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CALIFORNIA STATE ALLOCATION BOARD
PUBLIC MEETING

STATE CAPITOL
ROOM 447
SACRAMENTO, CALIFORNIA 95814

DATE: WEDNESDAY, DECEMBER 12, 2012
TIME: 2:00 P.M.

Reported By: Mary Clark Transcribing
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APPEARANCES

MEMBERS OF THE BOARD PRESENT:

PEDRO REYES, Chief Deputy Director, Policy, designated representative for Ana Matosantos, Director, Department of Finance

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

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

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

ASSEMBLYMEMBER JOAN BUCHANAN

ASSEMBLYMEMBER CURT HAGMAN

REPRESENTATIVES OF THE STATE ALLOCATION BOARD PRESENT:

LISA SILVERMAN, Executive Officer
BILL SAVIDGE, Assistant Executive Officer

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

LISA SILVERMAN, Executive Officer
JUAN MIRELES, Deputy Executive Officer

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

JONETTE BANZON, Staff Counsel

P R O C E E D I N G S

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3 CHAIRPERSON REYES: The hour of 2:00 o'clock
4 having arrived, we'll start the State Allocation Board
5 meeting of December 12th, the last meeting of the year, and
6 before we all run off, I just want to thank everybody for
7 their patience and willingness to work with staff.

8 I want to thank staff for all the work they do
9 throughout. I think this year for me anyway I saw a staff
10 that was working on more issues behind the scenes than we
11 were doing at the beginning of the year last year. So I
12 want to thank you guys for that and extend the gratitude to
13 the districts that were willing to sit down with staff and
14 resolve as many issues as possible.

15 So I just want to -- since I have the mic, I
16 thought I'd express that. So thank you. Roll call.

17 MS. JONES: Certainly. Senator Hancock.

18 Senator Wyland.

19 Assemblymember Buchanan.

20 ASSEMBLYMEMBER BUCHANAN: Here.

21 MS. JONES: Assemblymember Hagman.

22 ASSEMBLYMEMBER HAGMAN: Here.

23 MS. JONES: Esteban Almanza.

24 MR. ALMANZA: Here.

25 MS. JONES: Kathleen Moore.

1 MS. MOORE: Here.

2 MS. JONES: Cesar Diaz.

3 MR. DIAZ: Here.

4 MS. JONES: Pedro Reyes.

5 CHAIRPERSON REYES: Here. And I'd also like to
6 extend that gratitude to our board members who were willing
7 to take on committee assignments. So thank you.

8 MS. JONES: And with that we have a quorum.

9 CHAIRPERSON REYES: Thank you. Ms. Silverman.

10 MS. SILVERMAN: Yeah. **Minutes** are ready for your
11 approval.

12 CHAIRPERSON REYES: We've got the Minutes.

13 ASSEMBLYMEMBER BUCHANAN: So move.

14 ASSEMBLYMEMBER HAGMAN: Second.

15 CHAIRPERSON REYES: Motion's been made and
16 seconded. Is there any comment from the public? Thank you.

17

18 Motion's been made and seconded. Any comments
19 from Board members? Any comments from the public? Seeing
20 none -- Mr. Hagman.

21 ASSEMBLYMEMBER HAGMAN: No. I'm sorry. I just --

22 CHAIRPERSON REYES: All in favor say aye.

23 (Ayes)

24 CHAIRPERSON REYES: Opposed. Ayes have it. Thank
25 you.

1 MS. SILVERMAN: Tab 3 is the **Executive Officer's**
2 **Statement**. We have a few items to report to you tonight.

3 The first item which is a big reason why we're
4 here today is that we're actually providing cash to projects
5 that are sitting on the unfunded list and those projects
6 actually participated in a certification round.

7 So tucked in Tab 9 is the \$383.8 million in
8 projects that will be awarded cash and that represents 196
9 projects.

10 I know we had a certification round that ended
11 over the summer, but what this represents is those folks
12 that actually competed with certification. Almost
13 93 percent will have cash in their hands soon. So again
14 that's a great outcome.

15 We actually had great outcomes occurring with the
16 priorities in funding which nearly 99 percent are
17 successful. So again we'll be mindful of the timelines
18 associated with that.

19 The next item we actually are presenting in the
20 Consent Agenda, some unfunded approvals for six charter
21 school projects and that represents \$5.2 million.

22 These projects had the ability to move forward
23 because we actually had bond authority as a result of
24 rescissions from the Career Tech Program. So again this is
25 great news for those projects that have been waiting for

1 quite some time and once they receive an unfunded approval,
2 they can participate in the priority of funding process.

3 CHAIRPERSON REYES: Okay.

4 MS. SILVERMAN: And the next item we'd like to
5 share is the priority of funding apportionments that we
6 provided in October. There was \$7.4 million that represent
7 seven facility hardship projects and those projects have
8 until January 22nd to come in.

9 We have received fund release requests for all six
10 to date for \$7.1 million. There's one project that we've
11 been reaching out to that still has to come in and perfect
12 before January 22nd and we understand that project will be
13 coming in next week.

14 The Charter School Program updates as far as the
15 fund release requests, we did advise the Board in October
16 that nearly \$94.2 million that had been reserved for the
17 Charter Program had been requested and a member of the Board
18 had asked if there was any updates to share at a future
19 meeting, if whether or not we received additional requests
20 from some charter schools and whether or not we have money
21 available for them.

22 We have received two projects that equate to \$39.4
23 million and we're in the process of processing those
24 applications.

25 So once those applications are presented to the

1 Board and provided unfunded approvals, then they can compete
2 with everybody else in the priority of funding process.

3 So we'll ensure those projects are -- understand
4 the timelines associated with the certification round and
5 ensure that they come in.

6 CHAIRPERSON REYES: Thank you.

7 MS. SILVERMAN: A few regulatory amendments: the
8 regulations are in effect for priority of funding. The
9 Board did adopt an improvement to increase the efficiency of
10 priority of funding. So those regulations are in effect as
11 of December 6th, 2012, and the goal was to create -- to
12 alleviate the gap that we have in existing regulations.

13 So the certification round will begin January 9th
14 and close February 7th and then that round will be open from
15 February 8th to June 30th and then hence another round will
16 open up May 8th to June 7th and again be valid from July 1st
17 to December 31st, 2013. So again to ensure there's no gaps
18 for the cert rounds.

19 An item also we wanted to share is the emergency
20 regulations are in effect as of November 1st and I believe
21 we did share that with our stakeholders and the Board
22 members as well.

23 And what that means is once we receive projects in
24 house that exceed our bond authority, the Board did take
25 action to create a list and that list -- so for projects

1 that came in house November 1st and moving forward, those
2 projects will be placed on this information list and staff
3 will be presenting that next month.

4 But the projects that came in between the
5 regulations are in effect, those projects will actually be
6 moving forward with true unfunded approvals. So there is
7 almost \$500 million between the New Construction/
8 Modernization Program that did come in prior to the
9 regulations going into effect.

10 So on page 10, continuing with that discussion, we
11 actually are moving forward some items in the Consent Agenda
12 that we'll highlight in the financials that we are
13 processing as well.

14 The last update is the Program Review Subcommittee
15 and we'll be holding that January 16th.

16 CHAIRPERSON REYES: Any questions/comments from
17 Board members? Any public comment on the Executive
18 Officer's Report?

19 Ms. Silverman, would you provide the Board with an
20 update on the Alvord Unified?

21 MS. SILVERMAN: We will actually be bringing that
22 in forward in January --

23 CHAIRPERSON REYES: Okay.

24 MS. SILVERMAN: -- for the appeal to be heard.

25 CHAIRPERSON REYES: Okay. Thank you. We're

1 moving to the **Consent Agenda**. If it's okay with the Board,
2 I suggest that we approve Tab 9 as part of the Consent
3 Agenda. So without -- unless I hear otherwise, is there a
4 motion to move the Consent plus Tab 9?

5 MR. ALMANZA: So move.

6 CHAIRPERSON REYES: It's been moved.

7 MR. DIAZ: Second

8 CHAIRPERSON REYES: Second by Mr. Diaz. Thank
9 you. All in favor say aye.

10 (Ayes)

11 CHAIRPERSON REYES: Opposed. Abstentions. Ayes
12 have it. Thank you.

13 MS. SILVERMAN: Draw your attention to the
14 **Financials** on Tab 5. What we want to highlight in the
15 interest of time is the Status of Fund Release report.
16 Direct your attention on specifically page 168.

17 We've been highlighting to the Board once we have
18 a bond sale that we introduce various charts and on top of
19 168, again the announcement of the October bond sale where
20 we actually received a significant amount of money,
21 \$363.9 million. And again a new chart's been introduced and
22 once we provide those projects with apportionments we'll be
23 highlighting, all the funds will be released.

24 So we haven't released any funds because they
25 haven't apportioned, but again there'll be a timeline

1 associated with that and drawdown as well.

2 In the chart below, we wanted to share that
3 \$22.2 million have been released for the month of October.
4 We had a turnaround time of November 15th is kind of where
5 the information we're providing you. We didn't have a
6 November meeting, so likewise we're just giving you an
7 update on that release.

8 I'm not sure if we want to highlight -- some of
9 the projects on page 170, routinely we've been providing the
10 Board some timelines associated with projects that have --
11 again timelines coming for projects again to complete their
12 fund release requests.

13 So we are showing here in January, we have three
14 projects worth a half million dollars that need to come in.

15 Likewise when we come in next month, you'll see a much
16 larger chart which represents the new projects that will be
17 receiving apportionments and again those projects have to
18 come within the 90-day timeline. So some more information
19 to follow.

20 I don't have any -- if you don't have any
21 questions, we can move on.

22 CHAIRPERSON REYES: Are there any public comments?
23 Questions from Board members? Okay. Moving on.

24 MS. SILVERMAN: Okay. Draw your attention to
25 Tab 6 which is the **Status of Funds**. A few items we wanted

1 to highlight.

2 We are actually -- on the other column is
3 estimated approval column which is next to the remaining
4 bond authority.

5 With that we wanted to share with the Board that
6 with the consent approval tonight, there is a reinstatement
7 of the Clovis project for the Career Tech Education of
8 \$1.6 million and that is being posted.

9 And also we're converting a charter school project
10 for 23.6 million in the Proposition 1D category. Also
11 respectively in the unfunded approvals, new construction, a
12 half million dollars were approved tonight, one
13 modernization project for 13.9 million. We actually have
14 six career tech projects again like we shared, of
15 5.2 million.

16 The 26.4 million are -- is that reserve of
17 preliminary apportionments for the charters and again that
18 is going to be credited back along with the offset. So
19 we'll have some additional funds in the charter program.

20 So a net result of nine projects being approved on
21 one column and two projects being approved on the other
22 column. So 11 projects approved in total in Proposition 1D.

23 And the middle is the approvals for new
24 construction that represent six projects. And there's no
25 activity in Proposition 47 and there's also no activity for

1 the Emergency Repair Program.

2 So in total we actually are processing 45 --
3 slightly over \$45 million this month.

4 So this does not reflect the true unfunded
5 approvals. These are just true applications that are
6 processed within the bond authority.

7 Also on page 181, we wanted to highlight to the
8 Board a new chart related to the true unfunded approvals.
9 Takes time to get there.

10 On page 181 is -- I know it's really a large
11 cylinder, but the \$76.8 million that represents 33 projects
12 in the modernization category that has been processed as
13 true unfunded approvals this month.

14 As I shared earlier that we have nearly
15 500 million between new construction and modernization. As
16 we start going along and processing those applications which
17 are still in the pipeline, there'll be more additions moving
18 forward.

19 With that, I don't know if we have any questions.

20 CHAIRPERSON REYES: Any questions from Board
21 members? Comments from the public? Seeing none, we're
22 moving on.

23 Tab 7.

24 CHAIRPERSON REYES: Tab 7. **Simi Valley.**

25 MS. KAMPMEINERT: Good afternoon. Barbara

1 Kampmeiner with the Office of Public School Construction.

2 Behind Tab 7 we have the item related to the
3 appeal from Simi Valley Unified School District. And this
4 item, the district had originally submitted an application
5 for conceptual approval of the Seismic Mitigation Program
6 project that was returned by the OPSC.

7 The application had met all the requirements of
8 the program with one exception and that is the cost
9 estimates to repair the facility was in excess of 50 percent
10 of the cost to replace the facility.

11 And according to current and past interpretation
12 of the SFP regulations, projects with repair costs in excess
13 of the 50 percent threshold are funded as replacement
14 projects.

15 The intent of the regulations is to ensure that
16 there's a good return on the funds that the State provides
17 for the projects.

18 However, in this case, the district is facing a
19 unique circumstance because the facility in need of repair
20 is a historical landmark and the district feels that to
21 demolish and replace this building would cause community and
22 political backlash.

23 Therefore while they're eligible for replacement
24 based on the 2011-2012 enrollment of 317 pupils, they are
25 requesting that the Board provide the rehabilitation funds

1 instead.

2 While staff doesn't feel that there are -- that
3 there is any flexibility in the regulations, we did take a
4 look at the Education Code for the Seismic Mitigation
5 Program and we do feel that the statute may provide the
6 Board with more options.

7 Under the statute, the district is eligible for
8 replacement, but it doesn't actually say that they must do
9 replacement. There's no language that would require it.

10 So options today for the Board include granting
11 the district's appeal. If the district's appeal is not
12 granted, the district would still be eligible to apply under
13 the program for a replacement project instead.

14 And with that, I'd be happy to answer any
15 questions.

16 CHAIRPERSON REYES: Ms. Buchanan.

17 ASSEMBLYMEMBER BUCHANAN: Is there a
18 representative from the district here?

19 CHAIRPERSON REYES: Come forward, sir. Please
20 have a seat and identify yourself for the record.

21 MR. CLEAR: My name is Michael Clear. I'm the
22 Assistant Superintendent, Business and Facilities, with Simi
23 Valley Unified School District.

24 ASSEMBLYMEMBER BUCHANAN: So this is my issue. I
25 can vote to approve the appeal because I can understand your

1 need -- or your desire to want to preserve a historical
2 building, you know, and it -- I'm sure it keeps you in good
3 stead with the city and the greater community and makes
4 sense.

5 However, I also know that when you get into
6 renovating older buildings, there's all kinds of unforeseen
7 conditions that can come up.

8 So I would like to approve this, but also know in
9 whatever letter or whatever you sign with OPSC that the
10 State's contribution is limited to the 1.7 whatever billion
11 because you need to know going in with eyes wide open that
12 there could be, you know, unforeseen circumstances that come
13 up and it's not where we're going to be -- have an
14 open-ended checkbook here for it.

15 MR. CLEAR: No. That's understood. We expect to
16 have surprises, but we don't expect the State to pay for
17 those surprises.

18 ASSEMBLYMEMBER BUCHANAN: Right. I just wanted to
19 be clear. I don't know where the other members are on this.

20 CHAIRPERSON REYES: Ms. Buchanan, for
21 clarification, when you say you'd approve this, you're
22 approving the request that we fund the --

23 ASSEMBLYMEMBER BUCHANAN: Request that we would
24 provide -- that we provide the funding and allow them to
25 apply it to modernizing a historical building instead of

1 replacing the building with new construction.

2 Right? That's what they're asking us to --

3 CHAIRPERSON REYES: Okay. The appeal from them is

4 --

5 MS. KAMPMEINERT: The appeal is to -- is for

6 rehabilitation funding which is --

7 ASSEMBLYMEMBER BUCHANAN: Right.

8 MS. KAMPMEINERT: -- approximately \$1.7 million.

9 ASSEMBLYMEMBER BUCHANAN: Right.

10 MS. KAMPMEINERT: The replacement funding for the

11 project --

12 ASSEMBLYMEMBER BUCHANAN: Right.

13 MS. KAMPMEINERT: -- would be based on the pupil

14 enrollment and would involve a pro --

15 ASSEMBLYMEMBER BUCHANAN: Right. But my

16 understanding is, is that normally we would require

17 replacement because it exceeds an amount. Instead of

18 replacement, they want the rehabilitation funding which --

19 but I just want to be sure there's like -- and I'm okay with

20 that.

21 I just want to be sure that there is a cap on that

22 so we don't find \$3 million worth of unforeseen conditions

23 and, you know, there's -- we come in with the request.

24 MR. CLEAR: Well, we're willing to work with staff

25 to --

1 ASSEMBLYMEMBER BUCHANAN: Does that clarify?

2 CHAIRPERSON REYES: I get your -- I understand
3 your motion now and I don't combat there with you on that
4 one.

5 ASSEMBLYMEMBER BUCHANAN: Okay.

6 CHAIRPERSON REYES: Mr. Hagman.

7 ASSEMBLYMEMBER HAGMAN: Well, I'm -- and I have
8 some questions too. When someone declares a historical
9 site, is that a local decision or does that have to go
10 through a State process on that?

11 MR. CLEAR: It was -- well, it's a Ventura County
12 landmark from 1990, I believe. How that process took place,
13 I couldn't tell you.

14 ASSEMBLYMEMBER HAGMAN: My only concern is we do
15 have to watch our pennies and I don't mind paying the
16 900,000 toward it --

17 ASSEMBLYMEMBER BUCHANAN: Right.

18 ASSEMBLYMEMBER HAGMAN: -- but if the community
19 decides this building's a landmark for a particular reason
20 or the other, I think the community should be kicking in for
21 maybe the difference and that's not an option for me today.

22

23 So I don't know how to get there. I don't want to
24 make you go to the back of the line and start all over again
25 for new construction approval or anything like that.

1 I just don't know if it's a local decision on the
2 regular standpoint, why don't more communities say this is
3 my historical building for one reason or the other, even if
4 it's older, and it's going to keep raising those costs for
5 us.

6 And what we're looking for, does it add to the
7 quality of education for the students -- is that's the main
8 point I try to filter everything through.

9 Does having an historical building on the campus
10 add anything to the educational process versus building a
11 new building. That I don't know.

12 I can understand why the community wants to keep
13 it. I understand the historical significance and the
14 importance of all that and I do feel comfortable -- realize
15 that there are certain things that I want to preserve and
16 protect and all the rest of it.

17 Is that a State obligation at that point and
18 where's the lines on that. I don't know.

19 CHAIRPERSON REYES: So for me it's restoration of
20 this building or retrofitting this building exceeds half the
21 cost to build the new building to which they would be
22 eligible for.

23 If you were to demolish this building now and
24 build it back up in its current square footage, it would
25 exceed what they would be entitled to.

1 So I would be comfortable giving them the -- for
2 purposes of retrofitting, half of what the cost would have
3 been for building the building they would otherwise qualify
4 for. And so that is less --

5 ASSEMBLYMEMBER HAGMAN: Half of the full amount.

6 ASSEMBLYMEMBER BUCHANAN: Isn't that what we're
7 asking for?

8 CHAIRPERSON REYES: That's a -- no, it's a
9 different. That's a different.

10 ASSEMBLYMEMBER HAGMAN: No, it's different. To
11 build the building new, I understand it's --

12 ASSEMBLYMEMBER BUCHANAN: Right.

13 ASSEMBLYMEMBER HAGMAN: -- under a million --
14 or --

15 CHAIRPERSON REYES: So -- yeah. So if we're -- if
16 it's going to cost -- if our responsibility would be at one
17 seven to retrofit the building --

18 ASSEMBLYMEMBER BUCHANAN: Um-hmm.

19 CHAIRPERSON REYES: -- but to construct it the
20 building that they would be eligible for is -- I'm just
21 throwing out a number. We don't know what it is at this
22 point. It'd be one six. I would support the one six not
23 the one seven.

24 ASSEMBLYMEMBER BUCHANAN: I think that's fine and
25 if you look, it says the estimated cost of replacement is

1 3,485,000. Estimated cost to retrofit is 3,474,000.

2 So it's within \$11,000. So I think if we want
3 to -- under your proposal, the difference is \$5,500; right?

4

5 CHAIRPERSON REYES: I think it's more than that.

6 Go ahead.

7 ASSEMBLYMEMBER BUCHANAN: Right.

8 MS. KAMPMEINERT: When we do the replacement
9 option, we base it on the enrollment at the school site and
10 the enrollment for the 2011-'12 school year was 317 pupils.

11 Now my understanding is that the school site has
12 26 (phonetic) classrooms on it today and using the State
13 loading standards, the enrollment of 317 pupils would
14 justify 13 classrooms.

15 So some of the space inside the facility in
16 question would need to be prorated based on the enrollment.

17 So the number would not be equal to the full amount --

18 CHAIRPERSON REYES: So the square footage that
19 we'd be approving is less.

20 ASSEMBLYMEMBER BUCHANAN: So help me. When we go
21 down here to -- those are the costs that are listed. When
22 we go down here, approving this option would result in the
23 conceptual approval of the rehabilitation project, an
24 estimated share of 1,737,000 --

25 CHAIRPERSON REYES: Um-hmm.

1 ASSEMBLYMEMBER BUCHANAN: -- that represents what?

2

3 MS. KAMPMEINERT: That's the rehabilitation cost
4 which is done off of a cost estimate for --

5 ASSEMBLYMEMBER BUCHANAN: Okay.

6 MS. KAMPMEINERT: -- the actual repairs that would
7 be necessary.

8 CHAIRPERSON REYES: So whereas the -- right now,
9 the cost of retrofitting, when you looking at them, is
10 pretty close to what would be new construction, but that
11 comparison is the same square footage.

12 And under the student population, they would not
13 be eligible for the same square footage. So the square
14 footage would have to go below what we have here.

15 And that's why my recommendation would be to have
16 staff go back and look to see what that square footage ought
17 to be, what the cost would be, and then give them half of
18 that, which is the State's 50 percent, for them to do the
19 retrofitting and then with your same provision that if you
20 discover that your building blocks that you have in there
21 are not seismic and you need to replace with cinder blocks,
22 that's on them.

23 ASSEMBLYMEMBER BUCHANAN: So --

24 ASSEMBLYMEMBER HAGMAN: Do you have an estimate of
25 what that number is?

1 ASSEMBLYMEMBER BUCHANAN: Right. That's what I
2 was --

3 MR. MIRELES: It's roughly about 800-, \$900,000.

4
5 ASSEMBLYMEMBER HAGMAN: That's what I thought.
6 That came in 917--

7 MR. MIRELES: State's share. That's the State's
8 share, but those are very preliminary numbers.

9 CHAIRPERSON REYES: I just want to make sure we
10 are all on the same page then.

11 ASSEMBLYMEMBER HAGMAN: And let me ask the
12 district. If we are able to come up 900,000 -- instead of
13 building new, you got that as a -- almost like a block grant
14 for you to do your local choice, either the retrofit your
15 historic building or to build new, do you think you would
16 get support from either the district or the local community
17 to do what you wanted to do for the balance, or is it Option
18 C: really not going to help you at all one way or the
19 other.

20 MR. CLEAR: It would certainly help in the
21 decision for our governing board who hasn't made the
22 decision yet. They're waiting to hear what the State is
23 willing to provide on this project.

24 They're still weighing that and it's a difficult
25 decision because -- and quite frankly some of those board

1 members attended that school. So that makes it more
2 interesting for us. I realize that has nothing to do with
3 the Allocation Board or our funding request, but just
4 politically speaking.

5 So the board is waiting to hear what this Board is
6 willing to provide.

7 Is it acceptable? I think it would be, yes.

8 ASSEMBLYMEMBER HAGMAN: And can I ask the Counsel,
9 is there a method to this, what we're trying to accomplish
10 at this point? Is there regs for us to be able to do this
11 instead -- you know, basically -- what they are eligible for
12 and apply that to that project on that school site but not
13 necessary identifying what that project is at this point
14 because you have to make that local decision to come up with
15 the extra funding if you're going to retrofit or if you're
16 going to build new, you would have that -- to go up.

17 So we give them a limit. Let's say we pick the
18 number, whatever it ends up being, 900,000, and we say okay
19 the Board directs staff to work this out for 900,000 towards
20 their solution, but it's also contingent on what they do
21 locally.

22 Is that -- can we do that? If so, I'll make a
23 motion.

24 ASSEMBLYMEMBER BUCHANAN: I have one more question
25 to ask. The \$1.7 million in here, if they were building

1 new, would they get that amount or would they get --

2 ASSEMBLYMEMBER HAGMAN: They'd get the 900,000.

3 ASSEMBLYMEMBER BUCHANAN: They wouldn't get that
4 amount. So that number's kind of a -- it's -- because if
5 they were getting -- building new, they would only get the
6 amount based on the 314 students or whatever.

7 CHAIRPERSON REYES: Correct.

8 MS. KAMPMEINERT: Right.

9 ASSEMBLYMEMBER BUCHANAN: So that number is sort
10 of a -- what is that number --

11 MS. KAMPMEINERT: That number requests the -- it's
12 the rehabilitation request. So that's what the district is
13 --

14 ASSEMBLYMEMBER BUCHANAN: So that reflects the
15 request. It doesn't reflect part of the options of what --

16 MS. KAMPMEINERT: It's a -- if the Board were to
17 grant the district's appeal as submitted --

18 ASSEMBLYMEMBER BUCHANAN: Right.

19 MS. KAMPMEINERT: -- for rehabilitation funding,
20 that number would be accurate based on the cost estimate
21 that's provided at this stage of the project.

22 So that number has been verified by OPSC using the
23 cost estimate.

24 ASSEMBLYMEMBER BUCHANAN: So under what conditions
25 would they be -- what you're telling me is if they tore it

1 down, we would give them money for 300 and -- was it 14
2 pupil grants. If you modernize, they'd get money for 314
3 pupil --

4 MS. KAMPMEINERT: The rehabilitation's not based
5 on the pupil grants. It's based on the facility itself and
6 because there's --

7 ASSEMBLYMEMBER BUCHANAN: But under what condition
8 would they be eligible for the \$1.7 million.

9 CHAIRPERSON REYES: If the cost of the
10 retrofitting did not exceed 50 percent of the new
11 construction.

12 ASSEMBLYMEMBER BUCHANAN: So this -- that's sort
13 of non-number then.

14 CHAIRPERSON REYES: Right.

15 ASSEMBLYMEMBER BUCHANAN: And then there was -- it
16 doesn't enter into any eligibility in terms of being
17 eligible for that number.

18 MS. KAMPMEINERT: Not for replacement, but if --
19 what the district's request was, was for that number under
20 rehabilitation.

21 ASSEMBLYMEMBER BUCHANAN: I just want to -- I know
22 I'm beating a dead horse here. So if the district were --
23 if this were a normal modernization, they would get pupil
24 grants for 314 to modernize -- modernization grants.

25 ASSEMBLYMEMBER HAGMAN: For replacement only. For

1 replacement only.

2 MS. KAMPMEINERT: Right. Under normal
3 modernization, it would be pupil grant based, but because
4 this is a facility hardship under the Seismic Mitigation
5 Program --

6 ASSEMBLYMEMBER BUCHANAN: Right.

7 MS. KAMPMEINERT: -- it's based on the actual
8 costs as opposed --

9 ASSEMBLYMEMBER BUCHANAN: Okay.

10 MS. KAMPMEINERT: -- to any sort of pupil grant
11 driven formula. So we look at the cost estimate for the
12 seismic retrofit and that cost estimate drives the funding.

13 ASSEMBLYMEMBER BUCHANAN: So let me try and
14 restate this. Maybe everyone understands it better than I
15 do.

16 If it were a normal modernization, they would get
17 pupil grants. Okay? If it were replacement, they'd get
18 pupil grants based on the 314 students to replace.

19 Because this is seismic, they're eligible for
20 50 percent of the cost of the rehabilitation to make it --
21 to meet the seismic requirements? Is that where --

22 CHAIRPERSON REYES: Right. Unless --

23 ASSEMBLYMEMBER BUCHANAN: -- the 1.7 million --

24 CHAIRPERSON REYES: Unless that cost exceeds half
25 of what it costs to rebuild it.

1 MS. KAMPMEINERT: Right.

2 ASSEMBLYMEMBER HAGMAN: Based on the proof of --

3 CHAIRPERSON REYES: And since this one kicks that,
4 then it kicks it to the next level.

5 ASSEMBLYMEMBER BUCHANAN: So if it's based on the
6 cost to rebuild, instead of getting the 50 percent under the
7 seismic, they would get the pupil grant amount under --

8 CHAIRPERSON REYES: Correct.

9 ASSEMBLYMEMBER BUCHANAN: -- under the other. So
10 the dollars amounts for that is roughly 900,000 under
11 modernization. If they were eligible to rehabilitate it, it
12 would be the 1.7 something million dollars and if they were
13 -- if it were a new construction, they would get the 314 --

14 CHAIRPERSON REYES: Pupil grant amount.

15 ASSEMBLYMEMBER BUCHANAN: -- I can get that on my
16 phone -- times whatever the per pupil grant is.

17 MR. MIRELES: Yeah. I mean --

18 ASSEMBLYMEMBER BUCHANAN: A 50 -- yeah.

19 MR. MIRELES: In simple terms -- and again what
20 we're talking about is the current criteria in not just
21 seismic but facility hardship.

22 Depending on what it costs to replace, if it costs
23 more to rehabilitate than it does to replace the building,
24 you get kicked into the replacement calculation.

25 The replacement calculation, it's again regulation

1 driven.

2 ASSEMBLYMEMBER BUCHANAN: Right.

3 MR. MIRELES: They'd qualify for approximately
4 800,000. If they're below -- in other words, if the cost to
5 rehabilitated is less than 50 percent of the replacement --

6 ASSEMBLYMEMBER BUCHANAN: Right.

7 MR. MIRELES: -- then the rehabilitation
8 calculation which would be the 1.7 --

9 ASSEMBLYMEMBER BUCHANAN: I've got that. I'm just
10 trying to figure out what --

11 MR. DIAZ: Mr. Chair.

12 CHAIRPERSON REYES: Yes.

13 ASSEMBLYMEMBER BUCHANAN: Has there been any
14 situation that's come up on this issue before or a similar
15 circumstance --

16 MR. MIRELES: I think -- what the request before
17 the Board today is that they qualify for replacement, but
18 they're asking to use -- they're asking to get
19 rehabilitation funding.

20 We have not seen that, not that's come before the
21 Board. Generally if they qualify for replacement, they
22 replace the building not -- they -- districts don't
23 generally pursue rehabilitation if they qualify for
24 replacement. We haven't seen that.

25 CHAIRPERSON REYES: Ms. Moore.

1 MS. MOORE: So if they replace the building, would
2 they receive more funding than if they are going to
3 rehabilitate the building as they're requesting?

4 MR. MIRELES: No.

5 MS. MOORE: They would receive less?

6 MR. MIRELES: They receive less --

7 MS. MOORE: All right.

8 MR. MIRELES: -- based on the current criteria.

9 ASSEMBLYMEMBER HAGMAN: Mr. Chair.

10 CHAIRPERSON REYES: Yes.

11 ASSEMBLYMEMBER HAGMAN: I did get the nod from
12 legal counsel that we can make that option and that would be
13 my -- my motion is to -- my only technical question, does it
14 come out of the seismic retrofit funds or does it come out
15 of a different pot of money. Can we direct it to come out
16 of seismic since --

17 MR. MIRELES: It would come out of seismic.

18 ASSEMBLYMEMBER HAGMAN: Okay. Good. Because we
19 have a little more flexibility there.

20 So I make a motion that to the maximum you can as
21 far as the rehabilitation, half of -- the 50 percent,
22 roughly the 800- to 900,000 that we give the staff authority
23 to work that out with the school district and either they
24 get it as a grant toward and they -- what they get locally
25 for that facility, we won't see a new school or anything

1 like that, but either replace the building or build next
2 door to it to rehabilitate the one you have.

3 CHAIRPERSON REYES: Mr. Hagman, point of
4 clarification. Does your motion memorialize that if a -- in
5 the process of retrofitting they discover that in fact one
6 of the walls -- the weight-bearing walls needs to be redone
7 --

8 ASSEMBLYMEMBER HAGMAN: It's a fixed amount. So
9 whatever that amount --

10 CHAIRPERSON REYES: -- Ms. Buchanan --

11 ASSEMBLYMEMBER HAGMAN: -- they have to work that
12 out with their local community and their local city council
13 and school board to see if that's worth it to them as a
14 community to keep that building in shape.

15 So whatever the maximum amount we could calculate
16 on their behalf, the 800,000 range --

17 CHAIRPERSON REYES: Counsel, you want to -- you
18 okay or --

19 MS. BANZON: Yes, Mr. Chair. I would like to
20 recommend to request from their board -- the district's
21 board a resolution stating that this is what they -- is the
22 maximum amount that they're going to get from the State.

23 CHAIRPERSON REYES: Okay. So --

24 ASSEMBLYMEMBER HAGMAN: So when you guys make the
25 decision, you could give us back a --

1 MR. CLEAR: Yes. That's fine.

2 CHAIRPERSON REYES: Okay. And this issue will
3 come back next month for actual approval with the dollar
4 amount. Mr. Mireles.

5 MR. MIRELES: That's correct, Mr. Chair. Next
6 month, it would come back with an item that would delineate
7 the actual cost just like it would with any other facility
8 hardship or seismic item as part of the consent.

9 CHAIRPERSON REYES: Between then and now, we
10 hopefully will have that resolution so we can -- okay.
11 Thank you.

12 MS. MOORE: I second.

13 CHAIRPERSON REYES: It's been moved and second.
14 Any additional questions? Comments from the public on this
15 item? All in favor say aye.

16 (Ayes)

17 CHAIRPERSON REYES: Opposed. Abstentions. Ayes
18 have it. Thank you.

19 MR. CLEAR: Thank you.

20 CHAIRPERSON REYES: Thank you, sir. Tab 8 was
21 withdrawn. Tab 9 was part of the Consent. Tab 10.

22 MS. SILVERMAN: Tab 10 is our **90-day workload**,
23 another report section.

24 CHAIRPERSON REYES: All right. No action item.
25 Any questions? Tab 11.

1 MS. SILVERMAN: You're about done.

2 CHAIRPERSON REYES: That's it?

3 ASSEMBLYMEMBER HAGMAN: You can announce your next
4 Board meeting -- your whatever meeting.

5 MS. SILVERMAN: Actually on page 457 is a
6 preliminary agenda.

7 CHAIRPERSON REYES: Agenda for the Board meetings.
8 Okay.

9 MS. SILVERMAN: Yeah. Our next meeting is January
10 23rd.

11 CHAIRPERSON REYES: So just for folks in the
12 audience that follow us, we're -- right now we're meeting
13 monthly except for November or when we can't get a quorum
14 and the thought is that as the money starts to dry out, we
15 may not need to meet monthly. So we may be going to every
16 other month or quarterly, but at this point, we'll keep the
17 agenda on for a monthly meeting. But just know -- but we'll
18 give everybody plenty of heads up of what we're proposing to
19 do and this would be -- whether or not we meet would be
20 something that the Vice Chair and the Chair can work out
21 based on workload before us.

22 Just wanted to kind of throw that out for
23 digestion until next meeting and I'm sure I'll hear from
24 some of you.

25 Next Board meeting, we will have probably the

1 Chair, the Vice Chair elections. It's not in here, but just
2 also to let everybody know. Anything else? Anything for --

3 ASSEMBLYMEMBER BUCHANAN: Happy holidays.

4 CHAIRPERSON REYES: Happy holidays. Any comments
5 from the public before we adjourn.

6 ASSEMBLYMEMBER HAGMAN: And we have a Sub meeting
7 on the 19th; right?

8 MS. SILVERMAN: 16th.

9 ASSEMBLYMEMBER HAGMAN: 16th. Sorry.

10 CHAIRPERSON REYES: Comments from the public
11 before we adjourn?

12 Seeing none, thank you. Happy holidays. Be safe,
13 safe travels. See you next year.

14 (Whereupon, at 2:32 p.m. the proceedings were recessed.)

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REPORTER'S CERTIFICATE

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STATE OF CALIFORNIA)
) ss.
COUNTY OF SACRAMENTO)

I, Mary C. Clark, a Certified Electronic Court Reporter and Transcriber, Certified by the American Association of Electronic Reporters and Transcribers, Inc. (AAERT, Inc.), do hereby certify:

That the proceedings herein of the California State Allocation Board, Public Meeting, were duly reported and transcribed by me;

That the foregoing transcript is a true record of the proceedings as recorded;

That I am a disinterested person to said action.

IN WITNESS WHEREOF, I have subscribed my name on December 16, 2012.

Mary C. Clark
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