a minimum work necessary type
24 of concept. So this would be a potential departure from
25 that in looking at the general cost estimates.

1 And then page 23, the second model, the other
2 thing we had contemplated was funding on square foot grant
3 amount as opposed to a pupil grant amount and that's -- the
4 Board would need to establish what the appropriate square
5 foot grant amount would be.

6 And right now in other programs, we have toilet
7 and non-toilet, just very general categories. So that might
8 need to be different for modernization given different
9 building types, different types of work, et cetera.

10 So that number would need to be established, but
11 that could then be used to provide the dollars and again you
12 can use that with the age-based mode. You can use that with
13 the condition-based model. You're providing the appropriate
14 square footage dollar amount there.

15 And then the third option was just the basic use
16 the pupil grant model for funding and then consider if you
17 need any changes to how that funding model is working. Just
18 wanted to point those out.

19 CHAIRPERSON BUCHANAN: Okay. Go ahead. I'll add
20 my comments after.

21 ASSEMBLYMEMBER HAGMAN: Okay. So this section,
22 I'm sure we could do a few days on this, but these are some
23 of my thoughts and concerns and I always have to play
24 devil's advocate. Okay. So I'm just going to talk -- take
25 advantage -- the wrong thing, but I think (a) it'd have to

1 be age based. There's no way that we should kick in a ten
2 year building when we're still paying 30-year bond money on
3 it.

4 So you have to have some kind of age basis on
5 there. Two, when I brought the idea of having a database
6 with conditions and usage of buildings, I had every school
7 district tell me no, no, no, no, but at the same time, they
8 want the State to be the warranty operator for all these
9 buildings.

10 You can't have it both ways. If you aren't going
11 to share what conditions your buildings are in and how we
12 can use them, I don't think frankly we should be on the hook
13 to replace them or fix them. So I think that has to be
14 there.

15 If we're going to be investing 30-year bond money
16 into a new building, I think there also going to have to be
17 some sort of local stakeholder in to keep that maintained.
18 And if you don't, then I think it should -- we should not
19 reward those -- if we go condition-based, I don't think we
20 should reward those who don't take care of their buildings.

21 And just because some districts negotiate
22 different contracts with their personnel or others so they
23 have more money for maintenance, that is part of the local
24 funding.

25 If you decide to pay all your money in operations

1 and no money for maintenance, you know that ADA's gone down,
2 that -- some districts are going to put money away for
3 maintenance, some districts are not, and we shouldn't reward
4 those who don't do that maintenance in there.

5 So I don't think it should be based on condition.
6 It should be based on some sort of age and I'm trying to
7 think of some of my home warranties when I built my house
8 and stuff. The roof's supposed to last ten years. If it
9 lasts eight years, I get 20 percent of the money toward --
10 you know, toward it or something like that where it's
11 supposed to have some longevity based on routine maintenance
12 of that facility.

13 And I think you could maybe make some kind of
14 scaling. This building's supposed to last for 35 years and
15 we're 15 years into it, we'll give you so much of the
16 warranty. You have to cover the rest. A percentage of
17 scale based on longevity of -- expected longevity I think is
18 the best way to go on the age base.

19 Concern about removing the cap, it totally makes
20 sense to redo a whole facility if you're going to do it, but
21 I also want to make sure there's not games played with that.

22 If I have a school that's 1,200 pupils -- has the
23 capacity and I have 1,200 students there and I divide them
24 up between campuses that are vacant, I have 300 at each one
25 and I got modernization of all three of those and two years

1 later, I transfer all back to one school for operational
2 purposes and lease out two schools, then where's my money
3 going to go for not providing for the students but it's
4 there to make money for the district.

5 I had one of our speakers who just had some of
6 their schools just put on the market for leasing this year
7 and I know that we put money in the last ten years and we
8 got to make sure that that does not happen either.

9 So I don't -- totally makes sense to redo a
10 school, but at the same time, I want to make sure it's used
11 for the students and not used for outside venture later on.
12 And --

13 CHAIRPERSON BUCHANAN: Do you want me to --

14 MS. MOORE: Go ahead.

15 CHAIRPERSON BUCHANAN: I have a problem with
16 condition as well because -- well, for a number of reasons.
17 One is that assumes the State's going to have some kind of
18 standards and I think we have a program that basically says,
19 you know, local -- we've had for years, before Prop. 13.

20 I mean local school boards were responsible for
21 the construction and the maintenance of their schools. They
22 design them and they're responsible for all of that.

23 And it's never truly been a responsibility of the
24 State. The State program has been designed to provide
25 grants to help partner with school districts to provide an

1 incentive for local communities to pass bonds. You know,
2 we -- but essentially the State has never really been in
3 that business and I don't know how the State can get into
4 that business for a thousand districts or 10,000 schools.

5 I do believe that every school district is part of
6 their own facilities analysis. I mean I know my district
7 did and I'm sure Bill's district did -- should be doing its
8 own condition assessment.

9 You know, when you decide, you know, when you're
10 going to pass a bond or spend your developer fees or
11 whatever, apply for money, you should have done that work
12 locally to determine what conditions your schools are in,
13 what your standards are, and where -- how you're going to
14 allocate the funds that you spend.

15 So I think that's the responsibility for local
16 school boards. I don't see how the State can get into that
17 business and I don't want to provide disincentives to build
18 high quality schools at the very beginning.

19 Right now, if you know that your school can be
20 modernized in 25 years, you should be designing a school
21 that's going to basically last that 25 years and not one
22 where we come in after five or ten years and we're looking
23 at modernizing because I don't know how we can at the State
24 level sustain that kind of financing.

25 I do think we're talking in many respects about

1 two different issues. One issue is how do we provide money
2 for modernization. The other issue is how do we have those
3 maintenance dollars so that we maximize the life cycle of
4 our facilities.

5 And that is a problem and it always has been a
6 problem. I know all of you are in facilities, so your job
7 is to make sure you have the money to fix them and the
8 school board and the superintendent are also looking at the
9 instructional side and some of them will commit more money
10 than others to the maintenance side.

11 But even if you went back to when -- you know, in
12 the near past where we've had more money for maintenance,
13 that was still not enough. I mean when I take a look at
14 what we paid to build the most recent high school in our
15 school district, if you just put 1 percent aside, you'd be
16 putting about \$1.3 million a year aside for maintenance of
17 that one school.

18 Well, if you add in the other high schools, the
19 middle schools, and the elementaries, you'd probably have to
20 commit 20 to 30 percent of your budget to maintain them in
21 the way all of us would want and I don't think that's
22 possible when you're funded 49th in the nation.

23 And that's why I think we may need to take a look
24 at how we fund major maintenance in a different way outside
25 of the bond program. I've said to people I personally would

1 love to see -- it may not be politically feasible, but the
2 ability of districts to pass parcel taxes strictly for
3 facility maintenance at 55 percent threshold and allow
4 communities then to invest in maintaining the bigger
5 investment that they've made in facilities.

6 But I don't think we're going to solve that
7 problem through the Modernization Program.

8 So where I have sympathy -- and I don't know
9 exactly how to do it is that very rarely are you going to
10 have a school district -- and I'm not sure there's one in
11 the State of California -- where every school is housing its
12 capacity.

13 You know, in fact I think ideally in your schools,
14 you probably need to be at 90 or 95 percent of capacity
15 because then when a house turns over and someone moves in,
16 that kid can go to the neighborhood school. Just -- kids
17 just don't come in those kind of bundles where you can get
18 30 kids in every classroom.

19 So chances are, say you have a school with a
20 capacity of 600, you know, you're probably going to be at
21 capacity pretty much if you have 550 students. You might
22 have -- you know, you might be one student short in each
23 classroom or two, but you're utilizing all the classrooms.

24 And so it makes sense then to me to fund the
25 modernization of the entire school, you know, based on the

1 600 student capacity and not based on the 550 students.

2 Now, if I have a school that was built in two
3 phases and one is 25 or 30 years old and the other is ten
4 years old, then I think you pretty much have to modernize in
5 two phases because I don't think we're going to want to
6 modernize buildings that were just built ten years ago.

7 There might be some wiggle room depending on if we
8 could come up with 90 percent of the buildings or whatever,
9 but I do think, you know, age makes sense and we want to
10 incentivize people to build or modernize based on that
11 cycle.

12 I do think there should be flexibility. I don't
13 know what you do if the State is supposed to have full
14 responsibility for it because you decide a school isn't
15 educationally adequate. We give you new construction grants
16 instead of modernization grants because the way school
17 districts are doing this now in the State is they're taking
18 their modernization money, which at one point in time all of
19 you know you weren't able to use modernization money towards
20 tearing down and new construction, but they're taking that
21 modernization money and putting that towards replacement if
22 that's what the district feels like it needs to do.

23 But, you know -- and when I say all this, I say it
24 all in the framework where all of you know that the Governor
25 is looking for a simple, streamlined, cost-effective

1 program, you know, if we're able to get him to agree that we
2 need a new bond because I think all of us in this room agree
3 that we need a bond.

4 I don't think we're looking at expanding greatly.
5 I think we're looking at how do we, you know, maximize
6 value.

7 MS. MOORE: As I indicated, I mean I think we
8 looked at this extensively and asked for policy
9 considerations around this with the Center for Cities and
10 Schools report and one of the pieces were is this issue of
11 condition, I think is more on point, and of equity probably
12 as a greater point and that maybe there's a place -- because
13 I do hear my fellow Board members on the age piece and I
14 would agree with you that I don't think that we just any
15 age, any condition come in the door.

16 But there perhaps is a combination between age and
17 condition. And I think actually part of what you were
18 expressing is, is capital renewals. I mean the building
19 industry, and which we are a part of -- we're education, but
20 we are also in our capacity part of a building industry and
21 that building industry has standards and those standards
22 are, you know, between 2 and 4 percent of the replacement
23 values invested back in the building every -- annually.

24 We're not there. We're not there with
25 maintenance. We're not there with routine maintenance nor

1 deferred maintenance nor with modernization, but perhaps
2 maybe that is where we can achieve to be.

3 Where I've seen the disconnect is we say per
4 pupil, which really is simply putting a capacity -- putting
5 a cap on what the State's willing to invest because that per
6 pupil doesn't really translate in the modernization world to
7 what the particular situation is, where the systems are,
8 what is the educational adequacy. It never translated
9 there. It simply was about this is what the State can
10 afford. You bring forward, school districts, what you can
11 afford and you can do a -- you then do your project.

12 And I'm not so sure that's the best way. And we
13 also have moved away again from square footage, which the
14 rest of the building industry associates with. They
15 modernize. They build. They -- everything is on --
16 computed on a square footage basis not on the people that
17 are in the building, but how big is the building and what is
18 its condition.

19 And I just think we've been a little disconnected
20 from that and I think that there is a need to greater
21 emphasize what is this particular circumstance and condition
22 of these buildings.

23 Again I agree we should not be incentivizing, you
24 know, bad -- or not investing in the buildings all along. I
25 think there's a way that you could actually account for and

1 give priority to those that have invested and therefore, you
2 then begin that policy overview and incentive to invest in
3 your buildings, if we somehow account for that in how we
4 fund it.

5 This program used to have a 3 percent requirement
6 that you then had your 3 percent maintenance, if you agreed
7 to take State funds. That went away with flexibility and
8 continues to be --

9 CHAIRPERSON BUCHANAN: But even that 3 percent
10 wasn't necessarily major maintenance. It -- so it was not
11 adequate to do -- you know, to -- the type of maintenance we
12 really want and what you're really talking about, I mean we
13 call it deferred maintenance. It shouldn't be called
14 deferred maintenance because you have ongoing routine
15 maintenance.

16 Districts probably do even now spend pretty much
17 close to that 3 percent on it. Then you have major
18 maintenance and that's where you build a building to last 25
19 years, but the HVAC system we know doesn't last 25 years.

20 We know that ever so many years, you're going to
21 have to paint that building. Whether it's wood or stucco,
22 if you don't paint it, you don't have that protective
23 coating on the outside and you either get leaks or you get
24 dry rot.

25 We know you've got to replace carpeting. We know

1 that the ballasts go out on the lights and you've got to
2 replace those. So there are certain things that you know
3 you've got to do in the interim and it's that type of major
4 maintenance that again we call it deferred maintenance.

5 But it's that kind of major maintenance where
6 there really is no funding for it in California because when
7 you're 49th in your basic per pupil spending to run your
8 basic program and pay your utilities and all your routine
9 kind of maintenance things -- when you're 49th there and
10 then when you have a State program that's really designed to
11 help provide capacity and -- for new construction and major,
12 you know, the whole -- the renovation that you're doing,
13 you've got that interim in terms of how do you fund that
14 type of major maintenance.

15 And that I think, you know, it's almost where
16 you've got to have a crusade or a campaign to explain to,
17 you know, taxpayers associations and others that actually we
18 could save tax dollars over time if we had a way to fund
19 those kinds of projects.

20 And I think to sell them on it, they've got --
21 that money has got to be dedicated and do the kind of major
22 maintenance it's intended to do and not divert it into other
23 areas.

24 MS. MOORE: I 100 percent agree with you on
25 maintenance and I hope that as the bond measure moves

1 forward that there's hand in glove around that issue as well
2 because I think we all want to ensure that the assets that
3 both the State and the locals invest in stand the test of
4 time and are functioning well into the future for all of us.

5 So I'm a hundred percent there with you and I --
6 as I said, I hope we have future discussions on that.

7 Where I may depart from other members of this
8 Committee is that I do think that condition does have a
9 place. There are -- you know, there's a number of other
10 states that used condition as part of their maintenance and
11 as part of their modernization programs and I mean the
12 Federal Government in terms of looking at base schools, it
13 was based on condition.

14 Maybe we don't have that tradition and we don't
15 want to upset the tradition that we have, but I think that
16 if we were to marry what locals do -- and I think locals do
17 look at condition because that's how they're, you know,
18 looking at their master plan and that's how they're looking
19 at how they're going to invest their funding.

20 What if the State was more sympatico with that.
21 What if we had, you know, some of our requirements around
22 that. So -- and then if we want to cap the funds, you cap
23 the funds, but that you're working in concert with what is
24 best practice. Best practice is looking at condition and
25 ensuring that your systems are working over time let

1 alone -- you know, again my passion is educational
2 modernization.

3 I know that it's hard to fund, but some of these
4 schools need to be reconfigured for 21st century learning.
5 And we should first of all allow for that in terms of how we
6 look at the plans, but secondarily --

7 CHAIRPERSON BUCHANAN: We do allow and --

8 MS. MOORE: Um-hmm.

9 CHAIRPERSON BUCHANAN: -- if a school is over 50
10 years old, we -- you know, we provide more funding. If the
11 replacement cost exceeds a certain percent --

12 MS. MOORE: I'm not so sure we allow.

13 CHAIRPERSON BUCHANAN: We do that -- we do allow.

14 It's just that we don't --

15 MS. MOORE: We don't allow --

16 CHAIRPERSON BUCHANAN: We don't increase --

17 MS. MOORE: I'm not sure that we allow the --

18 CHAIRPERSON BUCHANAN: We don't increase our dime.

19 MS. MOORE: If I have three classrooms and I want
20 to open that up and have -- and help me out, Juan. If we
21 do, I stand corrected.

22 We have three classrooms. We want to open that up
23 and maybe have a couple of small learning environments and a
24 larger and it counts to -- it only looks like two, do we
25 allow that to happen?

1 MR. MIRELES: There could be adjustments for
2 capacity in terms of modernization.

3 CHAIRPERSON BUCHANAN: Right.

4 MR. MIRELES: You know, we -- the program right
5 now doesn't allow for certain displacement classrooms.

6 MS. MOORE: Displacement.

7 CHAIRPERSON BUCHANAN: Right. But that's an
8 eligibility issue that we can solve just as we were talking
9 about the new --

10 MS. MOORE: Great. Love to solve that.

11 CHAIRPERSON BUCHANAN: I mean the bigger problem
12 in terms of what we allow or don't allow is you design a
13 school that 20 years from now someone says who on earth
14 designed that school. We've all -- we've had -- you're
15 smiling because we've had that, you know.

16 And we had most of a high school we took down. It
17 was this horrible concrete structure and it's like what --
18 you think what were they thinking.

19 And so the question -- but, you know, now you're
20 on the school board or -- you own it. You know, whoever
21 made that decision, they made that decision and the current
22 people own it.

23 And so the question becomes if I approved a design
24 of a school 20 or 25 years ago and I decide I don't like it
25 because I want to build a different one, should the State be

1 responsible for replacing that or should the district be
2 responsible because you're --

3 MS. MOORE: Well, I mean let's talk --

4 CHAIRPERSON BUCHANAN: -- opening up --

5 MS. MOORE: -- bit about 50- and 75-year-old
6 schools, the school that my grandmother went to that we
7 expect our children to be as comfortable and in the same
8 learning environment for a completely different educational
9 model.

10 CHAIRPERSON BUCHANAN: Right. And --

11 MS. MOORE: So I think that there are times that
12 the educational model must change and it's not a mistake.
13 It wasn't a mistake when it was built.

14 CHAIRPERSON BUCHANAN: But my point is if you've
15 got a 50 or 100-year-old school and the cost to bring that
16 up exceeds a certain amount, we allow for replacement of
17 that school.

18 So, you know, there may be some way we can tweak
19 that, but you've got to have your arms around it in some way
20 so that you're not just, you know, replacing schools that we
21 designed them and now we don't like the design because we
22 want to change the educational program and we want money to
23 replace it instead of the money to modernize it.

24 There's got to be some way you balance that.

25 MS. MOORE: And I agree that there -- there should

1 always be balance, but I also believe that there should be
2 flexibility for modernization to address educational needs.

3 I don't think we get there today because -- just
4 because of our funding cap. It just -- I mean what we can
5 afford to do modernization and probably -- Joe Dixon talked
6 about it. He's already over his budget. He's talking about
7 access requirements and systems replacement.

8 CHAIRPERSON BUCHANAN: Right.

9 MS. MOORE: That's probably what our modernization
10 funds do right now. You know, in my dream world, we would
11 also be addressing educational modernization and I don't
12 think we should leave it off the table simply because it's
13 not affordable. It should be part of the options that
14 school districts have and --

15 ASSEMBLYMEMBER HAGMAN: And -- I just want to tag
16 on a little bit.

17 If you do do some kind of condition base, there's
18 got to be some kind of -- this is a partnership between the
19 district and the State. When you bring up examples like the
20 Federal Government, there's no partner with the Federal
21 Government. They are themselves.

22 So if one budget year, they don't fund it, they're
23 still responsible for it. They're not waiting for their
24 partner to do their part of that.

25 And if you're going to have any kind of condition

1 base, it's got to be accompanied with standard expectations
2 of maintenance that you give as the other partner. And if
3 they're not met, you don't qualify.

4 And I think you have to have both. And I think
5 it's --

6 CHAIRPERSON BUCHANAN: If you don't maintain your
7 car --

8 ASSEMBLYMEMBER HAGMAN: Yeah, the warranty goes
9 out.

10 CHAIRPERSON BUCHANAN: -- the warranty is voided.

11 ASSEMBLYMEMBER HAGMAN: Exactly.

12 CHAIRPERSON BUCHANAN: Yeah.

13 MS. MOORE: I agree and I think that we used to
14 have a system where we said -- I mean and we're now in the
15 flex world, so we need to adjust and figure out how it
16 works -- that we said we give funding, 3 percent
17 maintenance.

18 I mean there was that partnership. So now we're
19 in a different world. How do we accomplish that and not
20 incentivize, as someone pointed out, not to maintain your
21 buildings.

22 ASSEMBLYMEMBER HAGMAN: And this is kind of hard
23 because we gave the flexibility to the local districts to --
24 now, since we are bringing up the ADA somewhat and I notice
25 in my own district, the first people that got reimbursed

1 were the people we let go, staff, personnel, all the stuff
2 besides maintenance or new equipment.

3 And it always goes to operations. So he have that
4 constant battle of staff putting pressure on for pay wages
5 and stuff and we may be funding at the 49th level, but our
6 staff gets paid number one out of the rest of the states as
7 well.

8 So between both dynamics, there is nothing left
9 for maintenance. And I don't know if we should have a
10 position for that or not.

11 MR. ALMANZA: You know, condition base could have
12 a place when there's a scarcity of funds and up until now, I
13 think for the most part, age base has worked because, you
14 know, the projects get in line and the monies are made
15 available as they are available.

16 We have a waiting list now. We have a backlog.
17 But it's worked. There's been enough funding.

18 Going forward, you know, maybe condition base may
19 have to be a part of the formula because of the scarce
20 funding because a building may have to be at least 25 years
21 old and in really bad shape to go to the front of the line
22 and that's what the federal law I think was based on.

23 They use condition because they do have scarce
24 funds and there's only so many dollars that were available
25 in the nation and you have 5,000 projects, but you could

1 only fund 100 of them.

2 So, you know, they had to evaluate them -- rank
3 them based on condition.

4 So if we find ourselves in that situation, then,
5 you know, it may have to be 30 years old and really bad
6 shape. Hopefully not, but it depends on the funding.

7 MR. SAVIDGE: Could of other things if I could. I
8 mean one of the things in terms of what Assemblymember
9 Buchanan said was about modernization as an incentive for
10 districts to pass local bonds and I think it actually is
11 somewhat -- you know, pertains to the comments that
12 Mr. Almanza just made about what kind of an era we may be
13 into going forward in terms of how much ability the State is
14 going to have to be a major partner in modernization.

15 So maybe we think about what are the things that
16 we want to incentivize. So one example of something I think
17 we've talked about in the past, we want to incentivize when
18 a district has portables that need modernization, we want to
19 incentivize replacing those portables. Right? I think I've
20 heard that loud and clear from everyone here.

21 So maybe there's a way that you use that as a
22 piece.

23 When we have really old buildings that are also in
24 very poor condition, we want to incentivize replacing them.
25 So maybe we incentivize that. We partner with districts and

1 that brings in when you build a new building, it really
2 enhances the educational adequacy so it meets some of the
3 goals that I think Ms. Moore was talking about too.

4 Anyway, something to think about. I really do
5 unfortunately think -- and maybe some of my friends, you
6 know, behind me won't agree, but I think we're entering into
7 an age where we're not going to have the funding levels that
8 we've had in the past and we need to find ways to prioritize
9 and incentivize and that's hopefully some of the things
10 we're talking about today.

11 MS. MOORE: I definitely agree on both those
12 points. I'm not so sure that the modernization eligibility
13 actually went to modernizing those buildings. I think
14 sometimes it went elsewhere.

15 But I think they have their useful life and I'm
16 concerned about putting more modernization dollars into
17 20-year-old portable buildings.

18 And secondarily, I do think that I wouldn't want
19 to be putting good money after bad in terms of keeping, you
20 know, the shutters on a building when we should really --
21 like the industry does, when they are beyond their useful
22 life, they tear them down and they begin again.

23 Hard to do in historic or, you know, one high
24 school towns, but sometimes it's a better expenditure of
25 funds if we can make that happen.

1 CHAIRPERSON BUCHANAN: I think we have some
2 consensus. I mean it's hard -- the hard part, and I thank
3 Bill because I think he said it correct. I mean I do
4 believe that we're not going to have -- I don't know what --
5 if we're fortunate enough to get a bond to the ballot, it's
6 not going to be what we've had in the past, which means
7 we're going to have to prioritize.

8 If your buildings are 75 years old and they don't
9 meet whatever requirements, then I would agree. You know,
10 we're going to have to take a look at what makes sense.

11 I also believe that, you know, we need to
12 incentivize buildings to last the 25 years and I do
13 believe -- my own feeling is it is -- unless there's a
14 compelling reason, you live with the design.

15 You can't -- you know, there -- I've seen people
16 that come in -- a new principal comes in the middle of
17 construction and doesn't like the exact color paint or this
18 or that and people want changes and -- you know, and we
19 have -- we're always going -- every building's not going to
20 be exactly as we want.

21 So, you know, we're going to have to figure out
22 whether or not it can be made serviceable. But -- so with
23 that -- a future meeting, we're going to try and summarize
24 sort of comments and consensus and see if we can't put
25 everything together.

1 ASSEMBLYMEMBER HAGMAN: You have some people out
2 there, probably want to comment --

3 CHAIRPERSON BUCHANAN: Right.

4 ASSEMBLYMEMBER HAGMAN: -- especially after --

5 CHAIRPERSON BUCHANAN: Well, I'd like to move on
6 actually to consolidating special programs and I would like
7 to encourage CASH. If you want to give us a position paper
8 on it, we -- to the extent we can have another full meeting
9 on modernization -- we're trying to get through a number of
10 issues -- fine, but you're more than welcome at any time to
11 provide us with any information and we'll make sure all the
12 members get there.

13 So I think the next topic really combines most of
14 the information you've given us in terms of consolidating
15 programs.

16 MS. KAMPMEINERT: Yes. Thank you. So the
17 consolidating special programs, we've done the high level
18 overview of the special programs in meetings in the past and
19 also in the agenda following this item, there is a detailed
20 working of each of the special programs.

21 But what we wanted to focus on this item is some
22 big picture ideas of how the programs could be consolidated
23 to streamline and simplify.

24 So this is not the detailed plan of how to do it,
25 but just sort of the concept of where folks may want to go

1 in the future on this one.

2 And to start with right now, we have a number of
3 different special programs within the SFP in addition to the
4 main programs of new construction and modernization. There
5 are actually eight special programs in addition and they're
6 listed on page 25.

7 And the -- what we've tried to look at in this
8 item is where these programs may fit the best.

9 So in doing so, we've taken a look at what
10 truly -- what does new construction do, what does
11 modernization do, looking at those as the two main programs.

12 So we've outlined basically that new construction
13 is adding capacity, adding new things to schools, and then
14 modernization, you know, we've just been talking about that.
15 Got a number of definitions here.

16 But we've provided an overview of what each of the
17 programs does. In the interest of time, I'll move forward
18 to the options and then if you have specific questions, I'd
19 be happy to answer them.

20 CHAIRPERSON BUCHANAN: Right. That would be
21 great. Thank you.

22 MS. KAMPMEINERT: So on page 28, we've got the
23 first option there, the first method of consolidation which
24 addresses more of the funding issue as opposed to individual
25 program requirements.

1 So Method 1 would consolidate funding sources but
2 maintain the individual programs and their requirements.

3 So you basically have two buckets of money. You'd
4 have a new construction bucket of money and a modernization
5 bucket of money. You keep all of your special programs or
6 you could pick and choose which ones to keep, but you would
7 have your special programs still exist with their individual
8 requirements, but they would draw from one of the two main
9 buckets.

10 And what this would help do is eliminate issues of
11 too much funding for one program, too little funding for
12 another. It puts sort of everything on an even playing
13 field so that, you know, things are not tied up for future
14 years if they don't run out.

15 We have tried to sort of sort the programs out in
16 the middle of page 28 on the table there as far as what
17 bucket they might fit into, but that's, you know, up for
18 discussion too. We tried to --

19 ASSEMBLYMEMBER HAGMAN: And just so I could
20 understand that. So seismic, you would still have to
21 qualify to pull out of that money. So how would that bucket
22 be different?

23 MS. KAMPMEINERT: You'd just be drawing from the
24 pot of new construction money.

25 CHAIRPERSON BUCHANAN: It wouldn't have a separate

1 bucket. It would qualify under the new construction.

2 MS. KAMPMEINERT: So you wouldn't have a
3 \$199 million. You'd just have -- yeah.

4 ASSEMBLYMEMBER HAGMAN: So if you blew through --
5 critically overcrowded schools came in and a whole bunch of
6 applications before seismic use came in, seismic use
7 wouldn't get anything or that matter charter schools or
8 anything like that.

9 MS. KAMPMEINERT: If you keep the first in, first
10 out method that currently exists -- that's correct.

11 ASSEMBLYMEMBER HAGMAN: The only problem I have
12 with that is a lot of times people vote on these bonds
13 because they find something in that bond they like, because
14 they want to fund one component of that, and if you put it
15 all like this, more than likely these components aren't
16 going to be funded at all and therefore, may not get a --

17 MR. ALMANZA: Yeah.

18 MS. KAMPMEINERT: That is a consideration.

19 ASSEMBLYMEMBER HAGMAN: But you could word it in
20 such a way that after a certain period of time like five
21 years or seven years and seismic wasn't used, that the Board
22 after a stop period has a certain amount of time. If
23 there's not applications, if there's not desire, or
24 something like that, then maybe have the flexibility built
25 in to where you could consolidate or expand to another

1 program that is getting more use.

2 CHAIRPERSON BUCHANAN: But on the other hand, the
3 reason you have seismic under -- actually -- be under new
4 construction or modernization is because you have a school
5 that has been determined is not safe to house kids.

6 So if the school's not safe to house kids, you
7 really should be then adding back in the eligibility for
8 those students and you've got to replace with new
9 construction, so why do you need a separate pot of money.

10 Why don't you just fund that out of your new
11 construction dollars?

12 MS. KAMPMEINERT: And that gets to Method 2.
13 That's sort of the concept there is that you have the two
14 main buckets of funding, new construction, modernization,
15 and then you could collapse the different programs into it
16 and you wouldn't necessarily have to have specific program
17 requirements. In addition to seismic, other programs that
18 tend to fit there would be ORG, just sort of change what
19 modernization could be used for -- change the requirements
20 and say that it can be used to replace portables.

21 Career technical education, you can do career
22 technical classrooms in New Construction Program -- the
23 program already.

24 One of the things with using that method,
25 Method 2, and consolidating the programs is that the

1 eligibility requirements are different for each of the
2 specific programs. So you'd have to figure out how to marry
3 the eligibility requirements because you may not have
4 eligibility for new construction, but under the current
5 structure, you might be able to do a CTE project because it
6 doesn't draw down on new construction eligibility.

7 So Option 2 would be basically expanding the types
8 of things that would be considered new construction or
9 modernization, but with that, we may need to look at --

10 CHAIRPERSON BUCHANAN: But you could have
11 different eligibility for qualification within that bucket.

12 MS. KAMPMEINERT: Yeah. So you could --

13 CHAIRPERSON BUCHANAN: We don't have to stay in
14 the same box in terms of eligibility.

15 MS. KAMPMEINERT: Yeah. We could change the
16 criteria to, you know, match what the desires are.

17 And then the -- we also in looking at that
18 that's -- I'm sorry -- that's the really high level overview
19 of Method 2 right there, but the other thing we've pointed
20 out on page 30 are some programs that didn't seem to really
21 fit well into consolidation efforts and one would be the
22 Charter School Facilities Program. And the reason we put
23 that forth as not being a good fit is because it serves a
24 specific group of people. It's not school districts
25 typically.

1 In all the rest of the special programs, there's a
2 school district component there. So it may not be the best
3 fit for consolidating because they have different challenges
4 whether they're financial or ability to submit the
5 projects -- lack of a facilities department or just even a
6 need for -- there may be a need for a school regardless of
7 whether the district -- where they're located has unhoused
8 pupils, things such as that.

9 And then the other program that we've listed there
10 is the Critically Overcrowded Schools Program and the basis
11 for not recommending that for consolidation is that it
12 wasn't renewed in Proposition 1D and it seems that we're
13 going to move away from that. So we may not need to address
14 that program since it's basically done.

15 CHAIRPERSON BUCHANAN: Okay. Is there any public
16 comment? None? Any comments from members here?

17 ASSEMBLYMEMBER HAGMAN: Like I said, I still
18 have --

19 CHAIRPERSON BUCHANAN: Okay. Well, let's -- come
20 on up.

21 MR. ORR: Bill Orr again. I just wanted to
22 comment on two things, partly our experience with the HPI
23 Grants under Proposition 1D, and then I also wanted to share
24 with you a funding model for high performance schools from
25 Massachusetts.

1 So in terms of the first in, first out, I think
2 that's proved to be a real challenge as far as the HPI
3 Grants because with all of the considerations that school
4 districts have to have, you know, sort of doing something
5 new and trying something that maybe isn't part of what
6 they've done before has been I think a disincentive for
7 school districts under Prop. 1D taking advantage of that.

8 I think the base incentive grants really helped
9 with that historically, but I think what I would like to
10 share with you is a possibility going forward.

11 In Massachusetts, there's a School Building
12 Authority very similar to the Office of School Construction,
13 called the Massachusetts School Building Authority.

14 They've established a two-tiered system. Their
15 first tier is that they require all of their schools to be
16 high performance and then they also have an incentive
17 program where they basically give a one and a half percent
18 incentive to schools that get to a higher level of high
19 performance. And it's similar to sort of the sliding scale
20 approach that we currently have under the high performance
21 incentive approach.

22 And what they found is since they put in that
23 requirement, the jump from the base level of an I going to
24 do a high performance school to an am I going to go after
25 the incentive has really made a difference in terms of it's

1 a different decision.

2 CHAIRPERSON BUCHANAN: Of course.

3 MR. ORR: And so it's not so much a
4 transformational decision as it is going after additional
5 funding.

6 And we would be happy to provide additional
7 information on that particular option. I think it really
8 would be warranted for us to look at. And their new
9 guidelines have been in effect since March of 2011 and have
10 really had a substantial effect in terms of school districts
11 going after those incentive funds. So I just wanted to
12 share that with you.

13 CHAIRPERSON BUCHANAN: Okay. Thanks.

14 MR. SAVIDGE: Could you clarify something in the
15 Massachusetts program. So a school district has to build a
16 LEED certified or a CHPS certified building?

17 MR. ORR: That's correct. So in Massachusetts
18 they have to build a high performance school as a condition
19 of getting the state funding and then if they want to get
20 the incentive funds, then they have to go to a higher level
21 and in that case, they either need to go for CHPS verified
22 leader which is a higher level of CHPS or they have to build
23 LEED silver with additional energy credits because they
24 really wanted to have an energy emphasis. So that's what
25 you need to do to get that additional incentive funding.

1 ASSEMBLYMEMBER HAGMAN: And see, I understand this
2 and I do have a little bit of issue because we already pay
3 so much per square foot right now. I cannot believe the
4 numbers we're paying --

5 MR. ORR: Um-hmm.

6 ASSEMBLYMEMBER HAGMAN: -- for school districts
7 and it far exceeds any other state for what we pay per
8 square foot.

9 MR. ORR: Um-hmm.

10 ASSEMBLYMEMBER HAGMAN: So we want to build a
11 higher level, that means less schools are going to be
12 getting funded and a lot of cases, you're talking about
13 efficiencies that take out of the operations, which I
14 totally get as a school district.

15 MR. ORR: Um-hmm.

16 ASSEMBLYMEMBER HAGMAN: But we're using long-term
17 bond dollars to pay for a cheaper electric bill when that
18 probably should come out of operations because that's where
19 they're saving it from to increase some of those things.

20 And we augment some of that stuff and we do have
21 that and we do have pretty high standards for the schools
22 already, bringing them up to that certain level. But for
23 me, I try to distinguish the difference between the
24 operational fund -- the operations of the schools and the
25 capital improvements because the capital is going to be over

1 a long period of time.

2 If we increase our cost per square foot by, you
3 know, 10 percent to have more efficient buildings, that's
4 great, but I'm saving it on the backside of operations
5 because I'm not paying for electric, I'm not paying as much
6 for water or cooling or as the case may go, but I'm also
7 adding that to the bond cost, you know, over here.

8 So, you know, how do I distinguish those two? You
9 know, how do I make that make sense so I still get the most
10 out there because as our bond numbers go down, there's going
11 to be less and less schools are getting the monies.

12 MR. ORR: Um-hmm.

13 ASSEMBLYMEMBER HAGMAN: I'm hoping for ideas from
14 the audience on how to bring my cost per square foot down
15 not going up, so I get more of these buildings done. And
16 then if they could add some of their own, maybe we get a
17 loan program or something like that where they could build
18 it up to the higher level, but with that savings in
19 operations, they pay back into it.

20 That's one of the things I was trying to work into
21 Prop. 39 because I do think we could become a partner with
22 them for long term savings on operational costs, but it
23 needs to be rotated back out over a period of time.

24 MR. ORR: Well, I think you've touched on
25 basically the chasm between the capital budget and the

1 operating budget and my experience in looking both in State
2 construction and school construction is that we really are
3 looking for a way to get people to make long-term wise
4 decisions on the capital side.

5 Admittedly, they're going to benefit the operating
6 budget, but that's a good thing. And so I've seen efforts
7 where there's been cost sharing arrangements and things like
8 that. Those can get really complicated really, really
9 quickly and I think if we can find a way to invest capital
10 dollars that are going to save operating dollars that can go
11 into the classroom, I think it's a good thing.

12 CHAIRPERSON BUCHANAN: I think it's a good thing
13 and I think ultimately we're going to get down to deciding
14 what the demand is --

15 MR. ORR: Um-hmm.

16 CHAIRPERSON BUCHANAN: -- what we can afford and
17 whether or not we can do that. I mean a state like
18 Massachusetts funds its schools differently than a state
19 like California.

20 And if we could fund our schools like
21 Massachusetts, I'd be there in a heartbeat.

22 MR. ORR: Well, you --

23 MR. SAVIDGE: On the operating side as well as
24 capital side.

25 CHAIRPERSON BUCHANAN: That's -- both sides.

1 That's exactly right because it's still a property tax-based
2 situation.

3 MS. MOORE: This is also getting to the issue,
4 however, of first cost.

5 MR. ORR: Um-hmm.

6 MS. MOORE: And I think it also lends itself to
7 the discussion of are we building 30-year buildings, 45-year
8 buildings, 50-year buildings, and sometimes that means that
9 you invest more in the beginning than you would have, but
10 you get the usage of that over time to a greater level.

11 I mean isn't that the basic premise of high
12 performance. We want high performing buildings and it seems
13 to me that high performing buildings are actually the
14 baseline and that we should be constructing high performing
15 buildings.

16 CHAIRPERSON BUCHANAN: They should be the
17 baseline. I don't think high performance necessarily means
18 longer life cycle. It -- because I think what high
19 performance means is buildings that are more efficient to
20 operate, as Mr. Hagman said.

21 So on your general fund operational side of the
22 budget, you know, you see improvements and, you know, you
23 also see, when you talk -- you were talking about lighting
24 earlier. You see more natural light and hopefully a better
25 learning environment.

1 But I don't think that high performance
2 necessarily means that a building lasts longer. It means
3 that they're more efficient to operate and you have other
4 savings there.

5 MR. ORR: It could and I actually --

6 CHAIRPERSON BUCHANAN: Well, but so -- any
7 building -- I mean --

8 MR. ORR: -- I think from a reality standpoint, I
9 think we should be thinking of 50-year buildings, not
10 25-year buildings. So whether or not or not a given --

11 CHAIRPERSON BUCHANAN: But even in a 50-year
12 building, you're probably replacing lights and doing the
13 same -- some of those same -- that same kind of maintenance.
14 I mean our district went to metal roofs because they last
15 longer, but, you know --

16 MR. ORR: And that's the life cycle part. Whether
17 it's the HVAC system or the roofing systems, you're going to
18 have those expected lifetimes and that -- if you roll that
19 all together, then that becomes the high performance school.

20 MR. SAVIDGE: So I think we are heading in
21 California towards a standard where everything is going to
22 be high performance by the code requirements that are
23 changing. The CALGreen Code is really in its infancy, but
24 it's being increased and further and further pushing the
25 costs up, as Mr. Hagman's concerned about, but also creating

1 a higher standard for every single school.

2 And we've got our Title 24 standards that just the
3 last version in comparison to the previous one -- the one
4 that's in place now is almost 25 percent higher in terms of
5 the energy efficiency requirements and everyone has to meet
6 those requirements.

7 So we're kind of getting to a point where a high
8 performance school is what you have to build and we'll be
9 there in ten years easily, I think.

10 CHAIRPERSON BUCHANAN: Are there any other --
11 anyone else -- Cathy -- who wants to comment?

12 MS. ALLEN: Cathy Allen, Sac. City. So I'm having
13 a little problem wrapping my head around this and I think as
14 we usually say the devil's in the details. I'm trying to
15 figure out how it would work.

16 And what I did today before I came over was
17 tallied up how many and how much Sac. City's been able to
18 access because of these special programs. And we've been
19 very fortunate and even in San Juan, my former district, you
20 know, three very successful career tech programs on one of
21 our high school campuses that I would be willing to bet that
22 we would not have attempted to do those without that funding
23 available.

24 So in terms of still being able to access -- I
25 just don't know how that would work. So again the devil's

1 in the details. But, you know, we've done -- of the items
2 that are listed here, other than seismic and facility
3 hardship, we've done every one of these and received money
4 from every one of them, done some beautiful things and I --

5 CHAIRPERSON BUCHANAN: And you understand the
6 proposal is not to eliminate the program. The proposal is
7 to have one big pot.

8 MS. ALLEN: One big pot.

9 CHAIRPERSON BUCHANAN: So theoretically you could
10 fund more out of it or you could -- you know, you'd have
11 less, but you'd have one pot, so you wouldn't end up with a
12 hundred million left over in one when you need more money in
13 another.

14 MS. ALLEN: Right. And like I said, I'm just
15 trying to wrap my head around it and figure out how it'd
16 work and although this will probably be unpopular, I think
17 we need another program called ADA improvements because that
18 seems to be where the majority of our money goes. Just my
19 little plug there for dollars for ADA improvements. Thank
20 you.

21 CHAIRPERSON BUCHANAN: That's where the majority
22 of everyone's money goes.

23 Come on up.

24 MR. WHITE: Thank you, Ms. Buchanan. I actually
25 wanted to say I appreciate staff's work so much. They've

1 put an awful amount of time I think in coming up with some
2 alternatives and I think all school districts in the State
3 ultimately will benefit from it.

4 I appreciate the Committee actually having this
5 kind of forum and allowing for this type of discussion and
6 actually want to appreciate Mrs. Moore because -- I want to
7 echo her comments because I think she's hit the nail on the
8 head here; right?

9 And we're talking about roofs, we're talking about
10 heating systems, we're talking about classroom
11 configurations, but it's all for the benefit of educating
12 kids.

13 And so we don't have a lens that talks about what
14 we do as something broader and more impactful than just
15 keeping a 960 square foot box warm, then we're not actually
16 accomplishing anything.

17 And so I think we always have to have the lens
18 that she put on it that ultimately in this type of learning
19 environment, given the competitive nature of the
20 marketplace, we can't have schools that my grandmother went
21 to and expect for my daughter to learn in those kind of
22 environments.

23 And as we continue to talk about buildings,
24 buildings again are no different than devices and they are
25 part of the learning environment. And so I think we really

1 need to give some serious consideration not to just what you
2 help locals provide with their own money, but what are we
3 looking for in terms of outcomes from those facilities.

4 And that's really what we're here trying to talk
5 about because unless you actually get better outcomes --
6 municipalities will always be here knocking at your door for
7 money because until we actually change the outcomes, you're
8 not going to be able to support yourself locally.

9 CHAIRPERSON BUCHANAN: Well, the problem is that I
10 see is, while I agree with you, you have to make those
11 decisions locally. I can't tell --

12 MR. WHITE: Right. And we don't want you to make
13 those decisions --

14 CHAIRPERSON BUCHANAN: I can't tell you what
15 schools are going to get you the best --

16 MR. WHITE: -- but we want you to support those --

17 CHAIRPERSON BUCHANAN: -- outcome. So I think
18 we're in agreement. We talked about it with new
19 construction. We talked about it with modernization in
20 terms of giving you flexibility so we don't put you in a
21 box.

22 The discussion we have now is should we create a
23 box of money for each type of program or should we
24 consolidate and say, okay -- my seismic example.

25 If you have a school that's not safe to house kids

1 for seismic purposes and we're going to give you money for
2 new construction, should I put aside X dollars for seismic
3 with new construction and Y dollars for new construction or
4 should I allow that be a condition for which you would
5 qualify for new construction dollars and I've got one pot.

6 That's the question that we're trying to deal with
7 now because what happens if not is, you know, if all my
8 seismic dollars are spent and now you've got a problem, you
9 don't qualify for anything.

10 Conversely, if we only use half of those dollars,
11 now I have money left over, but you need money for new
12 construction or modernization and I've got money in a pot
13 here that I can't transfer.

14 So the proposal is should there be some kind of
15 consolidation and I know just like with Cathy coming up,
16 everyone's going to look at what their district got and
17 they're going to make their past judgment on the
18 recommendation based on is this best for me, which is what
19 we should be doing, but I think the question that we're
20 trying to answer is would it be a better way of streamlining
21 it to be able to say -- you know, ultimately we have to have
22 a discussion over which programs we want to fund.

23 I think we bring up valid comments on the
24 critically overcrowded schools. We've been transferring
25 some of that money into new construction. We didn't fund

1 the program in 1D and maybe we don't need that, but which of
2 these programs do we need to fund and then should we fund it
3 out of one big pot or should we limit to specific dollar
4 amounts.

5 MR. WHITE: Right. I want to encourage you to
6 continue to look at these options and to a certain degree,
7 you have to consider a conditional analysis I think in the
8 set of facilities because those are the type of environments
9 that either help kids succeed or not succeed.

10 And ultimately, whether we're here talking about
11 buildings or we're talking about the kids in those
12 buildings, we're really here for the education.

13 CHAIRPERSON BUCHANAN: All right. Thank you. Are
14 there any other --

15 MS. SUNG: Good afternoon. I'm Alice Sun,
16 Principal of Greenbank Associates, but I come here to speak
17 to you with two hats on, one as the Oakland Unified High
18 Performance Schools Program Manager and the other as USGBC
19 California Green Schools advocate, and I'm here just briefly
20 to speak in support of the High Performance Schools
21 Incentive Grant Program.

22 We've been a great beneficiary of that program
23 since its inception and I want to say two things. You've
24 all heard about the great benefits from not only operating
25 costs savings but health benefits and the academic

1 performance relationship between school environments that
2 are high performance and actual performance and attendance
3 for the benefit of kids.

4 But I think we're all in agreement here that we
5 support Senator Hancock's statement when she says all public
6 schools should be high performance schools; right? And this
7 is so relevant to the conversation.

8 So I think I support consolidating the program.
9 What I would urge you to consider is a couple of things.
10 One is to ensure that the funding level is as much as it has
11 been in the past and particularly in consideration of the
12 base incentive grant funding.

13 That was actually a turning point I think in the
14 program and that helped actually make the decision, if you
15 will, for a lot of school districts to actually go after the
16 home and actually bring up -- raise the quality of their
17 performance.

18 So in consideration of that, if you're going to
19 consolidate, make sure that you do have enough to continue
20 to provide the base incentive grant level.

21 And tagging onto Bill Orr's comment about the
22 Massachusetts two-tiered level, I'm throwing out in
23 consideration. When you look at the funding levels, if
24 you're going to look at that as part of whether you have new
25 construction and modernization or just two pots or whatever,

1 look at a base incentive grant level as the base tier one
2 maybe, and then reward higher scoring high performance
3 levels with the extra incentive grant funding up to
4 10 percent of whatever you're going to fund.

5 So I beg you to take that under consideration.

6 And the other point that I wanted to make was we
7 have this one-time opportunity I think at this juncture to
8 leverage the Proposition 39 implementation funding, which is
9 going to come down pretty soon for all of these energy
10 efficiency projects towards whatever future bond funding is
11 going to happen, right, with high performance schools. And
12 we have the opportunity to leverage high performance school
13 dollars incentives, you know, with the Prop. 39 funding.

14 So I think there's this huge opportunity to not
15 backslide and do away with the program and lose the ground
16 that we've gained, but to move forward and actually get a
17 paradigm shift to actually achieving all schools being high
18 performance schools with the leveraging of the Prop. 39
19 funding.

20 So thank you for your consideration.

21 CHAIRPERSON BUCHANAN: Thank you. So -- go ahead.

22 MS. MOORE: Well, I feel like I've become my
23 father. You know, I've lived long enough to see things
24 return to where they began.

25 CHAIRPERSON BUCHANAN: That's right.

1 MS. MOORE: And where we began was new
2 construction and modernization and then we went into these
3 different programs I think mainly because -- just like how
4 categorical got put into place because people felt that
5 they -- without that reservation, those types of projects
6 would not be accomplished and particularly with critically
7 overcrowded schools and the overcrowded relief grant. I
8 think that was really addressing an urban issue. It wasn't
9 only urban, but it was addressing an urban issue and created
10 a greater pot as you talk about, a greater partnership.

11 So it's with some trepidation -- I think it's
12 great that you looked at how we could consolidate them, but
13 it also puts them at competition for limited dollars and
14 maybe that's what we want to be doing, but it is going full
15 circle back to two basic programs with some -- you know,
16 with -- let's not say two basic programs -- two basic
17 funding pieces with numerous programs within them that would
18 have to compete with one another for funding.

19 So like you said, if all, you know, new
20 construction came in and they one, you know, nothing else
21 would be funded and I think we have to think carefully about
22 that.

23 ASSEMBLYMEMBER HAGMAN: If you put all the bond
24 pots -- money together, how much money total was there?

25 MR. MIRELES: I believe the last -- in all bonds?

1 ASSEMBLYMEMBER HAGMAN: Yeah.

2 MR. MIRELES: About 35 billion.

3 ASSEMBLYMEMBER HAGMAN: About 35 billion. And
4 what are you going to have left over residue in these pots
5 of money that we're talking about now?

6 MR. MIRELES: Right now, we have about 400 million
7 remaining bond authority.

8 ASSEMBLYMEMBER HAGMAN: Okay. I'm talking about
9 the stuff that's going to be left over, like we have HPI
10 with roughly 35- minus 7- or 8-.

11 CHAIRPERSON BUCHANAN: Right. Well, some of that
12 we've had the ability -- yeah.

13 ASSEMBLYMEMBER HAGMAN: Yeah. And so when it's
14 all said and done, the .001 percent left over residual, I
15 think -- there's not a problem here we need to solve.

16 I think the reason why those different segments
17 were in there, like I said, a lot of my voters probably
18 won't vote for a bond unless they did have charter school in
19 there. Some areas aren't going to vote for it unless they
20 do have seismic activity.

21 I think the way you fix the leftover is you get
22 down to a certain percentage of your pot of money or your
23 allocated money, when it gets down below 5, 10 percent, you
24 give in the bond language the authority for the Board to
25 make a recommendation that gets consolidated what the

1 biggest need they see, you know, seven, eight years later.

2 I think that's how you can shift the balance left
3 over. There's not a lot of money left over when you fully
4 allocate it out. We're talking about I think less than a
5 hundred million of the different pots that I remember that
6 had not gone out on that.

7 So I don't know that there's a problem there that
8 needs to be solved, first of all, and secondly, I think if
9 we just have such a big pot of money then, it may streamline
10 the application process, but those who are -- had the
11 ability to apply and take advantage of the grants, just like
12 we see now, the larger districts get the larger
13 proportion -- bigger than what the percentage of population
14 is generally because they're much more tooled up to do that.

15 And the smaller districts, the smaller schools and
16 such -- the same discussions we had under Prop. 39, that's
17 why we have the minimum funding for certain schools and
18 stuff, are not going to be able to compete or not be able to
19 respond quickly enough to be in competition for some of
20 these things. And that's what I'm afraid of if you put it
21 all in two big pots of money.

22 I think you could change the language so you get
23 the residual effects. Today we got 30 million over here and
24 25 million over here. There's obviously more need in new
25 construction or modernization. Let's transfer it over after

1 a certain portion, maybe a date specific, if it's not
2 allocated by a certain time or a certain level when you fund
3 or a combination of that.

4 You put those triggers that give the flexibility
5 into the Legislature, the Board, whatever you want to do to
6 sit there and move that pot of money over and not have it
7 so -- but I think without having those key categories, it's
8 going to be hard to sell to the majority of, you know,
9 Californians to vote on it in the first place. And I'm
10 concerned if you make it two bonds, it's not going to be
11 there.

12 CHAIRPERSON BUCHANAN: There's a part of me that
13 could live with either way. I don't think when people vote
14 they know exactly how much money is in one pot versus
15 another -- they know what projects are going to be eligible
16 for bond money.

17 So the question becomes whether we think there
18 should be any additional flexibility or a specific amount
19 set aside.

20 I do think we're going to end up having to have a
21 discussion now on some of these programs and I'll bring up a
22 couple of them, you know, the critically overcrowded
23 schools.

24 I mean that money we've been transferring to new
25 construction, the left over money. It wasn't funded through

1 1D. Do we still need that program?

2 I bring up the overcrowded relief grant. It's
3 been a little bit slower, but, you know, it looks like we're
4 going to spend all the money from it now.

5 But if we decide to do something with portable
6 replacement, that may --

7 MS. MOORE: Fall in there.

8 CHAIRPERSON BUCHANAN: -- take care of the need to
9 have overcrowded relief grant.

10 So I do think, you know, whether we consolidate in
11 one -- like I said, to me seismic, if you've got to replace
12 a school, it's new construction. You know, so --

13 ASSEMBLYMEMBER HAGMAN: Um-hmm.

14 CHAIRPERSON BUCHANAN: So, you know, whether you
15 leave it separate, whether you combine it, you know, if
16 you're planning new construction, to have an add-on for high
17 performance certainly makes sense.

18 Whether you have to have that add-on come out of a
19 certain pot and then when you're done with that pot, we
20 don't fund it anymore or whether it's an add-on like we add
21 on with fire, life, safety and others, you know, those --
22 you know, we can have a conversation about that.

23 But combining doesn't necessarily mean that you're
24 not going to fund it. And I'm not -- it's not a sword I'm
25 going to fall on one way or another, but I do think we need

1 to have some discussions around at some point in time when
2 we start trying to put everything together that we've
3 discussed around some of these programs and whether or not
4 they're still needed.

5 ASSEMBLYMEMBER HAGMAN: And one of the things I
6 have problems with -- we had this discussion last time
7 too -- was just because you fund something with seismic, why
8 is it funded to the same level or standard that you expect
9 for modernization or for, you know, new construction too.

10 If you're going to do a project, do it all the way
11 basically, not just the minimum needed to do it to get at
12 that certain standard, so --

13 CHAIRPERSON BUCHANAN: Well --

14 ASSEMBLYMEMBER HAGMAN: -- I would also look at
15 the language on that. If you tear up the walls to fix the
16 structure to get seismic there, you should be able to get it
17 modernized enough to where that -- maybe the combination of
18 using multiple pots, maybe seismic goes up to 40 percent --

19 CHAIRPERSON BUCHANAN: It might be more cost
20 effective.

21 ASSEMBLYMEMBER HAGMAN: -- and then 6 percent
22 comes from modernization because it qualifies for both. I
23 don't know.

24 MR. MIRELES: That's the way the system currently
25 works. It would come from different pots.

1 CHAIRPERSON BUCHANAN: Go ahead.

2 MS. MOORE: I would just comment that I really
3 like your idea about -- and we did it I think pretty
4 successfully in the critically overcrowded schools. If it
5 isn't used by some point in time that it can roll and it's
6 not a two-thirds vote of the Legislature in order to do
7 that, but it's something that can be more nimble to -- you
8 know, to account for over- or underestimations of need.

9 So I would support that and I would support
10 streamlining to the extent that we can, but I do think we
11 have to have a collaborative or a partnership approach of
12 different interests in order to pass a bond measure.

13 CHAIRPERSON BUCHANAN: Yes. One more -- you
14 can -- one more comment and then I think -- if there's
15 any -- we've been trying to take -- I've been trying to take
16 public comment on each topic so it's relevant, but if
17 there's any other public comment, then we will go ahead and
18 adjourn. Go ahead.

19 MS. SUNG: Thank you so much, Assemblymember. I
20 wanted to just add to this, since we seem to be talking
21 about the High Performance Incentive Grant funding and the
22 residual 30 some million.

23 I was just going to say I think that there -- one
24 of the reasons that it has been lagging in uptake is because
25 of the timing and the timing of the base incentive grant

1 funding, but that there are unfunded approvals that are
2 waiting for that funding that can't access it because the
3 mod and the new construction eligibility is gone.

4 CHAIRPERSON BUCHANAN: Right.

5 MS. SUNG: So you realize that. So if there was
6 that uptake, we could use it now.

7 And what -- I assume that was the topic last week?

8 CHAIRPERSON BUCHANAN: That was the topic last
9 week.

10 MS. SUNG: And did we decide to release the
11 funding?

12 CHAIRPERSON BUCHANAN: No, we -- well, we've got
13 some -- we're dealing with what the legal limitations are
14 which ties in to having some flexibility because -- we've
15 got them coming back to us with answers because it's the way
16 the bond language was written and it's in terms of what we
17 can do either in terms of regulation or legislation to be
18 able to move the money forward. So it's --

19 MS. SUNG: Thank you. I appreciate that because
20 there are projects waiting --

21 CHAIRPERSON BUCHANAN: It seems really simple --

22 MS. SUNG: -- with HPI --

23 CHAIRPERSON BUCHANAN: It seems really simple, but
24 we're running into, you now, some legal issues that make it
25 more complex in terms of whether or not we need legislation

1 to fix it. You know, are there limitations around the
2 actual bond wording that limits it and what we do, but I
3 think everyone was in consensus at that meeting that we
4 wanted to do all we could to get the HPI money out to
5 projects.

6 MS. SUNG: Thank you so much. Last suggestion in
7 listening to this discussion, perhaps it's not the programs
8 that need consolidation. Perhaps it's just the pot.

9 CHAIRPERSON BUCHANAN: That's what the proposal
10 is. That's what the proposal is to consolidate the pot and
11 not the programs, but --

12 MS. SUNG: Yeah. Thank you.

13 CHAIRPERSON BUCHANAN: All right. Are there any
14 other closing comments from members?

15 MS. MOORE: It's good.

16 CHAIRPERSON BUCHANAN: We keep -- we're going --

17 MS. MOORE: When's our next meeting?

18 CHAIRPERSON BUCHANAN: Oh, we've got a number of
19 meetings --

20 ASSEMBLYMEMBER HAGMAN: October 1?

21 CHAIRPERSON BUCHANAN: -- for this fall, yeah, to
22 try and see if we can't eventually take everything we've
23 talked about and discussed and try and get it into one sort
24 of report we can all comment on and give something to the
25 full Committee.

1 So we're adjourned and thank you very much.

2 MS. MOORE: Thank you.

3 CHAIRPERSON BUCHANAN: Thank you.

4 (Whereupon, at 4:22 p.m. the proceedings were recessed.)

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