CALIFORNIA STATE ALLOCATION BOARD

PUBLIC MEETING

STATE CAPITOL, ROOM 126

SACRAMENTO, CALIFORNIA 95814

DATE: WEDNESDAY, JANUARY 26, 2011

TIME: 4:07 P.M.

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APPEARANCES

MEMBERS OF THE BOARD PRESENT:

JEANNIE OROPEZA, Program Budget Manager, designated representative for Ana Matosantos, Director, Department of Finance

GARY LINK, Deputy Director, Office of Legislative Affairs, Department of General Services, designated representative for Scott Harvey, Acting Director, Department of General Services.

LYN GREENE, Appointee of Arnold Schwarzenegger, Former Governor of the State of California.

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

SENATOR ALAN LOWENTHAL

SENATOR LONI HANCOCK

SENATOR BOB HUFF

ASSEMBLY MEMBER JULIA BROWNLEY

ASSEMBLY MEMBER WILMER AMINA CARTER

ASSEMBLY MEMBER CURT HAGMAN

REPRESENTATIVES OF THE STATE ALLOCATION BOARD PRESENT:

LISA SILVERMAN, Acting Executive Officer

LISA KAPLAN, Assistant Executive Officer

REPRESENTATIVE OF THE DEPARTMENT OF GENERAL SERVICES, OFFICE OF LEGAL SERVICES PRESENT:

LANCE DAVIS, Staff Counsel

1 P R O C E E D I N G S

2

3 CHAIRPERSON OROPEZA: I'd like to call the meeting
4 to order. And before we move on to the first item, I would
5 like to just up front acknowledge that we understand that
6 there are specific rules that were adopted and I for one
7 apologize because I'm not familiar with the rules and maybe
8 some of the new members aren't familiar with the rules
9 either, so we're not intending to not follow those rules. I
10 think they should be followed. So I do want to apologize up
11 front. I'll make sure when my successor is up here that he
12 fully understands all the rules and what's envisioned.
13 But having said that, there is an item that is not
14 on the agenda that many of you may expect to have been on
15 the agenda. So just want to acknowledge that up front.
16 And the other thing I'd like to do before we get
17 started is Senator Fuller's here and we'd like acknowledge
18 all the work and -- hard work that she had for the committee
19 and we want to present her with a resolution.
20 (Applause)
21 MS. SILVERMAN: Ms. Fuller has three years of
22 service serving the State Allocation Board and obviously
23 provided $12.4 billion in much needed unfunded approvals and
24 apportionments. So thank you again for your service and
25 commitment.

1 SENATOR FULLER: Thank you.
2 (Applause)
3 SENATOR FULLER: I'd just like to say that I truly
4 enjoyed the experience and I appreciated all the staff who
5 helped us because there are a lot of complex issues and we
6 really appreciated the support. Thank you.
7 MS. SILVERMAN: Thank you.
8 (Applause)
9 CHAIRPERSON OROPEZA: Okay. Would you please call
10 the roll.
11 MS. GENERA: Senator Lowenthal.
12 SENATOR LOWENTHAL: Here.
13 MS. GENERA: Senator Hancock.
14 Senator Huff.
15 MS. GENERA: Assembly Member Brownley.
16 ASSEMBLY MEMBER BROWNLEY: Here.
17 MS. GENERA: Assembly Member Carter.
18 ASSEMBLY MEMBER CARTER: Here.
19 MS. GENERA: Assembly Member Hagman.
20 ASSEMBLY MEMBER HAGMAN: Here.
21 MS. GENERA: Gary Link.
22 MR. LINK: Here.
23 MS. GENERA: Kathleen Moore.
24 MS. MOORE: Here.
25 MS. GENERA: Lyn Greene.

1 MS. GREENE: Here.
2 MS. GENERA: Jeannie Oropeza.
3 CHAIRPERSON OROPEZA: Here.
4 MS. GENERA: We have a quorum.
5 CHAIRPERSON OROPEZA: Thank you. Lisa.
6 MS. SILVERMAN: Hi. Obviously we have the **Minutes**
7 up for approval. That's Tab 2.
8 CHAIRPERSON OROPEZA: Do we have any questions or
9 comments on the Minutes?
10 SENATOR LOWENTHAL: On Tab -- yes, I do have a
11 question.
12 CHAIRPERSON OROPEZA: Okay.
13 SENATOR LOWENTHAL: On page 11, the Reports -- let
14 me just see what I have here. The -- where it points out
15 that Ms. Lettie Boggs representing the Colby Technologies,
16 member of the Audit Working Group, presented this report to
17 the Board, and that was regarding the -- who would do the
18 audits. And as you recall, it says Scott Harvey commented
19 in order to be consistent and provide a good faith effort
20 with the working groups recommendations, a meeting would
21 take place the week after the State Allocation Board meeting
22 between DGS and the State Controller's Office to consider
23 having the State Controller's Office take over the external
24 audit functions for the School Facilities Program projects.
25 And I made a motion and it carried to accept the

1 report and directed OPSC in conjunction with or in
2 consultation with the Assistant Executive Officer to
3 implement the plan and come back if there's any question
4 whether legislation is needed.
5 I'm just really wondering what the status of that
6 is. Have they met? Where are we on that issue? Has there
7 been anything decided and will they be taking over all the
8 audit functions or has any memorandum of understanding been
9 developed and -- I think it's important that we follow
10 through on that.
11 MS. SILVERMAN: Yeah, I'll provide a comment. And
12 we actually met with the Controller's Office twice. Our
13 last -- the first meeting was the first week of January and
14 the second meeting was held just I believe the end of --
15 tail end of last week.
16 And so what we've obviously been doing is sharing
17 with them our information that the way we obviously were
18 processing some of these projects, giving some background of
19 the program. So we're still a work in progress and we
20 actually have another meeting actually set I believe in
21 about a week and a half or so.
22 So there's still a lot of dialogue, a lot of
23 progression, but we are moving at a nice progressive pace of
24 trying to work out some details about --
25 SENATOR LOWENTHAL: Is the understanding that they

1 will take over the audit --
2 MS. SILVERMAN: That's absolutely correct -- audit
3 function.
4 SENATOR LOWENTHAL: Good. Okay. Thank you.
5 MS. KAPLAN: So just a quick clarification. Is it
6 just external audits or all audits?
7 MS. SILVERMAN: At this point in time, we're
8 just -- we're having the conversations about the external
9 function.
10 CHAIRPERSON OROPEZA: Any other questions from
11 members?
12 ASSEMBLY MEMBER BROWNLEY: Do they need
13 legislation to do that?
14 SENATOR LOWENTHAL: Yeah. Do you need -- well,
15 you'll get back to us whether you'll need -- it's getting
16 late.
17 MS. SILVERMAN: Yeah. We're obviously -- want to
18 obviously follow the rules of -- and the recommendations
19 that the Board did adopt. So we obviously think that -- at
20 this point in time, we'll consult with the Controller's
21 Office to see if they think if we need legislation. So we
22 would obviously report back -- any of those recommendations
23 back to the Board.
24 CHAIRPERSON OROPEZA: And can you just come back
25 and report anyway because sometimes there's differences of

1 opinion in terms of what's really required to implement some
2 of these things.
3 CHAIRPERSON OROPEZA: Do we have any public
4 comment? No comments. What is the will of the Board?
5 ASSEMBLY MEMBER BROWNLEY: Move the Minutes.
6 MS. MOORE: Second.
7 CHAIRPERSON OROPEZA: Okay. Please call the roll.
8 MS. GENERA: Senator Lowenthal.
9 SENATOR LOWENTHAL: Aye.
10 MS. GENERA: Assembly Member Brownley.
11 ASSEMBLY MEMBER BROWNLEY: Aye.
12 MS. GENERA: Assembly Member Carter.
13 ASSEMBLY MEMBER CARTER: I'm going to abstain.
14 MS. GENERA: Assembly Member Hagman.
15 ASSEMBLY MEMBER HAGMAN: I have to abstain too.
16 MS. GENERA: Gary Link.
17 ASSEMBLY MEMBER HAGMAN: I abstain.
18 MS. GENERA: Kathleen Moore.
19 MS. MOORE: Aye.
20 MS. GENERA: Lyn Greene.
21 MS. GREENE: Aye.
22 MS. GENERA: Jeannie Oropeza.
23 CHAIRPERSON OROPEZA: Aye.
24 MS. GENERA: I can leave it open until we get more
25 members.

1 CHAIRPERSON OROPEZA: Okay. Item Tab 3, **Executive**
2 **Officer's Statement**.
3 MS. SILVERMAN: Yes. We actually have some great
4 news to share with the Board. With respect to our last
5 priorities of funding that we actually provided $1.4 billion
6 in apportionments in December which really accounted for 442
7 projects. What's really not reflected in any of our
8 financial reports is really the significant progress we made
9 over the last few weeks in putting money out on the street.
10 What's really reflected in this Board book is
11 about 89 million specifically related to priorities of
12 funding that actually we'll cover in a report later in the
13 Board book.
14 But I wanted to highlight is we actually received
15 230 projects that actually came in for those funds and that
16 represents 52 percent of those projects. So that's great
17 news and that's $800 million, a part of the $1.4 billion
18 that was requested. And as of Monday, we've processed
19 400 million to date.
20 So there's obviously going to be a huge spike in
21 the reports that we're going to be providing as far as the
22 success and this program is moving forward and we will be
23 reflecting that the cash is moving with respect to this pot
24 of money.
25 And the next item I'd like to share with the Board

1 is with respect to the high performance incentive
2 regulation, obviously the Board adopted the regulation and
3 we're pleased to announce that the Office of Administrative
4 Law obviously moved those forward and they became effective
5 yesterday.
6 So we are encouraging school districts now that
7 obviously the program is open and it's active. So if you
8 would like to seek high performance incentive grants, you're
9 more than -- obviously we'd be willing to assist districts
10 if they're unclear about the criteria and the rules and the
11 regulations about how to apply for those grants. We will be
12 providing monthly outreaches to the school district
13 community and actually send an email blast and post items to
14 our web and we'll also be conducting workshops in various
15 venues in conjunction with our sister agency and also our
16 comrade agency, between DSA and CDE, in March, obviously
17 having an outreach event for CASH in February and obviously
18 create more opportunities for school districts to qualify
19 for the high performance incentive grants.
20 The next item I want to share is we're actually
21 putting out a subcommittee meeting with respect to
22 priorities in funding, cash management. We had a really
23 lively discussion in December which obviously resulted in
24 some projects being funded in our December Board and so in
25 the spirit of some of those really core issues that the

1 Board brought up as far as bonding authority, whether or not
2 we have regulations in place, and could we make this process
3 better and put more cash out on the streets sooner, I think
4 we've learned a lot from that process.
5 So we actually set up a meeting January 31st and
6 February 8th and obviously through some discussion, some of
7 the committee members may not be available, we likely will
8 postpone that January 31st meeting. We'll send an email
9 blast out. But as it stands now, the February 8th meeting
10 is rolling forward and we'll likely have a meeting shortly
11 thereafter.
12 We obviously understand those are critical issues
13 with respect to cash management and we think they're
14 important to move those forward. So that's what we want to
15 share.
16 Staffing updates, there's been some concerns about
17 some of the notifications that have been going out to
18 employees of potential layoffs. We wanted to keep the Board
19 informed about the issues in that area. Well, with the sale
20 of the properties have been postponed by the administration,
21 they direct -- the SROA process to be delayed or extended to
22 May 1st. Staff who actually will be receiving formal
23 notification letters are already ranked within the
24 certification list and that's going to be issued to those
25 employees by February 1st.

1 We actually had eight initial staff that were
2 notified about their potential of receiving -- a potential
3 layoff notice and out of the eight, two have already left
4 our office to take other opportunities in other departments
5 and we actually two more leaving. One accepted another
6 position as of the first week of February. Just noticed
7 perhaps a few hours ago that another staff member is also
8 taking an opportunity somewhere else. So half our list
9 unfortunately through other opportunities being offered by
10 other departments, these folks have decided to leave our
11 organization.
12 So that's the status report and I hope to report
13 back more information next month. And again the last thing
14 I want to share with you is the 90-day workload. Typically
15 we've presented a copy of the workload list attached to the
16 Executive Officer's Statement, but since the structure of
17 the agenda has changed as a result of the rules the
18 committee's adopted those changes, the workload is now
19 attached to Tab 18, stamped page 289.
20 So with that, I'll open it for any questions.
21 CHAIRPERSON OROPEZA: Yes, Assembly Member.
22 ASSEMBLY MEMBER BROWNLEY: Just in terms of the
23 vacancies and jobs, you mentioned a few people who will be
24 leaving. Will they be replaced and if so, when? Do you
25 have any sense of that at all?

1 MS. SILVERMAN: I think because of the current
2 environment with the SROA issue being pushed off or at least
3 at this point in time until May, there is a full pattern for
4 those classifications that are impacted and the
5 classifications that are impacted related to, you know, the
6 first-line managers, second-line managers, and some of the
7 analyst vacancies. So those are actually the individuals
8 that are leaving our organization, and so we won't have an
9 opportunity to fill those vacancies until there's some kind
10 of decision with respect to -- like I say --
11 ASSEMBLY MEMBER BROWNLEY: And in terms of
12 providing services to schools and the work that's done
13 there, will you see a slowdown or --
14 MS. SILVERMAN: We will have to reallocate our
15 workload -- our staffing resources to other areas to help
16 mitigate some of the -- the holes in the organization.
17 ASSEMBLY MEMBER BROWNLEY: Thank you.
18 CHAIRPERSON OROPEZA: Any other comments? I for
19 one just want to thank you -- the first comment that you
20 made in terms of all the progress you've made in terms of
21 getting -- processing the applications and getting through
22 that process and I want to thank you and your staff for all
23 your hard work on that.
24 SENATOR LOWENTHAL: Yeah. I'd like to follow up
25 on the question of Assembly Member Brownley about what kind

1 of impact. You said that you'll have a reallocation of
2 other staff. Is that what you're saying is you see no
3 slowdown in --
4 MS. SILVERMAN: In workload?
5 SENATOR LOWENTHAL: Yeah.
6 MS. SILVERMAN: Well, I think that we've presented
7 ourselves -- obviously a very unique opportunity to put cash
8 on the street, but, you know, how the -- the prior system
9 worked when there was obviously AB55 loans, you know, the
10 Board had the ability to provide apportionments and there
11 was always cash backing that up, but now that we have a new
12 system in place, it's almost a two-step process. You have
13 to go to the Board, provide unfunded approvals, and then
14 once we have cash, we've created a new layer. So we have to
15 provide apportionments.
16 SENATOR LOWENTHAL: Right.
17 MS. SILVERMAN: So that obviously increased our
18 workload --
19 SENATOR LOWENTHAL: Workload. Right.
20 MS. SILVERMAN: -- yeah -- significantly last year
21 because we actually provided just in priorities alone 500
22 plus -- 520 funding applications and for the whole year, I
23 believe that amount obviously tops around the 750 range as
24 far as new applications that will be receiving funding.
25 So that's an anticipated workload that we didn't

1 expect. And so you're right. We obviously had a lot of
2 staffing issues, but I think staff is obviously committed to
3 the mission and committed to processing the applications and
4 getting the funds out to stimulate the economy. I mean we
5 really have a chain --
6 SENATOR LOWENTHAL: And I'm sure you do and I --
7 and you do, but we would like periodic updates in terms of
8 how -- what impact it's really going to have on your ability
9 to carry the functions.
10 MS. SILVERMAN: Yeah. I definitely will -- those
11 issues.
12 CHAIRPERSON OROPEZA: Any other comments? Is
13 there any public comment on this item? If not, we'll move
14 on to the **Consent** items, Tab 4.
15 MS. SILVERMAN: Motion to move the Consent Agenda?
16 SENATOR HANCOCK: Madam Chairwoman --
17 CHAIRPERSON OROPEZA: Yes.
18 SENATOR HANCOCK: -- I would move the Consent
19 Calendar.
20 ASSEMBLY MEMBER HAGMAN: Second.
21 CHAIRPERSON OROPEZA: Second. Please call the
22 roll.
23 MS. GENERA: Senator Lowenthal.
24 SENATOR LOWENTHAL: Aye.
25 MS. GENERA: Senator Hancock.

1 SENATOR HANCOCK: Aye.
2 MS. GENERA: Assembly Member Brownley.
3 ASSEMBLY MEMBER BROWNLEY: Aye.
4 MS. GENERA: Assembly Member Carter.
5 ASSEMBLY MEMBER CARTER: Aye.
6 MS. GENERA: Assembly Member Hagman.
7 ASSEMBLY MEMBER HAGMAN: Aye.
8 MS. GENERA: Gary Link.
9 MR. LINK: Aye.
10 MS. GENERA: Kathleen Moore.
11 MS. MOORE: Aye.
12 MS. GENERA: Lyn Greene.
13 MS. GREENE: Aye.
14 MS. GENERA: Jeannie Oropeza.
15 CHAIRPERSON OROPEZA: Aye.
16 MS. GENERA: It carries.
17 SENATOR HANCOCK: Thank you. Madam Chairwoman --
18 CHAIRPERSON OROPEZA: Yes.
19 SENATOR HANCOCK: -- could -- I actually do have a
20 parliamentary inquiry if I could.
21 CHAIRPERSON OROPEZA: Sure. Yes.
22 SENATOR HANCOCK: I know that in the rules that
23 were adopted last month, it did say that at the first
24 meeting in our session, i.e., this one, we would elect a
25 Chair and a Vice Chair. Oh, you talked about that already.

1 SENATOR LOWENTHAL: Yeah. I think --
2 CHAIRPERSON OROPEZA: Yeah. I raised it and it
3 was my bad.
4 SENATOR HANCOCK: Oh, okay.
5 CHAIRPERSON OROPEZA: I didn't understand the
6 rules and so I am going to request that whenever there's a
7 new member that the staff be diligent in ensuring that
8 people have the rules and understand what's been adopted so
9 we that can follow those rules. So I did apologize. It's
10 my --
11 SENATOR LOWENTHAL: And so it's -- and I believe
12 you also said that --
13 CHAIRPERSON OROPEZA: For February.
14 SENATOR LOWENTHAL: -- you will be placing it on
15 the February cheat sheet and stuff.
16 SENATOR HANCOCK: On the -- perfect. Perfect. I
17 understand that.
18 CHAIRPERSON OROPEZA: Thank you. Thank you.
19 SENATOR HANCOCK: Good. Thank you very much for
20 that clarification.
21 CHAIRPERSON OROPEZA: We're actually going to move
22 an item out of order. We want to go ahead and -- per a
23 request and discuss the **Fund Release Status** up front here
24 before we move onto some of the other items.
25 ASSEMBLY MEMBER BROWNLEY: What item is that?

1 MS. SILVERMAN: Tab 13.
2 ASSEMBLY MEMBER BROWNLEY: 13.
3 MS. SILVERMAN: Obviously in following the rules,
4 staff obviously tucked the financial reports under the
5 reports section, but I think there's been comments provided
6 over the briefing and I think staff is obviously open to
7 moving those reports back up to how we normally present them
8 because obviously the fund balances and knowing what the
9 authority is is obviously very important to everybody so
10 with that, if I could get your attention to page -- Tab 13,
11 page 270, what we wanted to highlight is the purpose of the
12 report I know for some new members is basically we wanted to
13 share through all the various propositions or bond sales
14 since we hit the fiscal crisis. You know, it's been
15 obviously incumbent on staff to try to share with the Board
16 what's the balances that have been liquidated in each of the
17 various bond sales.
18 So in March 2009, we were actually -- had a great
19 opportunity where the Treasurer's post the fiscal crisis was
20 successful enough to sell $528 million in bond proceeds. We
21 actually don't reflect any activity this month with respect
22 to December 31st, 2010, and there still is a minor amount
23 that's still sitting there for the bond balance there.
24 And again the purpose -- what we released so far
25 in that category is about 99 percent. In the middle

1 category is April 2009, the Treasurer was obviously
2 successful and sold $1.4 billion in bond proceeds and we
3 actually liquidated $8.9 million last month and so the
4 proceed balance is 93 percent.
5 And again this obviously speaks to there's still a
6 bond balance. This account's still been active for quite
7 some time and some of these apportionments that were
8 provided, the cash associated with this are going back to
9 the 18-month timelines.
10 The lower categories, October 2009 and November
11 2009, we actually liquidated $10.7 million and we still have
12 a proceed balance of 230.5 million and about 55 percent of
13 those proceeds have been released.
14 And if we can turn to page 271, the top portion of
15 the item is December 2009, we actually had some residual
16 small amounts that were provided for the program in the area
17 of $111 million and there was nothing liquidated in this
18 category this month. And we still have 75 percent of the
19 proceeds available.
20 And in March 2010, this program received a
21 significant bond sale which resulted in $1.3 billion
22 provided for this program and we have liquidated .4 this
23 month and we still have $311.6 million available and
24 liquidated 77 percent of those bond proceeds.
25 It was actually unique in this particular sale.

1 We actually split funded the projects. So over 900 million
2 was provided in the date order -- date received order which
3 was the old process of how we funded projects and then over
4 400 million -- 408 million were provided to the new
5 priorities round and most of -- obviously those monies are
6 liquidated.
7 Last column there is to highlight the November
8 bond sale. Again this program was fortunate to -- the
9 Treasurer's Office was successful in selling $1.4 billion
10 for the program.
11 Like I shared with you earlier, what's reflected
12 in this report only captures two weeks of activity. I mean
13 we apportioned December 15th, but as of December 31st, we
14 only liquidated 89.8 million because that just became
15 activated, but again we obviously are going to show
16 significant releases coming January. So the report should
17 reflect that.
18 And on page 272, it's just somewhat of a history
19 of the funds that have been released as a result of the
20 various bond sales. And so this month again, December 2010,
21 we're reporting that -- release 109 million. And again
22 89 million reflects from the prior year funding round.
23 And page 273, got this great bar chart. We've
24 added a new color to this bar chart to reflect really the
25 November 2010 bond proceeds. So there's obviously a

1 substantial increase of $1.4 billion in the cash category.
2 So again the Board wanted us to reflect on how much cash is
3 sitting around and available for apportionment.
4 So the balances went up to $2 billion as a result
5 of the bond sale and so again the green item on that
6 chart -- that bar will reflect really that recent bond sale
7 and again that's going to be probably reduced in half come
8 next month. So again we wanted highlight the progress we're
9 making in these areas.
10 With that, any questions?
11 CHAIRPERSON OROPEZA: Yes.
12 ASSEMBLY MEMBER HAGMAN: Thank you, Madam Chair.
13 Just a question. I appreciate staff coming and briefing me
14 earlier today, this being my first meeting. There's going
15 to be a lot of questions that may seem abnormal, but looking
16 at the different bond releases and the State's fiscal
17 crisis, obviously it's getting harder and harder to sell
18 bonds, but also what percentage rates we may be paying on
19 this bonds and I'm just curious how those numbers -- have
20 some other discussions in the future about future bonding.
21 MS. SILVERMAN: Well, I can only share with you
22 the rates of the bonds. I actually was -- we actually were
23 in contact with the Treasurer's Office and for the actual
24 November sale -- and we couldn't break it down to a finite
25 number just for out program. But obviously they went out

1 for a number of different infrastructure bonds.
2 The rates vary from 3.805 percent to the highest
3 being 7.669 percent. So -- and again I'm not sure what
4 category we fall in, but that's a yield that I've been given
5 by the Treasurer's Office.
6 ASSEMBLY MEMBER HAGMAN: And how does that compare
7 to maybe a year ago, November '09? Do you have a --
8 MS. SILVERMAN: I don't have the statistics.
9 ASSEMBLY MEMBER HAGMAN: Okay. I'll get that
10 later. Thank you.
11 MS. SILVERMAN: I apologize.
12 CHAIRPERSON OROPEZA: Okay. Any other questions?
13 Any comments from the public? And I understand we're going
14 to do Tab 14 as well that continues -- yes.
15 MS. SILVERMAN: Right. Right. So if I can direct
16 your attention to Tab 14, **Status of Funds**. Page 274, most
17 of us have to turn our books around a little bit, but I
18 wanted to highlight -- basically this is a summary of all
19 the active bond appropriations we have for the School
20 Facilities Program for the interest of sharing new
21 information for the new members.
22 And Proposition 1D which is actually the top
23 chart -- portion of this schedule is we actually were able
24 to provided $7.3 billion in authorizations the voters
25 approved in 2006 and as far as providing unfunded approvals

1 this month, in new construction, it's .3 which obviously
2 shows a reduction in new construction authority there and we
3 also have 53.5 million in modernization projects, .1 in I
4 believe overcrowding relief grant.
5 And so in summary, $53.9 million of unfunded
6 approvals for Proposition 1D. We actually had a huge spike
7 in Proposition 55, 144 and a half million dollars for new
8 construction and that reflects the activity for
9 Proposition 55.
10 In Proposition 47, we actually had $13.8 million
11 and that was obviously a result of some fund switching --
12 source switching. So in total, we've processed
13 $184.6 million in unfunded approvals between three
14 propositions.
15 And if I can direct your attention to page 275,
16 there's no activity to report in Proposition 1A and I wanted
17 to highlight to the Board in the middle chart is the
18 Emergency Repair Program. We actually processed 71 projects
19 with $51.1 million for the program and so we still have
20 $223 million of unfunded approvals for the Emergency Repair
21 Program.
22 And if I can draw your attention to some of the
23 charts, page 276. We tried to make our status of funds a
24 little bit more easier to understand and user friendly, so
25 we created these pie charts last year in hopes of we could

1 have a general understanding of really where our balances
2 are.
3 So the blue shaded area obviously represents
4 apportionments and since we provided apportionments last
5 month, Proposition 1D is moving -- more blue is showing this
6 month than it did last month. So that resulted in $646
7 million actually getting shaded blue. And so we still have
8 a -- the remaining bond authority there is $1.749 billion
9 that's still untapped.
10 And then the maroon shaded area obviously
11 represents the unfunded approvals.
12 Flip the page to 277. Proposition 55 is
13 $10 billion in authority. The blue shaded area represents
14 91 percent of that bond -- proposition being apportioned.
15 The maroon area reflects 6 percent of -- that is sitting on
16 the unfunded list and then the yellow area represents
17 3 percent of the bond authority still remaining of
18 $254.6 million.
19 Page 278 -- we're getting closer to the last
20 chart. I apologize. Proposition 47, $11.4 billion was
21 authorized by the voters. Again this is almost entirely
22 blue. We're getting really close. We have 99 percent of
23 those -- of that particular proposition apportioned and a
24 small shaded area or less than .8 percent is still
25 outstanding for unfunded approvals and 74.2 million or less

1 than one-fifth of a percent is still remaining in authority
2 there.
3 The last chart we'd like to share is 279 which we
4 created this chart to have a real glimpse of the new
5 construction -- this is an area that was being addressed by
6 the Board. So we created a chart that really reflects all
7 the propositions and the various new construction authority.
8 We have a progression obviously because we provided
9 apportionments.
10 So 93 percent of the new construction has been
11 expended, provided cash. Still the maroon area or 4 percent
12 of that sits on the unfunded list and 3 percent, the yellow
13 area, actually represents new construction authority that's
14 still waiting to be expended.
15 And so I think the discussion came when the area's
16 all blue, we can talk about some of the critical issues that
17 will come to mass with level three developer fees. With
18 that, I'll open to any questions.
19 CHAIRPERSON OROPEZA: Kathleen.
20 MS. MOORE: Do you have a projection as to when
21 that time is based upon how much we apportion per month?
22 MS. SILVERMAN: Last year -- our historical
23 average has been about 20 to 30 million over the last 12
24 months, but this month we actually had a big spike in new
25 construction activity and so I think -- obviously that had

1 to relate to some of the CBED issues with the deadlines
2 coming up that created a spike.
3 But really on average -- and we only have about
4 $30 million sitting on the workload. That's what we have
5 in-house. So I mean if we had to do the math, I mean we can
6 safely say we have enough authority to cover what's on the
7 workload list. So -- but, you know, I definitely hear what
8 you're suggesting about trying to track the projections and
9 staff is willing to provide some kind of projections at a
10 future Board if you'd like.
11 MS. MOORE: Yeah. I just -- want do we think --
12 when do we think the new construction funding from your
13 vantage point will be out and it's showing 400 and -- what
14 is it -- 436 million currently --
15 MS. SILVERMAN: Right.
16 MS. MOORE: -- that's unapportioned. You say
17 30 million's in-house.
18 MS. SILVERMAN: Right.
19 MS. MOORE: So we know 406 million available and
20 what -- based on what you've seen in the past, I'd be
21 interested to see maybe at the next Board meeting when you
22 think --
23 MS. SILVERMAN: Some projections?
24 MS. MOORE: -- we might be out of new construction
25 funding.

1 MS. SILVERMAN: Yeah. We can definitely provide
2 the Board a report on some projections.
3 MS. MOORE: All right. Thanks.
4 CHAIRPERSON OROPEZA: Any other questions? Okay.
5 Then we'll move back to Tab 6.
6 MS. KAMPMIENERT: Good afternoon. Tab 6 is an
7 item for the **Charter School Facilities Program** and it is a
8 presentation of local governmental entity memorandum of
9 understanding. This is a document that would be used in the
10 event that a local governmental entity would be holding
11 title to project facilities built under the Charter School
12 Facilities Program.
13 The Charter School Facilities Program has always
14 had agreements that outline the terms and conditions for all
15 the parties involved in the transactions and the Board has
16 previously approved versions of these agreements for
17 instances when the school districts hold title and for
18 instances when the charter schools hold title to the
19 facilities.
20 This is the -- it's one of the last stages in the
21 implementation of Senate Bill 592 which did allow charter
22 schools and local governmental entities to hold title. So
23 this document has been approved by the California School
24 Finance Authority. They're our counterpart in administering
25 this program. They are the lead agency on developing these

1 documents. So they have approved this at a previous Board
2 meeting.
3 And it includes the necessary security provisions
4 that were put in place with Senate Bill 592, including the
5 lien on the property on behalf of the State Allocation
6 Board, a restrictive covenant requiring that the facilities
7 only be used for public school purposes, and the remainder
8 interest reverting to either the local school district or
9 the State Allocation Board in the event that the facilities
10 are no longer being used for charter school purposes.
11 And we are asking today for the Board to approve
12 the MOU template and also to authorize the Executive Officer
13 to execute the charter school agreements on behalf of the
14 Board in instances that a local governmental entity is the
15 titleholder.
16 ASSEMBLY MEMBER BROWNLEY: So moved.
17 CHAIRPERSON OROPEZA: Okay. Do I hear a second?
18 SENATOR HANCOCK: Second.
19 CHAIRPERSON OROPEZA: Any questions? Any comments
20 from the public? If not, will you call the roll, please.
21 MS. GENERA: Senator Lowenthal.
22 SENATOR LOWENTHAL: Aye.
23 MS. GENERA: Senator Hancock.
24 SENATOR HANCOCK: Aye.
25 MS. GENERA: Assembly Member Brownley.

1 ASSEMBLY MEMBER BROWNLEY: Aye.
2 MS. GENERA: Assembly Member Carter.
3 Assembly Member Hagman.
4 ASSEMBLY MEMBER HAGMAN: Aye.
5 ASSEMBLY MEMBER CARTER: Did she call me?
6 ASSEMBLY MEMBER BROWNLEY: Um-hmm.
7 ASSEMBLY MEMBER CARTER: Oh, I'm sorry. I didn't
8 hear you. Aye.
9 MS. GENERA: Gary Link.
10 MR. LINK: Aye.
11 MS. GENERA: I'm sorry. Kathleen Moore.
12 MS. MOORE: Aye.
13 MS. GENERA: Lyn Greene.
14 MS. GREENE: Aye.
15 MS. GENERA: Jeannie Oropeza.
16 CHAIRPERSON OROPEZA: Aye.
17 MS. GENERA: It carries.
18 CHAIRPERSON OROPEZA: Juan, we're up to Tab 7.
19 MR. MIRELES: Tab 7, beginning on page 224, is an
20 item to **adjust the per pupil grant amounts** that the Board
21 uses to allocate State bond funds. The Board is required by
22 statute to annually adjust the per pupil grant amounts to
23 reflect the construction cost changes as set forth in the
24 statewide cost index for Class B construction.
25 We've included a couple of options for the Board.

1 Historically speaking the Board, since the inception of the
2 SFP, has used Marshall & Swift, either the Eight California
3 Cities or the Ten Western States, to adopt the construction
4 cost index. In fact the Board the last two years used the
5 Eight California Cities.
6 We've also included as an option besides the Eight
7 California Cities the Lee Saylor Index which was an index
8 that was brought up at the discussions at the beginning of
9 last year as potentially an index to be used for this
10 purpose.
11 On page 226 is Attachment A. We do have a chart
12 just to give you an example. These are the grant amounts
13 that we use to calculate total project costs and we have the
14 resulting grant amounts should the Board adopt Marshall &
15 Swift Eight California Cities.
16 Also on page 229, Attachment B, this highlights
17 the differences between the three indices. The first one at
18 the top of the chart is for Marshall & Swift Eight
19 California Cities. Should the Board adopt this index, this
20 will result in a 4.28 percent grant increase. The Lee
21 Saylor Index would result in a 1.14 percent index --
22 increase and the Marshall & Swift Ten Western States will
23 result in a 3.06 increase to the base grants.
24 Staff is recommending that the Board adopt the
25 Marshall & Swift Eight California Cities as we believe that

1 it's the one that most accurately reflects the conditions
2 for building schools in California. We are -- again we're
3 recommending that the Board adopt this and make the
4 necessary changes to the grant amounts for 2011 School
5 Facility Program grants.
6 With that, I'll be happy to answer any questions.
7 CHAIRPERSON OROPEZA: Assembly Member Hagman.
8 ASSEMBLY MEMBER HAGMAN: Thank you, Madam Chair.
9 And initially when I first looked at this, it's like, well,
10 we have one index that has 20 [sic] California cities, one
11 has 8 California cities and they're quite a bit different.
12 You know, four times the amount on one versus the other and
13 naturally with all of the State problems we have with
14 budgets, I'm looking toward the least one.
15 But if I understand correctly, this Board has used
16 the first Eight California Cities Index consistently over
17 the last few years and I guess for that question then I
18 would go back for consistency sake. That's also the one
19 that went down the most last year as well; right? So it
20 would go up as much this year based on the different trends.
21 So I feel a little more comfortable with Staff
22 recommendation than at first, but sometimes those context
23 for us new members may be need to be laid out a little bit
24 more. So that's only my comments on that. Thank you.
25 CHAIRPERSON OROPEZA: Okay. Any other comments or

1 questions?
2 SENATOR HANCOCK: I would move the Marshall &
3 Swift Eight Cities Index.
4 ASSEMBLY MEMBER BROWNLEY: Second.
5 CHAIRPERSON OROPEZA: Okay. Second. Any public
6 comment before we take roll? Okay.
7 MS. GENERA: Senator Lowenthal.
8 SENATOR LOWENTHAL: Aye.
9 MS. GENERA: Senator Hancock.
10 SENATOR HANCOCK: Aye.
11 MS. GENERA: Assembly Member Brownley.
12 ASSEMBLY MEMBER BROWNLEY: Aye.
13 MS. GENERA: Assembly Member Carter.
14 ASSEMBLY MEMBER CARTER: Aye.
15 MS. GENERA: Assembly Member Hagman.
16 ASSEMBLY MEMBER HAGMAN: Aye.
17 MS. GENERA: Gary Link.
18 MR. LINK: Aye.
19 MS. GENERA: Kathleen Moore.
20 MS. MOORE: Aye.
21 MS. GENERA: Lyn Greene.
22 Jeannie Oropeza.
23 CHAIRPERSON OROPEZA: Aye.
24 MS. GENERA: Motion carries.
25 CHAIRPERSON OROPEZA: Juan, Tab 8.

1 MR. MIRELES: **(Options for Execution of 2011 Grant**
2 **Amounts)** Tab 8 -- now that the Board has adopted the CCI,
3 Tab discusses a couple of policy questions in terms of how
4 does this new grant adjustment affect other projects that
5 are currently on the unfunded list. The first issue is
6 right now we have projects that were approved based on 2010
7 grant amounts and as Assembly Member Hagman just mentioned,
8 at that point, we did have a decrease in the adjustments and
9 the Board wanted to have flexibility to come back and
10 reevaluate those projects come 2011 grant adjustments.
11 So the issue before the Board is whether the Board
12 wants to amend the total project cost for the projects that
13 again use 2010 grant amounts and give them 2011 grant
14 amounts which would be a 4.28 percent increase or if the
15 Board wants to leave those projects with the 2010 grant
16 amounts as they are currently on the unfunded list.
17 If the Board decides to grant or amend the
18 projects and increase them for the 2011 grant amounts, that
19 would put an additional pressure on the bonding authority of
20 at least roughly 40 million as we currently have about a
21 billion dollars on the unfunded list and if you just do the
22 simple math, 4.2 percent increase would be about 40 million
23 that would be -- again this bond authority.
24 That is the first issue.
25 CHAIRPERSON OROPEZA: Can I ask a quick question

1 for some of us that are new here.
2 MR. MIRELES: Yes.
3 CHAIRPERSON OROPEZA: So last year when the -- the
4 projects on the unfunded list were approved, they received a
5 negative adjustment?
6 MR. MIRELES: That's correct. All the projects
7 beginning at the March Board that were approved and placed
8 on the unfunded list did receive 2010 grant amounts which
9 resulted in a negative 6.7 percent increase -- I mean
10 adjustment to the grant amounts. So those are the projects
11 that we're talking about now. Projects that were approved
12 by the Board between March 2010 and December 2010, right now
13 they currently have a 2010 grant amounts and whether the
14 Board wants to keep them at those levels or amend them to
15 give them the 2011 increases, that's the first question.
16 The second issue --
17 CHAIRPERSON OROPEZA: Can I -- yeah. Can we see
18 if the members have --
19 ASSEMBLY MEMBER BROWNLEY: Yeah. So just a
20 clarification on the question.
21 MR. MIRELES: Yes.
22 ASSEMBLY MEMBER BROWNLEY: You're talking about
23 for the whole year or just for the unfunded portion of the
24 previous year, the -- so -- I didn't --
25 MR. MIRELES: Yeah.

1 ASSEMBLY MEMBER BROWNLEY: -- wasn't sure when you
2 asked the question.
3 MR. MIRELES: These are for projects that are
4 currently on the unfunded list that were approved in 2010.
5 ASSEMBLY MEMBER BROWNLEY: Okay. Thank you.
6 CHAIRPERSON OROPEZA: Assembly Member Hagman.
7 ASSEMBLY MEMBER HAGMAN: You know, I understand
8 these prices go up and down for concrete, steel, and labor.
9 You know, the (indiscernible) been really slow the last few
10 years. We've seen it across statewide and nationwide. I
11 don't -- personally I don't think we should be adjusting
12 neither the ones that were approved in October because that
13 was under the conditions that were there and so that was the
14 amount that they agreed upon to accept that they could
15 refuse if they want to. And then those I guess up for
16 today's approval, they were approved -- I mean they're kind
17 of administratively back in October bond sales.
18 So being less than 30 days off from December to
19 January something, I think it's kind of don't want to wait
20 out the clock to hit the calendar year and say okay, I got a
21 5 percent increase in the sales. I think it would be fairer
22 to those who were approved and funded in December, those
23 funded this month too should be all consistently the same
24 even though we count -- specifically went in the new
25 calendar year.

1 CHAIRPERSON OROPEZA: Can I get clarification from
2 our attorney? As I understand, once you receive funding,
3 it's full and final and so we may not have the ability under
4 the law to go back and --
5 MR. DAVIS: Well, that's correct. It's full and
6 final. My understanding of the issue here is those that are
7 still on the list.
8 CHAIRPERSON OROPEZA: Right. But I thought you
9 indicated those that received funding in December actually
10 received funding in December so --
11 MR. MIRELES: Madam Chair, that's the second
12 policy question before the Board. The first one is projects
13 that are on the unfunded list and those are not considered
14 full and final until they receive an apportionment.
15 The second part is projects that are scheduled to
16 receive an apportionment on this agenda, they could have
17 received an apportionment in December, but it was purely an
18 administrative decision not to because we had to find out
19 what decisions were going to be made on other pots to see
20 how much money we were going to have left.
21 So the Board does have money left over from the
22 December apportionments to make at this Board. Now those
23 projects, they will receive an apportionment and the
24 question is do they receive 2011 grant amounts or do they
25 keep the 2010 grant amounts.

1 CHAIRPERSON OROPEZA: But technically --
2 MR. DAVIS: Just to be clear -- yeah, my
3 understanding we're talking about -- they haven't received
4 anything as of this evening.
5 CHAIRPERSON OROPEZA: Yeah. Technically they're
6 not full and final until the Board actually apportions it
7 and we make a decision on whether to adjust them as well or
8 not. But anybody that did receive an allocation is full and
9 final.
10 MR. DAVIS: That's my understanding; correct.
11 ASSEMBLY MEMBER BROWNLEY: I just wanted to add
12 one other clarification in this discussion because it's my
13 memory that when we went through this discussion last year,
14 it was pretty painful for us because it was this negative
15 number and my recollection is that we wanted to be flexible
16 and sort of reserve the right to go back and revisit and
17 adjust the 2010 grants if we so choose. We didn't say that
18 we would, but we said that we reserved the right to look at
19 them again. So I just wanted to add that too.
20 CHAIRPERSON OROPEZA: Okay. Any other comments?
21 What's the will of the Board?
22 MS. MOORE: I'll try a motion and the reason being
23 is that the 2010 projects that have not moved forward, which
24 is the unfunded list, would be bidding if they get cash in
25 2011 and we've determined that the index has risen

1 accordingly. So we -- the Superintendent would support
2 increasing that amount because the projects have not bid
3 mostly. There could be some reimbursements in there and we
4 took the option last year to decrease them.
5 I think in fairness it's -- we should be
6 increasing them when the index goes up. They'll still be at
7 a net -- I don't know. What is it -- 2.46 of 2009 levels.
8 So I would move that the State Allocation Board apply the
9 2011 CCI adjustment to the unfunded list beginning in March
10 2010 -- with March 2010 projects which would be inclusive of
11 today's 106 priorities in funding apportionments.
12 SENATOR LOWENTHAL: Second.
13 CHAIRPERSON OROPEZA: Okay. Yes. Assembly Member
14 Hagman.
15 ASSEMBLY MEMBER HAGMAN: I just wanted to comment
16 why I won't be able to support that, just because, you know,
17 a lot of these districts just got notified in late December
18 of their funding to the first round of administrative gap.
19 We're looking at three or four weeks' difference and a
20 difference between those who received last month and four
21 weeks later, is quite a bit of difference.
22 The fact is when you get these bids for projects,
23 like we have all pretty much done on a local level,
24 generally those bids for your subs are guaranteed for a
25 certain period of time and they can't go back and adjust

1 those back to you afterward and those are sometimes factored
2 into subcontractors and developers who put that gap in there
3 because they know that rates and labor do vary by the time
4 you get funded and by the time you can complete a project
5 much less starting -- complete it.
6 So just out of consistency, this is a single
7 funding, a single bond draw -- list that was already
8 approved by this Board previously, conclusively you just
9 cannot administratively get it out completely. So I just
10 want to explain my reasons for not supporting it.
11 CHAIRPERSON OROPEZA: Yes.
12 ASSEMBLY MEMBER CARTER: I guess I'm not
13 understanding. I was not here, but if I'm understanding
14 correctly there was no work done on the previous projects
15 that were funded?
16 CHAIRPERSON OROPEZA: They remained on a list that
17 hadn't been funded. They're just approved ready to go to
18 receive funding. So no money has gone out to them and
19 because of that, the Board has the ability to adjust them
20 positively now where last year, they took a vote to do a
21 negative adjustment. So they'll get this adjustment if they
22 haven't received full and final monies and there have been
23 some projects that have between now and then.
24 ASSEMBLY MEMBER CARTER: So they'll get the same
25 consideration as the newer projects.

1 CHAIRPERSON OROPEZA: Under the current law, those
2 that have been funded, we don't have the ability to adjust
3 them. It's only if they haven't been fully allocated their
4 monies.
5 ASSEMBLY MEMBER CARTER: Thank you.
6 CHAIRPERSON OROPEZA: Okay. Any other questions?
7 If not, can you please call the roll. Oh, comment -- public
8 comment --
9 ASSEMBLY MEMBER BROWNLEY: Public comment?
10 CHAIRPERSON OROPEZA: -- thank you. No. Okay.
11 MS. GENERA: Senator Lowenthal.
12 SENATOR LOWENTHAL: Aye.
13 MS. GENERA: Senator Hancock.
14 SENATOR HANCOCK: Aye.
15 MS. GENERA: Assembly Member Brownley.
16 ASSEMBLY MEMBER BROWNLEY: Aye.
17 MS. GENERA: Assembly Member Carter.
18 ASSEMBLY MEMBER CARTER: Aye.
19 MS. GENERA: Assembly Member Hagman.
20 ASSEMBLY MEMBER HAGMAN: No.
21 MS. GENERA: Gary Link.
22 Kathleen Moore.
23 MS. MOORE: Aye.
24 MS. GENERA: Lyn Greene.
25 MS. GREENE: Aye.

1 MS. GENERA: Jeannie Oropeza.
2 CHAIRPERSON OROPEZA: Aye.
3 MS. GENERA: It carries.
4 MS. SILVERMAN: Jeannie. Excuse me. Can we get
5 one point of clarification.
6 MR. MIRELES: So that motion was for the unfunded
7 approvals.
8 CHAIRPERSON OROPEZA: Plus the projects on this
9 agenda if I understood your motion correctly.
10 MS. MOORE: That's correct.
11 MR. MIRELES: Just one other thing to note too,
12 that we will be bringing back -- right now the projects are
13 calculated based on 2010 amounts. We'll be bringing back
14 another item in February to give additional amounts.
15 CHAIRPERSON OROPEZA: Adjust -- yeah. If you can,
16 just put them on Consent since it's been approved.
17 MS. SILVERMAN: Right.
18 MR. MIRELES: Okay.
19 CHAIRPERSON OROPEZA: Okay. Tab 9, please. Lisa.
20 MS. SILVERMAN: May I direct your attention to
21 page 237. We highlighted some great outcomes in December.
22 We were able to provide -- the Treasurer had a successful
23 sale in November and actually the Board was provided over
24 $1.4 billion in cash as a result of the bond sale.
25 And at that time, staff had reconciled all the

1 cash that we had available and at that point, we actually
2 had $1.37 billion available to provide apportionments and
3 with that, the Board actually did take action on
4 $1.4 billion.
5 And so the question came back is, because there
6 was too many moving parts with the Board making some
7 recommendation and potential decisions, you know, we thought
8 it was -- it would probably be best to bring back whatever
9 residual cash as a result of the Board recommendations and
10 action -- bring back to the Board some additional funding
11 opportunities for those projects who -- again that are
12 competing in priorities and be able to have the ability to
13 provide additional apportionments to that next group of
14 projects.
15 So we left it open to bring this item back to the
16 Board.
17 We wanted to highlight that in our cash
18 reconciliation we had over -- close to $300 million
19 available for this next apportionment -- funding round, and
20 as a result of the Board's action -- there were several
21 actions that were taken and if I can draw your attention to
22 page 238. The Board provided an approval as a result of an
23 appeal of $2.6 million and then also the Board also provided
24 some recommendations with respect to the Critically
25 Overcrowded Schools and Environmental Hardships to provide

1 them a set-aside of $58.9 million.
2 In addition, there is also -- the Board
3 recommended to provide some additional cash to the Charter
4 School Program plus create another $50 million for a
5 lottery.
6 And so there's a definitely a set-aside there for
7 another amount there and there was actually some movement
8 and in some of the funding shells, staff actually posted
9 some incorrect and they wanted to reconcile that as well.
10 So what's available on the table for providing
11 apportionments is $132.8 million that's available. And
12 staff recommending that $103.6 million for the projects
13 listed in the Attachment A be provided apportionments as a
14 result and also create a carve-out of $3.9 million and now
15 the Board actually action and we kind of anticipated that
16 action just in case as a reserve of $3.9 million.
17 So the remaining cash available is $25.3 million.
18 What we're proposing today is provide 26 projects
19 cash, again up to $103 million in apportionments and I want
20 to provide an explanation to you why the changes came about.
21 We actually initially posted that we were going to
22 provide $91 million in apportionments and then going through
23 this priority round, we actually had many requests. I think
24 we had over 75 percent of those districts on the unfunded
25 list actually competed for priorities.

1 And so obviously with the tight turnaround time of
2 less than two weeks to provide, you know, a substantial
3 amount of work and provide the Board some apportionments, we
4 actually had a district actually competed in the priority
5 round and then actually notified us before we provided
6 apportionments that they actually don't have the local cash
7 to compete and they wanted to pull out of the priority
8 round.
9 And unfortunately we missed a communication
10 about -- to some extent we did acknowledge that some of the
11 projects were already pulled and then it was noted in
12 February that we were going to provide a funding for that
13 particular project and then the district again notified us.
14 We actually removed that project from the list and then
15 there was actually some projects that were apportioned in
16 December that we'll be bringing to the Board and so there's
17 going to be some residual cash coming back to the program as
18 a result of the apportionments provided in December.
19 That equates to a little bit over $12 million.
20 Because of the miscommunication, obviously staff will be
21 bringing back an item acknowledging that this error on our
22 part and obviously not interested in damaging the district,
23 we would put them back where they were originally in line
24 and again provide an $12 million potentially in
25 apportionment to the Board next month.

1 So I wanted to give a brief explanation of why the
2 numbers changed.
3 Again just realizing that we have $25.3 million
4 left in different propositions at the various bond source,
5 you know, our goal to go as far down the list as we possibly
6 can with any bond source, but obviously you hit a wall
7 because sometimes there's larger projects in certain other
8 segments of the bonds that we can't necessarily get to the
9 next person in line.
10 So the $25.3 million is made up of $2.4 million in
11 Proposition 1D, $2.9 million in Proposition 55, $1.1 million
12 in Proposition 47, and there's a large portion of
13 $22.6 million in Proposition 1A.
14 And again that reconciles to the carve-out for the
15 CCI. And we wanted to share with the Board that we
16 obviously will bring back some options. There may be some
17 legal clarification we have with respect to the 22 million
18 that's sitting there, whether or not we have the authority
19 to expend that fund.
20 So we want to bring back some options to the Board
21 next month and perhaps even wrap it around the cash
22 management discussion. And so definitely want to have a
23 full vetting of some of the options there.
24 But with that, again our recommendation is for
25 these projects provided apportionments at this Board, we

1 want to remind those districts that they have until
2 April 26, 2011, to come in with their certifications and we
3 need to physically receive those certifications and again
4 our goal is to provide additional outreach to those
5 districts as they go through the process to make sure
6 they're successful in this funding round as well.
7 So our recommendations for the Board is to approve
8 the projects listed in Attachment A for $103.632 million and
9 obviously some change and obviously declare that these
10 apportionments are open just in case of an adjustment from
11 AB127.
12 ASSEMBLY MEMBER BROWNLEY: So moved.
13 CHAIRPERSON OROPEZA: Oh, a question first. You
14 were just going to make a motion?
15 MS. GREENE: Yes.
16 CHAIRPERSON OROPEZA: Okay.
17 MS. GREENE: I'll second.
18 ASSEMBLY MEMBER BROWNLEY: Thank you.
19 MR. MIRELES: Madam Chair, sorry. We would also
20 like to add another recommendation that grant these projects
21 are also open. Right now, the second recommendation is
22 strictly for AB127 adjustments, but we also would like to
23 add another declaration that they're open for the additional
24 amounts that we're going to add for the 2011 grants that we
25 just approved. So that they're not considered full and

1 final. We can bring them back and give them the additional
2 amounts.
3 CHAIRPERSON OROPEZA: Are you okay --
4 ASSEMBLY MEMBER BROWNLEY: Yes.
5 CHAIRPERSON OROPEZA: Okay. So the motion is to
6 include both adjustments in these projects before the
7 funding is released. Yes, Kathleen.
8 MS. MOORE: I'll be supporting the item, but I
9 will not be voting on the Elk Grove Unified School District
10 project.
11 CHAIRPERSON OROPEZA: So -- okay. Do we need to
12 do a separate vote for that or --
13 MR. DAVIS: I think we're okay. She --
14 CHAIRPERSON OROPEZA: Just to --
15 MR. DAVIS: -- clarifying that her vote's not
16 included.
17 CHAIRPERSON OROPEZA: Okay.
18 MR. DAVIS: It's page 263 I think.
19 CHAIRPERSON OROPEZA: Okay. Any other questions
20 or comments? If not, if you can please call the -- public
21 comment before we call the roll?
22 MS. GENERA: Senator Lowenthal.
23 SENATOR LOWENTHAL: Aye.
24 MS. GENERA: Senator Hancock.
25 SENATOR HANCOCK: Aye.

1 MS. GENERA: Senator Huff.
2 SENATOR HUFF: Aye.
3 MS. GENERA: Assembly Member Brownley.
4 ASSEMBLY MEMBER BROWNLEY: Aye.
5 MS. GENERA: Assembly Member Carter.
6 ASSEMBLY MEMBER CARTER: Aye.
7 MS. GENERA: Assembly Member Hagman.
8 ASSEMBLY MEMBER HAGMAN: Aye.
9 MS. GENERA: Gary Link.
10 MR. LINK: Aye.
11 MS. GENERA: Kathleen Moore.
12 MS. MOORE: Aye.
13 MS. GENERA: Lyn Greene.
14 MS. GREENE: Aye.
15 MS. GENERA: Jeannie Oropeza.
16 CHAIRPERSON OROPEZA: Aye.
17 MS. GENERA: It carries.
18 CHAIRPERSON OROPEZA: Thank you. I understand
19 Item 10 has been withdrawn, Item 11 has been withdrawn,
20 so -- and there's nothing behind Item 12, so I'm assuming we
21 can go to Tab 15.
22 MS. SILVERMAN: Yes. Yes.
23 MR. MIRELES: Tab 15, beginning on page 280, is a
24 **report**. As we were mentioning earlier, at the March 2010
25 Board meeting, we had a discussion about the various CCIs.

1 The Board did direct staff to go back to the Implementation
2 Committee meeting and discuss the **various construction cost**
3 **indices** that are available.
4 Staff did present a total of five construction
5 cost indices published by Marshall & Swift, Lee Saylor
6 Index, and the Engineering News Record. All of these are
7 included for your reference on stamped page 283.
8 What staff did is we went through we took a look
9 along with the committee and the stakeholders at the various
10 information that's used for each firm. There are various
11 cities that are used to collect information. There's
12 different materials that are used and then there's various
13 information that's used in terms of labor and wage rates.
14 Staff presented and actually we also invited
15 members from all three firms. We did have representatives
16 from Marshall & Swift attend the Implementation Committee
17 meeting as well as Lee Saylor. However, we didn't get
18 anybody from the Engineering News Record. They did give us
19 a document that would give us information in terms of how
20 they calculated their CCI, what's included and what is not.
21 We -- through the discussions at the
22 Implementation Committee, there was a couple of things that
23 came up in terms of general areas of concern. One is the
24 definition of statewide index. Another is a possibility for
25 having a customized index. The other is the incorporation

1 of prevailing wage rates in these indices and whether the
2 CCI adjustment should be made more than once per year.
3 The committee did address certain concerns in
4 terms of having a customized index and what that would look
5 like. Again I think the main emphasis here was that the
6 index should reflect what's going on in terms of schools
7 that are being built in California.
8 We did discuss the possibility of having
9 Marshall & Swift and Lee Saylor provide a customized index,
10 but at the end of the day, the majority of the
11 Implementation Committee members did agree that a customized
12 index would not be feasible at this time.
13 There was also discussion in terms of whether
14 these indices provided prevailing wage and we did review and
15 we did confirm for both Marshall & Swift and Lee Saylor that
16 they do include prevailing wage in the way that they
17 determine their numbers.
18 The majority of the Imp. Committee members did
19 agree that the CCI from Marshall & Swift and Lee Saylor
20 Index would be the two that were most appropriate for the
21 Board to use and we also looked into whether the Board can
22 make more than one adjustment per year.
23 We took a look at a statute. We did consult with
24 legal counsel and staff determined -- legal counsel opined
25 that the Board can only make one adjustment annually to mean

1 only once per a 12-month period.
2 Based on all the information, staff concluded that
3 the Marshall & Swift Eight California Cities is the index
4 that most accurately reflects school construction in
5 California. We have the -- it's our understanding that the
6 information that they also use is based upon 20 U.S. Cities
7 which may not reflect trends that are going in California.
8 So this information is provided to the Board. The
9 Board could select to use one of the indices for a number of
10 years to provide consistency to the annual adjustment. That
11 could be done through a policy decision and/or legislative
12 changes.
13 But at this point, this is just a report to give
14 the Board some information on what was discussed at the
15 Implementation Committee and we recommend that the Board
16 acknowledge this report. I'll be happy to answer any
17 questions.
18 CHAIRPERSON OROPEZA: Any questions? Yes.
19 Senator.
20 SENATOR HANCOCK: I wasn't quite sure about the
21 answer about prevailing wage, Juan. You said that some of
22 their numbers might reflect that, but since prevailing wage
23 is required in California, why wouldn't we want to make sure
24 that it was always included and then if we do the Eight
25 California Cities, we'd look at prevailing wage. Otherwise

1 school districts aren't going to be able to have enough
2 money to meet their obligations.
3 MR. MIRELES: We did ask that specific question to
4 Marshall & Swift and LSI and according to both of those
5 firms, they do. In fact we have -- the information from
6 Marshall & Swift was that our indices, standard and custom,
7 are based only on prevailing wages in California.
8 So we did confirm that they do use it for their
9 information.
10 SENATOR HANCOCK: So it's another reason why the
11 Eight California Cities might be the best one for us to use.
12 Thank you.
13 I would move that we accept the report.
14 SENATOR LOWENTHAL: I think acknowledge.
15 SENATOR HANCOCK: Acknowledge the report.
16 CHAIRPERSON OROPEZA: Acknowledge the report.
17 Okay. We don't have to vote on that; right? It's just
18 reporting -- okay.
19 Before we move forward, if we could go back now
20 that we have all our members here. We left open the
21 Minutes. We didn't have enough votes to approve it. How
22 many do we need to vote.
23 MS. GENERA: We need one more.
24 CHAIRPERSON OROPEZA: One more.
25 MS. GENERA: To get them approved, yeah.

1 CHAIRPERSON OROPEZA: Okay.
2 SENATOR HANCOCK: Call the absent members.
3 MS. GENERA: Senator Hancock.
4 SENATOR HANCOCK: Aye.
5 MS. GENERA: And Senator Huff.
6 SENATOR HUFF: Aye.
7 MS. GENERA: It carries.
8 CHAIRPERSON OROPEZA: And can you have me abstain
9 since you don't need me. I voted out of courtesy, but I
10 wasn't here, so --
11 MS. GENERA: Okay. So I'll note that.
12 CHAIRPERSON OROPEZA: Thank you. Okay. Tab 16,
13 please.
14 MS. KAMPMIENERT: Tab 16 is a **report on the Joint**
15 **Use Projects** that were apportioned at the October 6th
16 meeting. These projects were provided with the traditional
17 18-month time limit on fund release and the Board, as part
18 of that action, asked us to report back on a quarterly basis
19 to let you know if the districts had come in to request
20 their funds.
21 And the chart on the bottom of stamped page 287
22 shows that as of the five projects, three have requested
23 their fund release. For the two remaining projects, we have
24 contacted the school districts and they've indicated that
25 those fund releases should be coming to OPSC in late

1 February or early March. So they are moving faster than the
2 18-month time limit.
3 CHAIRPERSON OROPEZA: Good. Any questions? No
4 questions.
5 SENATOR HANCOCK: Move we acknowledge the report.
6 CHAIRPERSON OROPEZA: We're just acknowledging.
7 Okay. Thank you, Barbara.
8 Tab 18 -- 17. Lisa, 17.
9 MS. SILVERMAN: So if I can direct your attention
10 to page 288. This is actually the second year we've
11 actually provided the Board a **summary of 2010's activity** and
12 just to basically highlight.
13 I think there's a question that was posed back in
14 2009 as far as, you know, how many appeals are actually
15 processed through this Board and actually how many items do
16 we actually provide through the Consent Agenda.
17 And so for 2010, we wanted to share the activity
18 as noted in the middle of the page. We actually provided
19 over a thousand items in the Consent Agenda that had fiscal
20 impact and out of that over a thousand projects that we
21 presented, 1,014 to be exact, over $3 billion represented
22 either an unfunded approval or apportionment.
23 And so -- and how does that relate to some of the
24 appeals items that are presented. There were only two
25 funding appeals that were brought forward to the Board that

1 actually resulted in $2.9 million in additional cash for
2 some of these districts that provided this appeals.
3 And so I guess in relationship to what we do, I
4 know our -- snap, really quick, less than a three-second
5 drill to go through the Consent Agenda, but that's really
6 the basic premise of our workload is through the Consent
7 Agenda.
8 And so we wanted to highlight to the Board, it's
9 less than .1 percent or less than a tenth of a percent that
10 actually are items that are brought before the Board that
11 are appeals exactly. So with that, I'll open up to any
12 questions.
13 CHAIRPERSON OROPEZA: Yes. Assembly Member.
14 ASSEMBLY MEMBER HAGMAN: I'm just wondering how
15 long is the process of appeals? Do we have a protocol? You
16 know, I understand that we're pushing these monies out
17 pretty quick at this point. We're kind of holding the -- as
18 far as the other funding. We adjust the rates once a year.
19 What's the process for them to come back to the Board and is
20 that fairly timely manner as well?
21 MS. SILVERMAN: Well, we actually work obviously
22 very hard to resolve some of these issues administratively
23 with the district, but if we can't obviously come to some
24 kind of resolution, then we request the district to provide
25 an actual form that we have, a Form 189, to our office and

1 then obviously again working out with some additional facts
2 with the district to figure out when exactly we're ready.
3 We'll put those items to the 90-day workload in
4 the goals of providing transparency to the Board about
5 really the appeals that are on the workload and how those
6 appeals are being worked.
7 And so again that's the process we've established,
8 but I know we've been working through this process perhaps
9 aggressively over the last eight months and again trying to
10 create some kind of criteria -- clear criteria so then
11 everybody would formally understand how the appeals process
12 works and how it gets through the agenda.
13 CHAIRPERSON OROPEZA: And is your workload -- or
14 your lack staffing going to cause that to be more than 90
15 days or what are we going to do to ensure that that -- that
16 it's no more than 90 days and hopefully less than 90 days in
17 the future?
18 MS. SILVERMAN: Well, I think if we anticipate any
19 issues with some of the projects moving forward or appeals
20 moving forward, we definitely would consult with the Chair
21 and have those discussions. I think sometimes it's better
22 to cook some items and then you may result in actually some
23 of these appeals actually being dropped off the workload
24 because we were able to find an amenable resolution where
25 the item is perhaps never presented.

1 So I think sometimes the additional time helps
2 everybody to ascertain what the facts are involved and maybe
3 come to a successful resolution. But if we actually have
4 some issues with not meeting these goals, we'll definitely
5 share those concerns with the Chair and the Board so that
6 way it's fully transparent about some of the issues.
7 CHAIRPERSON OROPEZA: It might be helpful as well
8 at some point for staff to walk members through exactly what
9 happens in that 90-day period so that we all can fully
10 understanding why it does take the 90 days.
11 MS. SILVERMAN: We'll definitely do that.
12 CHAIRPERSON OROPEZA: Any other questions or
13 comments? Okay.
14 Item 18, Lisa.
15 MS. SILVERMAN: Exactly what we've shared with the
16 Board, as I shared earlier in the Executive Officer's
17 Statement, we've attached this **90-day workload** to the Tab 18
18 in the report section, again just to highlight to the Board
19 that here's what's on the docket for February.
20 We have a few appeals that we're planning to
21 present, a few action items, and then some items that we're
22 going to bring back to the Board as far as reports and
23 discussion and information items. So that's what's
24 presented for February.
25 If you flip to page 290, we have some items

1 that -- currently no appeals right now in -- projected for
2 March, but we have some action items and report issues that
3 we're going to bring forward in March.
4 And in April, again there's nothing slated for the
5 appeals, but we do have some discussion items to present.
6 And obviously this is all contingent. This is
7 just what's there on the plate, but as we move through each
8 Board, we may have new assignments that get added to this
9 workload list. So we would obviously be respectful of that
10 and obviously add those items to the workload as well.
11 CHAIRPERSON OROPEZA: Yes. Kathleen.
12 MS. MOORE: From the prior workload list, there
13 were I believe on projects that were listed as for January,
14 Lake Elsinore and Calexico and for February, Oak Grove and
15 Covina as well as our last Board meeting, we had Kern and
16 San Joaquin that were slated to come back at this Board
17 meeting, I'd like to see them either reestablished on the
18 workload list or an explanation as to why they aren't.
19 CHAIRPERSON OROPEZA: Any other questions or
20 comments? Yes. Assembly Member Brownley.
21 ASSEMBLY MEMBER BROWNLEY: Just looking on
22 page 291a where -- in terms of estimating the dates for
23 appeals, why in the first one there that was received on
24 5/29/09 and just recently scheduled? Is there -- and the
25 others seem to be much more on a timely basis in terms of

1 scheduling on appeals.
2 MR. MIRELES: We're still going through that
3 transition of getting to the 90 day. Those are the older
4 ones that we have obviously and that we're working to clear
5 up, but we're still getting to that 90 day, cleaning up the
6 old items. Obviously those are older ones, but the newer
7 ones, we're starting to get in a new fast track approach.
8 But we hope to clean those up, presented to the
9 Board here in the near future.
10 ASSEMBLY MEMBER BROWNLEY: Thank you.
11 CHAIRPERSON OROPEZA: But you are working with LA
12 in this case, the one --
13 MR. MIRELES: We have, yes.
14 CHAIRPERSON OROPEZA: Tab 19.
15 MS. SILVERMAN: Tab 19 is just obviously an
16 information item.
17 CHAIRPERSON OROPEZA: Sorry. My bad. Okay.
18 There's Richard Gonzalez that wants to comment on -- wants a
19 **public comment** on items that are not on the agenda.
20 MR. GONZALEZ: Thank you, Madam Chair and Board
21 members. I want to open up by saying that -- I'm sorry. My
22 name is Richard Gonzalez of Richard Gonzalez & Associates
23 and I'd like to open up by saying that I've seen over the
24 last few months some superior work on the part of the staff
25 in reducing the time frame in which applications are turned

1 over from the date that they're delivered to the OPSC folks
2 to the time you have an opportunity to approve them, the
3 unfunded or with funding.
4 As part of that process, the districts and the
5 State still have to work in that time frame through a
6 15-day, 4-day, and sometimes 24-hour letter process and
7 still try to make those timelines and make them happen and
8 staff's been very good about working with school districts
9 on it.
10 However, there's two times during the school year
11 in which I'm wondering if there could be some flexibility in
12 the 15-day process, specifically during the Christmas season
13 or the end of the year and in the spring.
14 In the spring, school districts tend to be closed
15 for one week during spring break and then generally between
16 the last two weeks of the school year.
17 The reason I ask that is I know that there's been
18 requests to have some extensions, and yet being that the
19 staff is limited in the amount of extra time they have to
20 get items to you to approve, the 15 days can't sometimes be
21 extended. A good example would be a case where a school
22 district received a 15-day letter on December 23rd, two days
23 before Christmas, didn't get into their offices until
24 January 3rd and you can tell they did not have very many
25 days to try and crash through the 15-day activities.

1 Fortunately with a little help from the staff, we
2 were able to make it, but I was wondering if there's a way
3 to have the 15-day process or 4-day or 24-hours maybe
4 loosened a little bit during those two particular times of
5 the year. Thank you very much for listening to me.
6 CHAIRPERSON OROPEZA: Thank you. Any other --
7 yes.
8 MR. DUFFY: Madam Chair, members, Tom Duffy for
9 the Coalition for Adequate School Housing. The topic I
10 wanted to address with you is the Project Information
11 Worksheet that as part of a regulation the Board adopted
12 three years ago to collect information to inform the
13 discussion that the Board would have about increasing the
14 pupil grants beyond the CCI that you've talked about today.
15 AB127 provided that up to a 6 percent increase may
16 be provided by the Board based upon information that the
17 Board would use. What the Board did was to adopt
18 regulations that included a document called the Project
19 Information Worksheet that districts are to provide on an
20 annual basis throughout the life of a project.
21 That information was to be collected and then
22 information brought to the Board to inform that discussion.
23 That was used and information was brought to the
24 Board and the Board did not take action. We've been dealing
25 with the issues of trying to do with -- what we can with the

1 bonds that are available and we really have not pressed the
2 issue of the 6 percent for some time.
3 But you had a discussion tonight about staff
4 workload and about the diminishment of staff. Hearing that
5 four members of OPSC have left and recognizing what's
6 happening in school districts today, our conclusion is --
7 and we did address the Board about three months ago about
8 this matter.
9 We believe that the Project Information Worksheet
10 really isn't a vital document. It's not being used
11 currently to bring information to you. Normally it would be
12 January that the Board would consider that 6 percent
13 increase. It was discussed last year and the last time that
14 you actually made the increase and the only time that you
15 have was in 2008.
16 So our request would be that you bring the item
17 back -- your staff would bring back the item that is the
18 regulation about the use of the Project Information
19 Worksheet and its requirements and that you consider taking
20 action to basically dispense with that because that
21 information is not being used at this time.
22 I believe that would relieve staff workload and it
23 would certainly relieve workload at the school district
24 level where districts frequently hire consultants to develop
25 that information because there's a lot of detail there.

1 And I'd be pleased to answer any questions you
2 have of course and talk to you and talk to your staff
3 individually about this.
4 If that could be done next month at least for a
5 discussion, we'd be pleased.
6 CHAIRPERSON OROPEZA: I for one will request that
7 meet with my predecessor on that because I know there's been
8 issues that were raised about when this was adopted whether
9 or not it was that two-year window or not and so there's
10 issues that need to be discussed before it comes back I
11 think.
12 MR. DUFFY: And if there was a narrow window and
13 it's not needed any longer, if that's what was your thought
14 or someone else's thought, then we'd be pleased to discuss
15 that.
16 CHAIRPERSON OROPEZA: It just needs to be raised
17 is all.
18 MR. DUFFY: Okay. Thank you very much.
19 CHAIRPERSON OROPEZA: Thank you.
20 MR. DUFFY: One further comment, your predecessor,
21 Ms. Bryant, had said to me a number of times her goal was to
22 conclude an Allocation Board meeting within an hour. She
23 was never able to do that, but you've come close.
24 CHAIRPERSON OROPEZA: I almost did it. Any other
25 comments?

1 ASSEMBLY MEMBER BROWNLEY: Well, I just wanted to
2 follow up on the first gentleman who testified with wanting
3 to investigate during, you know, two major holidays in the
4 school year about adjusting that 14-day. That's something
5 that needs to be brought to the Board for discussion.
6 CHAIRPERSON OROPEZA: And I think it may be rather
7 than changing the 15-day, just request staff that they not
8 send the notice during that time frame and then --
9 ASSEMBLY MEMBER BROWNLEY: That's a good point
10 too.
11 CHAIRPERSON OROPEZA: -- it just takes care of the
12 issue. Yes.
13 SENATOR HANCOCK: I just wanted to say that I
14 think we're all looking very hard in the next couple of
15 months at how to streamline oversight and make sure that the
16 information we request is actually information that we need.
17 So I did think that it would be a very interesting exercise
18 for this Board as well and well taken because I -- at one
19 time when I did work for the U.S. Department of Education --
20 Kathleen, sorry about this, but we did have a situation
21 where we sent the states a six-page application and I later
22 found out -- this was way back in the '90s -- it was going
23 out as a 60-page application to the districts.
24 So I think it's a good point and very, very timely
25 right now so that we get the information we need and we

1 don't get additional information and we don't make either
2 staff or districts spent more administrative time.
3 CHAIRPERSON OROPEZA: Yes.
4 ASSEMBLY MEMBER HAGMAN: Thank you. Just some
5 things I'm looking forward to maybe in the future either at
6 this Board hearing or with myself and I ask my staff these
7 things.
8 Obviously in a couple years, the fund will be dry
9 if we make it two years from now and one of the questions I
10 always have is there's a lot of surplus properties that
11 maybe school districts decide not to build from the past, I
12 mean multiple years ago or schools have been closed down
13 because population shifts, you know, what can, if anything,
14 we could do with those properties and look at different
15 ideas, anywhere from selling them, leasing them, something
16 like that, to create an income flow back for this bond fund.
17 And also just a question about private financing
18 of the school districts if you did have investors that
19 wanted to put up money. 7 percent is a pretty good rate
20 right now. Would we have to go through official sales -- I
21 don't understand the mechanics that.
22 I guess if you're in debt in this State to general
23 fund, you probably would, but is there other means to
24 finance some of these projects that may or may not be
25 useful.

1 So a lot of education on my part, but I would like
2 to have some understanding on how those things may work
3 especially on the surplus property. Thank you.
4 CHAIRPERSON OROPEZA: Those are all good points.
5 Thank you.
6 Without objection then, we'll adjourn our meeting.
7 Thank you.
8 SENATOR HUFF: Did we keep the roll open for those
9 other items?
10 CHAIRPERSON OROPEZA: We can. We'll -- Assembly
11 Member Hancock, did you miss any other votes that you wanted
12 to be added onto?
13 SENATOR HANCOCK: I don't -- I'm not sure
14 actually. I don't think so. Did I?
15 SENATOR LOWENTHAL: No, you didn't.
16 CHAIRPERSON OROPEZA: Did she miss any other
17 votes?
18 SENATOR HANCOCK: No.
19 MS. JONES: No. You just missed the Minutes.
20 CHAIRPERSON OROPEZA: Okay. Yes.
21 (Whereupon, at 5:25 p.m. the proceedings were recessed.)
22 ---oOo---
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24
25

1 REPORTER'S CERTIFICATE

2

3 STATE OF CALIFORNIA)
) ss.
4 COUNTY OF SACRAMENTO)

5

6 I, Mary C. Clark, a Certified Electronic Court
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10 That the proceedings herein of the California State
11 Allocation Board, Public Meeting, were duly reported and
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13 That the foregoing transcript is a true record of
14 the proceedings as recorded;
15 That I am a disinterested person to said action.
16 IN WITNESS WHEREOF, I have subscribed my name on
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