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CALIFORNIA STATE ALLOCATION BOARD
PUBLIC MEETING

STATE CAPITOL
ROOM 447
SACRAMENTO, CALIFORNIA 95814

DATE: WEDNESDAY, JANUARY 23, 2013
TIME: 4:03 P.M.

Reported By: Mary Clark Transcribing
4919 H Parkway
Sacramento, CA 95823-3413
(916) 428-6439
marycclark13@comcast.net

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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

SENATOR LONI HANCOCK

SENATOR MARK WYLAND

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: In the interest of time, what
4 we'll do is we'll go ahead and get started with the
5 **Executive Officer's report** and then, Ms. Silverman, with all
6 due respect, as soon as we do have a member, we will have
7 established a quorum and we'll move into the items as we
8 spoke. So thank you.

9 MS. SILVERMAN: Okay. Let's get started. We have
10 six items to report tonight.

11 So the first item we wanted to share is that we
12 actually have an open period or open round for the 30-day
13 priority of funding. Again folks have -- the round just
14 started February 9th and ends February 7th [sic].

15 All those projects that are actually on the
16 unfunded approval list and those projects being approved on
17 the consent agenda tonight do have the ability to
18 participate.

19 So those folks are encouraged to submit that
20 funding certification request by February 7th. And prior
21 certifications actually did expire on January 8th.

22 Next item we want to share is the release of the
23 funds of the projects that were awarded in December. The
24 Board actually did take action. We did \$383 million for 196
25 projects and we received requests for \$111 million as of the

1 middle of the month and so we're making progression in that
2 area. So I think we will probably achieve our goal by
3 March 12th.

4 And a reminder to those folks that haven't
5 submitted the certification items -- or excuse me -- the
6 fund release request, they have until March 12th to provide
7 all the corresponding documentation and the request to our
8 office.

9 Another item is the Overcrowded Relief Grant. We
10 actually are presenting 22 applications, so we actually had
11 a good rush of projects that are being processed this month
12 and that represents over \$110 million in consent agenda.

13 And those are the projects that wrapped up in the
14 tenth cycle. So we will have about \$112 million in bond
15 authority still left for the 11th cycle.

16 An 11th cycle is currently open and that expires
17 at the end of the month, January 31st. So those folks who
18 are interested in the program and have questions, please
19 seek out staff. We'd be more than happy to help you out.

20 The fourth item we wanted to share is the bottom
21 of page 17 is the Governor's proposed budget. There
22 actually is a proposed reduction to the program for the
23 '13-'14 budget year. That would equate to 20 positions
24 being reduced from our program for about \$1.6 million. And
25 so just wanted to share that with the members.

1 There's two more items. The Labor Compliance
2 Program regulations are in effect and as of December 31st,
3 2012, emergency regulations did move forward and those
4 are -- it provides an opportunity for those projects that
5 were awarded Proposition 47 and 55 funds.

6 The Board adopted regulations to clarify that if
7 you didn't have a Labor Compliance Program in place and then
8 you were -- you have a compliance program in place after the
9 contracts were signed, there is an avenue to get written
10 verification that you took the steps to initiate the
11 program. So those regulations are in effect.

12 The last item we wanted to share is we are
13 introducing this month in the information section the true
14 list of applications that are received beyond the bond
15 authority.

16 So that is all I have to share tonight.

17 CHAIRPERSON REYES: Thank you. Why don't we then
18 jump up to Tab 5 which is the **financial reports**, since
19 everything before that requires a vote.

20 MS. SILVERMAN: On Tab 5, let's just cut to the
21 chase. We wanted to highlight on page 164, we actually did
22 move \$26.1 million --

23 CHAIRPERSON REYES: Okay. Hold that thought. If
24 you'd call the roll, please, Ms. Jones.

25 MS. JONES: Certainly. Senator Hancock.

1 SENATOR HANCOCK: Here.

2 MS. JONES: Senator Wyland.

3 Assemblymember Buchanan.

4 ASSEMBLYMEMBER BUCHANAN: Here.

5 MS. JONES: Assemblymember Hagman.

6 ASSEMBLYMEMBER HAGMAN: Here.

7 MS. JONES: Esteban Almanza.

8 MR. ALMANZA: Here.

9 MS. JONES: Kathleen Moore.

10 MS. MOORE: Here.

11 MS. JONES: Cesar Diaz.

12 MR. DIAZ: Here.

13 MS. JONES: Pedro Reyes.

14 CHAIRPERSON REYES: Present.

15 MS. JONES: We have a quorum.

16 CHAIRPERSON REYES: Thank you.

17 MS. JONES: You're welcome.

18 CHAIRPERSON REYES: Approval of the **Minutes**. You

19 have the Minutes before you for the December 12 meeting.

20 Are there any questions or comments? Any comments from the

21 public? Is there a motion of approval.

22 SENATOR HANCOCK: So moved.

23 ASSEMBLYMEMBER BUCHANAN: Second.

24 CHAIRPERSON REYES: It's been moved and seconded.

25 All in favor say aye.

1 (Ayes)

2 CHAIRPERSON REYES: Opposed, abstentions. Ayes
3 have it. Thank you.

4 We did the officer report. We have a consent.

5 ASSEMBLYMEMBER HAGMAN: Mr. Chair, I do have a
6 question back for the -- probably you could more uniquely
7 answer about the cutbacks in the Governor's budget for this
8 program.

9 I understand this is not general fund used for the
10 staff for this program. It's the bond funds; right?
11 Certain percentage.

12 CHAIRPERSON REYES: Um-hmm.

13 ASSEMBLYMEMBER HAGMAN: I just don't know how much
14 less work we're going to have this next year than we had the
15 previous years. So I'm just wondering is that -- do you
16 believe that's going to be holding or not for that sizable
17 staff reduction. I mean as it is we don't catch all the
18 errors sooner and we end up seeing them on appeal so --

19 CHAIRPERSON REYES: When we look at the positions,
20 we actually do a workload study sort of thing. We do the
21 analysis to make sure that the work that is projected can be
22 covered with existing staff, but there is a reduction of
23 work since there's less money and the process of the
24 applications that are coming in are reduced.

25 And so this is just a reflection. And the money

1 that gets freed up is therefore available for projects to
2 get out.

3 So our interest is not to tie up a large chunk of
4 money in administration when in fact there is a need out
5 there that we can get to. So that's kind of where the --
6 the genesis of that.

7 ASSEMBLYMEMBER BUCHANAN: So would it be possible
8 at the next Board meeting just to give us a little bit more
9 in-depth summary or report in terms of where you see the
10 workload changing and where we're reducing staff?

11 CHAIRPERSON REYES: Sure. And the majority of the
12 positions that were reduced were actually vacant positions.

13 So it's looking at positions and their position
14 authority that have not been filled and they have not been
15 filled because we envision the workload going --

16 ASSEMBLYMEMBER BUCHANAN: Right.

17 CHAIRPERSON REYES: -- doesn't make sense to --
18 and so it's just an administrative function, but we can have
19 somebody from the education unit come up and talk to the
20 issue since it's more of a budget than a policy issue.

21 ASSEMBLYMEMBER BUCHANAN: That'd be great.

22 CHAIRPERSON REYES: Okay. Thank you. So make
23 sure we put that in the agenda and, Ian, are you in the
24 room? Are you hearing? There he is. Now you know your
25 assignment. Early budget testimony.

1 Okay. Moving onto then Tab 4, the **Consent Agenda**.
2 There's a document on your desk that because the regulatory
3 amendment to Item 10 is a conforming item based on the Board
4 direction at the October meetings, I'd like to suggest that
5 we take it as part of the Consent Calendar since it's just
6 an administrative issue.

7 But there are a couple minor corrections in the
8 subsection referenced and so I just want to make sure they
9 acknowledge those corrections to Subdivision C and
10 Subdivision D on C2. They're just a cross-reference issue.
11 It's not a substantive change. It's just looking at the
12 right section. So --

13 ASSEMBLYMEMBER HAGMAN: So moved, Mr. Chair, but I
14 just have a question about I guess the next item, No. 11,
15 how can that be on the Consent? Annual adjustments SFP
16 grants and we still have to do the policy on No. 11, so I
17 don't know if that should be taken off and just added to
18 No. 11 or --

19 CHAIRPERSON REYES: Item 11 --

20 MR. MIRELES: Assemblymember, if you're referring
21 to the Consent item that we have, that is just to change the
22 annual grants as approved by the Board last year, which is
23 prospectively for any project that we approve.

24 The item that's on Tab 11 addresses what we do
25 with the project --

1 ASSEMBLYMEMBER HAGMAN: Prospective. I mean in
2 the past.

3 MR. MIRELES: -- that were already on the unfunded
4 list.

5 ASSEMBLYMEMBER HAGMAN: Okay. I'm good. So
6 moved.

7 CHAIRPERSON REYES: Okay. So it's been moved and
8 seconded. Is there a second?

9 ASSEMBLYMEMBER BUCHANAN: Second.

10 CHAIRPERSON REYES: Ms. Buchanan's seconded. Any
11 questions, additional comments from the -- any questions
12 from the public? Seeing none, all in favor say aye.

13 (Ayes)

14 CHAIRPERSON REYES: Opposed, abstentions. Ayes
15 have it. Thank you.

16 The next item is **election of the Chair.**

17 ASSEMBLYMEMBER HAGMAN: Move Pedro as Chair.

18 ASSEMBLYMEMBER BUCHANAN: Second.

19 CHAIRPERSON REYES: It's been moved and seconded.
20 Thank you. Any comments or questions. All in favor say
21 aye.

22 (Ayes)

23 CHAIRPERSON REYES: Opposed? Not from the public
24 but the members. Ayes I have it. Thank you.

25 The **Vice Chair.**

1 ASSEMBLYMEMBER HAGMAN: I'll move Joan as
2 Vice Chair -- Ms. Buchanan.

3 CHAIRPERSON REYES: Senator Hancock.

4 SENATOR HANCOCK: Thank you. Seeing as how we
5 don't have two members of the Senate here and we actually
6 have a vacancy and I know there's a vacancy on the Assembly
7 side too, I would just like to, as a courtesy, hold this off
8 until we have a full complement of members and hopefully
9 before the next meeting, we'll be able to talk and discuss
10 issues and come back with a legislative nominee.

11 CHAIRPERSON REYES: Okay. Make a motion?

12 ASSEMBLYMEMBER HAGMAN: I still -- I mean I don't
13 see that the three new members who have not been on the
14 Board yet stepping into that Vice Chair role at this point.
15 And so I don't -- I mean they could add on or whatever, but
16 I don't see them taking a leadership role as Vice Chair.

17 CHAIRPERSON REYES: Okay.

18 ASSEMBLYMEMBER HAGMAN: So I'd rather just go
19 ahead and get it done.

20 CHAIRPERSON REYES: Ms. Buchanan.

21 ASSEMBLYMEMBER BUCHANAN: I sort of find myself in
22 an awkward position here in terms of, one, wanting to
23 respect the wishes of you, Senator Hancock, and also
24 believing that we've been without a Vice Chair for a number
25 of months here and I -- and, you know, we're looking at

1 setting agendas as we move forward where, you know, we may
2 have some meetings or we may postpone other meetings
3 depending on what the workload is and what we're doing.

4 And so, you know, I want to know where other
5 members are because I don't want to look self-serving or
6 anything else, but I do think at some point in time we need
7 to move forward.

8 I mean I think we need a Vice Chair and I think we
9 need someone who's at all the meetings and that allows us to
10 move forward.

11 We spent -- a little over a year ago, two years
12 ago, we spent a great deal of time going in depth and
13 having, you know, a number of meetings on terms of what we
14 wanted the Vice Chair to -- who we wanted it to be.

15 We want it to be a member of the Legislature and
16 what those responsibilities were and one of them was to, you
17 know, have the Vice Chair work closely with, in this case,
18 Bill in terms of meeting the needs of the legislators and I
19 think there was a little bit of a gap there given everyone's
20 schedules and what they were doing in the last year or so,
21 but we wanted the position to be an active position.

22 So I do think that we need to move forward as
23 expeditiously as we can. If people want to delay, I can
24 respect that, but there's a reason we went through that long
25 process that took months and I think we do need to act at

1 some point in time, like -- you know, I think everyone
2 deserves that including the other members who are serving
3 here.

4 And I also do agree with Assemblymember Hagman. I
5 doubt if one of the new appointees is going to end up being
6 the Chair of the committee.

7 ASSEMBLYMEMBER HAGMAN: And even though it's
8 traditional, but a lot of committees we have it goes from
9 Senate to Assembly, Assembly to Senate, back and forth, so I
10 assume that this rotation.

11 I don't think I ever -- as the lone Republican on
12 this side, ever be selected for it, so I think there's a
13 default here. So I'd be happy to see it go forward today is
14 that's the wish of the Board. So --

15 SENATOR HANCOCK: I would like to wait. I think
16 it would be important for there to be a full complement of
17 legislative members and for us to perhaps discuss among
18 ourselves some of the issues we're going to be facing.

19 People can do what they want. I'm not comfortable
20 voting today.

21 CHAIRPERSON REYES: Okay. Anybody else weighing
22 in? Senator Wyland coming in. Ms. Moore, yes.

23 MS. MOORE: Two questions. Are -- we're going to
24 talk about how many meetings we're having in one of our
25 items later, but are we anticipating a February Board?

1 CHAIRPERSON REYES: No, we're not at this point.
2 I don't have any items for February and unless something
3 happens and we need to meet, I don't have anything scheduled
4 for February.

5 MS. MOORE: And do you as Chair know or do our
6 legislators know when the vacant positions are going to be
7 filled?

8 CHAIRPERSON REYES: I do not know. The Rules is
9 not going to meet until later.

10 MS. MOORE: Then I as one member would want to --
11 would defer to the legislative members because it is a
12 legislative member position and if we have one legislator
13 that would like to delay that, I'd like to honor that -- not
14 vote -- not be going against --

15 ASSEMBLYMEMBER BUCHANAN: Right.

16 CHAIRPERSON REYES: Ms. Buchanan --

17 ASSEMBLYMEMBER BUCHANAN: Senator Wyland.

18 CHAIRPERSON REYES: Senator Wyland, do you want to
19 weigh in? Mr. Hagman has nominated Ms. Buchanan as the
20 Vice Chair. Senator Hancock's asked that we delay.

21 SENATOR WYLAND: I just got here. I was just
22 saying to Loni and I understand her point about the new
23 members, but it just strikes me that Joan has done a lot of
24 work on this and is sort of a natural Vice Chair.

25 How long is it -- what period of time is it for?

1 CHAIRPERSON REYES: Two-year term.

2 SENATOR WYLAND: And it just seems to me a natural
3 thing, with all respect to everyone, have a -- you know,
4 wanted to wait for the new folks, it seems to me to make
5 sense just go ahead and --

6 CHAIRPERSON REYES: Was that a second then?

7 SENATOR WYLAND: That's a second.

8 CHAIRPERSON REYES: Okay. Okay. So it's been
9 moved and seconded. I know Senator Hancock prefers to
10 postpone it. Any comments from the public?

11 Okay. Seeing none, I think we probably want to do
12 roll call.

13 MS. JONES: Very good. Senator Hancock.
14 Senator Wyland.

15 SENATOR WYLAND: Aye.

16 MS. JONES: Assemblymember Buchanan.

17 ASSEMBLYMEMBER BUCHANAN: Aye.

18 MS. JONES: Assemblymember Hagman.

19 ASSEMBLYMEMBER HAGMAN: Aye.

20 MS. JONES: Esteban Almanza.

21 MR. ALMANZA: Aye.

22 MS. JONES: Kathleen Moore.

23 MS. MOORE: Aye.

24 MS. JONES: Cesar Diaz.

25 MR. DIAZ: Aye.

1 MS. JONES: Pedro Reyes.

2 CHAIRPERSON REYES: I don't think you need my
3 vote.

4 MS. JONES: You're right. The motion passes.

5 CHAIRPERSON REYES: Thank you. Congratulations.

6 ASSEMBLYMEMBER BUCHANAN: Thank you.

7 CHAIRPERSON REYES: Next item is -- can you walk
8 me through? What do we need --

9 MS. SILVERMAN: Alvord.

10 CHAIRPERSON REYES: Alvord, please. Thank you.
11 Mr. Watanabe, Reader's Digest version.

12 MR. WATANABE: All right. Less than three
13 minutes.

14 So we are in the action items of course in the
15 agenda, Tab 9, stamped page 197.

16 The purpose of this item is to request the
17 Board --

18 ASSEMBLYMEMBER BUCHANAN: Do we need to do the
19 financials? Did we stop there? Are there any questions?

20 CHAIRPERSON REYES: The financials don't require a
21 vote and so we're --

22 ASSEMBLYMEMBER BUCHANAN: Okay.

23 CHAIRPERSON REYES: -- going to lose a Senator in
24 a minute, so --

25 ASSEMBLYMEMBER BUCHANAN: Okay. I apologize.

1 CHAIRPERSON REYES: Go ahead.

2 MR. WATANABE: The purpose of this item is to
3 request the Board find a material inaccuracy occurred which
4 resulted in a funding advantage for the **Alvord Unified**
5 **School District**.

6 This item also requests the Board levy the
7 statutory interest and loss of self-certification penalties
8 for material inaccuracies.

9 When OPSC reviewed the public enrollment data
10 reported by the district, it revealed that the district
11 falsely certified the enrollment that was reported to OPSC
12 for eight academic years.

13 As a result of the incorrectly reported
14 enrollment, the district received a funding advantage in the
15 amount of 14.1 million that was not supported by the
16 enrollment projections.

17 Based on our review, there are three issues for
18 the Board's consideration. The first is a material
19 inaccuracy finding.

20 The district falsely certified their enrollment
21 projection certification forms on eight different
22 submittals, which allowed funding advantages for six
23 projects listed on Attachment B in your item.

24 The Board should also find that material
25 inaccuracies have occurred for these projects.

1 The second item is rescissions and reductions of
2 the apportionments and the associated interest penalty.

3 If the Board finds the district's applications do
4 have material inaccuracies, statute requires the district be
5 paid the funding received as a result of the false
6 certification which in this case, the apportionments are not
7 justified by the eligibility requested.

8 Statute also requests the district -- requires the
9 district to repay interest that would have been earned on
10 this amount representing the funding advantage.

11 Staff has calculated the interest from the date of
12 each project's fund release to the date the Board makes a
13 material inaccuracy finding based on the statutes and
14 regulations and those calculations are in Attachment B.

15 The third item for the Board's consideration is
16 loss of self-certification penalties. In the event the
17 Board makes a material inaccuracy finding, the law also
18 requires the district be prohibited from self-certifying
19 project information on subsequent applications for a period
20 of up to five years. The Board can make that determination
21 for as long as they want.

22 Staff has built all the framework represented in
23 Attachment C and we're recommending a five-year loss of
24 self-certification.

25 Statute also requires the Board charge the

1 district an amount of \$100 per hour for the additional hours
2 needed to process additional information.

3 The district agrees that the enrollment was
4 misreported as described and agrees with the eligibility
5 adjustments needed for the corrected enrollment projections.

6 However, the district disagrees with staff's
7 determination to the extent of the eligibility and funding
8 advantage.

9 The district believes that had it known there was
10 insufficient new construction eligibility to support its
11 original request, it would have modified its pupil grants at
12 the time to other grade categories that had sufficient
13 eligibility.

14 Districts are allowed to use grants from different
15 grade categories in a project and it's called a Use of
16 Construction Grant. However, staff believes that to accept
17 the district's consideration would be essentially
18 retroactively changing these grants.

19 The district also states they would have sought to
20 reduce the site and design funding apportionment for the
21 Hillcrest High project to cost incurred. That would return
22 908 pupil grants back to their new construction eligibility
23 which would nearly eliminate all of their funding advantage.

24 In this proposal, the district isn't actually
25 returning the funds. They would be entitled to those funds

1 at a later date is their opinion.

2 The district believes that the net funding
3 advantage is limited to \$1,341,140 in excess funding and
4 this is attributed to the Wells Intermediate project which
5 is their last project where they ran out of eligibility to
6 use the grants.

7 Staff has reviewed the district's grant
8 calculations and believes that it's correct using their
9 assumptions.

10 So in summary, the statute requires OPSC to notify
11 the Board which is why we're here if any certified
12 eligibility or funding application related information is
13 found to have been falsely certified by the district and
14 statute requires the Board to impose penalties if an
15 apportionment of funds had been made based on that
16 information.

17 Statute does allow the Board to determine
18 additional funding received as a result of the material
19 inaccuracy including interest. The district states the
20 amount of excess funds received is \$1,341,140 plus interest.

21 As I stated before, staff has reviewed those
22 calculations. However, based on statutes and regulations,
23 staff must recommend the Board require the district repay
24 \$14,124,612 in apportionments that were not substantiated
25 plus interest.

1 Our recommendations are outlined on stamped
2 page 201.

3 CHAIRPERSON REYES: Mr. Hagman, Ms. Buchanan.

4 ASSEMBLYMEMBER HAGMAN: Let me throw out a motion
5 and then if we don't agree then we can hear testimony, but
6 maybe I'll cut to the chase.

7 I did review this as well. This is a very old
8 case back from '98 and such. I believe the million three
9 plus interest, a million eight total roughly with the loss
10 of certification, loss of self-reporting, you know, the
11 regular standard things and I'm comfortable with that. I
12 move that.

13 CHAIRPERSON REYES: And staff, you have that
14 proposal I think you circulated through Board members, so
15 that's the one you're referring to?

16 ASSEMBLYMEMBER HAGMAN: Correct. So I move that.

17 CHAIRPERSON REYES: And with acknowledgement that
18 there is a material inaccuracy involved. Okay.
19 Ms. Buchanan.

20 ASSEMBLYMEMBER BUCHANAN: And I second that. I
21 think it's a solution that works for all of us.

22 There is only one issue that I think staff brought
23 to my attention late today and that is -- and you can
24 correct me if I'm wrong. I'll speak to the superintendent
25 and Alvord here -- is that there is -- that we're looking at

1 making -- paying the 1.8 million in two payments; correct?

2 And my understanding is there is in statute where
3 there would be interest on the amount that's delayed, which
4 I think changes the total by -- what was it, \$2,000?

5 CHAIRPERSON REYES: So we'll make reference to
6 just the appropriate interest and have staff figure it out.

7 ASSEMBLYMEMBER BUCHANAN: Yeah. They estimated.
8 But I just want to be sure that, you know, we all -- that's
9 right -- we all understand that.

10 CHAIRPERSON REYES: Okay.

11 ASSEMBLYMEMBER BUCHANAN: And I just want to also
12 thank you and I want to thank staff or OPSC for all the
13 times that you put into this over the last month coming to a
14 solution that worked for all of us.

15 CHAIRPERSON REYES: And I'll point out that Alvord
16 did drop this off yesterday and I never did get a chance to
17 see it. So I apologize, but I don't really see stuff 24
18 hours before a hearing. It just doesn't work since we are
19 involved in a bunch of other stuff.

20 So in the future, you guys want me to see
21 something, you've got to give me a chance to read it;
22 otherwise it just doesn't work.

23 But thank you. And at their request, they asked
24 that we put this as part of the file. Do you still want it
25 as part of the file or not anymore? I look to the district.

1 ALVORD: We do want it as part of the file.

2 CHAIRPERSON REYES: Okay. So without prejudice,
3 without any analysis, it will be incorporated as part of the
4 file. God only knows what it says. Okay. Thank you.

5 All right. So we have a motion and second and all
6 the parties understand it. Any additional comments,
7 questions from Board members?

8 Seeing none, any comments from the public?

9 Seeing none, all in favor say aye.

10 (Ayes)

11 CHAIRPERSON REYES: Opposed. Abstentions. Ayes
12 have it. Thank you. And again thank you, staff, and thank
13 you, district, for all the work go into this. Appreciate
14 it.

15 Are those all the action items before I lose
16 Senators?

17 ASSEMBLYMEMBER HAGMAN: No. We have No. 11.

18 CHAIRPERSON REYES: No. 11. Okay. So the
19 **execution of the 2013 grant.** Barbara.

20 MS. KAMPMEINERT: Thank you. The item before you
21 is the action item on this. Now, when the Board adopted the
22 Consent Calendar a few minutes ago, you did approve the 2013
23 grant amounts for all projects beginning with this Board and
24 then moving forward for 2013. So you do not need an
25 additional action to take care of the projects moving

1 forward.

2 What this item does is it allows the Board to
3 consider whether or not the 2013 grant amount should be
4 applied to any of the projects that are currently on the
5 unfunded approvals list that have been -- received their
6 approval in prior years and it also provides the option for
7 the Board to apply this grant increase amount to the
8 unfunded list for those projects that are beyond bond
9 authority which started in December of last year.

10 The -- page 228, there is a chart showing the
11 different --

12 CHAIRPERSON REYES: I think Mr. Hagman's prepared
13 to make a motion to status quo.

14 ASSEMBLYMEMBER HAGMAN: Yes. Move to table
15 Item 11, no --

16 CHAIRPERSON REYES: Okay. It's been moved to
17 table, so no action necessary and -- use prospectively. Is
18 there a second?

19 ASSEMBLYMEMBER BUCHANAN: To clarify, you mean
20 we're doing what we've always done in the past --

21 CHAIRPERSON REYES: Yes.

22 ASSEMBLYMEMBER BUCHANAN: -- all project we
23 approve? I'll second.

24 CHAIRPERSON REYES: Okay.

25 MS. MOORE: Just to clarify, so all projects

1 approved after this date receive the indices increase.

2 CHAIRPERSON REYES: Correct.

3 ASSEMBLYMEMBER BUCHANAN: Funded after this date;
4 right?

5 MS. KAMPMEINERT: Including today's items that are
6 on the calendar for unfunded approval, those will be
7 adjusted next month -- the 2013 amounts.

8 CHAIRPERSON REYES: Okay. We're on board on that.
9 Any comments? Questions, comments from the public?

10 Seeing none, all in favor of tabling, say aye.

11 (Ayes)

12 CHAIRPERSON REYES: Opposed, abstentions. Thank
13 you. Thank you, Mr. Hagman.

14 And is that it for action items?

15 MS. SILVERMAN: That's it.

16 CHAIRPERSON REYES: Okay. We're going to move
17 backwards now to the other -- Senator Wyland.

18 SENATOR WYLAND: If -- Mr. Chair, if you don't
19 mind, I am going to have to leave. I'd just like to make a
20 couple of points which I think I made at some point in the
21 past.

22 One is partly a question of staff. As I recall
23 proposals, when someone does build something, and hopefully
24 that will happen again more frequently, the Department of
25 Education certifies that -- there are questions about CTE

1 and CTE facilities.

2 Are you familiar with that?

3 MS. SILVERMAN: Um-hmm.

4 CHAIRPERSON REYES: Thank you, Senator.

5 SENATOR WYLAND: I would like to be able to see
6 those and have those be made available to the Board. I
7 think that's extremely important.

8 It happened to be my legislation as I recall which
9 did that because even though I think among all of the
10 members of the Legislature, there's a big interest in CTE.

11 That last bond had -- gosh, I think it was
12 \$500 million. Some of that didn't go to what most of us
13 would consider CTE. Quite frankly, it was gamed by some
14 consultants who interpreted CTE in ways that most of us
15 wouldn't and the students who then didn't have those
16 opportunities lost out.

17 So I -- just number one. And number two -- and I
18 realize this is a broader and more challenging subject, I
19 think in some way we need to take a look at costs.

20 And what really drove me to that was the Robert F.
21 Kennedy facility in Los Angeles Unified. Now, I realize
22 they passed the bond, et cetera, et cetera, but when you
23 have a school -- I think it serves at build-out at 4,000
24 students -- that cost about over half a billion dollars,
25 something just isn't right.

1 In my old district, we didn't have very much money
2 and had to be extremely careful of how much we spent because
3 it's a district that serves a lot of -- a heavy minority
4 population and we had to make sure -- we didn't have a lot
5 of money there.

6 So I'd just like to throw that out and at some
7 point we look at that because we're about serving students.
8 And I'll never understand why LA Unified didn't figure out a
9 way to serve all those students who had real facilities need
10 rather than doing that.

11 So thanks. And next time, I hope to be able to
12 stay longer. Thank you.

13 CHAIRPERSON REYES: Thank you. Thanks for joining
14 us.

15 Then we're going to go back to the financial
16 reports, **status of funds**.

17 MS. SILVERMAN: Yes. On Tab 5, let's go back to
18 status of fund release report on page 164.

19 As I shared with you earlier, it's getting to the
20 point that we actually released \$26.1 million for the month
21 of December and -- reported in Executive Officer's
22 statement.

23 That was just a finite group that actually did get
24 through before close of year, even though we had apportioned
25 projects a few weeks earlier. So we should be seeing more

1 activity as we start to progress through the 90-day round.

2 We actually -- on page 166, just highlight to the
3 Board that we do have a bar graph displayed there and that
4 represents the projects that were apportioned in December
5 and so we will be monitoring those timelines.

6 As we start to release cash, that bar will start
7 to shrink and so prospectively we'll be seeing more activity
8 in that area.

9 And we have nothing to report on the next page as
10 far as projects that didn't perfect. We had projects that
11 did close up in the end of September and so we had nothing
12 that fell off the list.

13 CHAIRPERSON REYES: Okay.

14 MS. SILVERMAN: And the other item is the status
15 of funds --

16 CHAIRPERSON REYES: Before you go there, any
17 questions or comments from the Board? Any comments from the
18 public? Okay. Move on, please. Thank you.

19 MS. SILVERMAN: So on page 168, we just highlight
20 to the Board every month about the number of projects that
21 we do process.

22 We are actually bringing forward over \$171 million
23 in project approvals for Proposition 1D. That represents
24 actually in the new construction arena \$11 million for two
25 projects.

1 We actually had some other adjustments there and
2 we have some projects in the high performance area that
3 actually do have approvals for 12 and we're actually
4 bringing forward those Overcrowded Relief Grant projects
5 for -- 22 projects, so that represents 125 million for
6 Proposition 1D. Corresponding adjustments related to
7 rescissions.

8 And in the respective category of Proposition 55,
9 we're processing 12 projects for new construction of
10 \$46.3 million. We also have a conversion of a charter
11 project going on in that category as well. So you'll see
12 some status and credits posting as a result of that
13 preliminary apportionment.

14 There's no activity in Proposition 47 to report
15 and on the following page, significant activity we want to
16 share with the Board is the Emergency Repair Program. We
17 actually are processing additional projects. So there are
18 about four projects that will actually receive some awards
19 even though we don't have the current cash for the program.

20 CHAIRPERSON REYES: Okay.

21 MS. SILVERMAN: And one more thing in this
22 section, we wanted -- we did provide a display for the Board
23 as far as the projects that are beyond --

24 CHAIRPERSON REYES: Ms. Silverman, Ms. Moore has a
25 question.

1 MS. MOORE: Just on the emergency repair, how is
2 it that we are able to fund -- or able to place on the list
3 additional projects?

4 MS. SILVERMAN: They were out of rescissions.

5 MS. MOORE: So others rescinded and so the --

6 MS. SILVERMAN: Authority has come back to the
7 program; right. So we're able to move further down the
8 list.

9 On actual page 177, we have some nice displays
10 there and cylinders that we shared last month. We did share
11 that we processed 33 projects. That was \$76.8 million.
12 That was exclusively mod projects that are beyond the
13 authority and they fell within the regulatory time frames.

14 So this month, we're actually bringing forward --
15 represents -- the blue shaded areas, \$8.1 million and that
16 is in new construction project that is fully processed,
17 waiting for bond authority, and \$60.5 million in
18 modernization projects and that's 30 projects.

19 So in total we've accumulated \$145 million in
20 projects that we have processed beyond the bond authority.

21 That's what I have in the financials. I'm not
22 sure if you have any questions.

23 CHAIRPERSON REYES: Any questions or comments?
24 Any comments from the public? Okay. Moving on.

25 I think that moves us to Tab 12.

1 MS. SILVERMAN: Yes. The **report** section.

2 CHAIRPERSON REYES: Okay.

3 MS. SILVERMAN: So since about 2009, we've
4 actually provided the Board updates about the program and
5 we're actually proud about some of the updates we have to
6 share on an annual basis.

7 I know we -- most of our consent items are just
8 real quick vote and we're done, but we actually do process a
9 number of projects -- nearly a thousand projects that were
10 processed in 2012 that represent almost \$2 billion in action
11 that we take that provides unfunded approvals and cash to
12 districts and likewise all the work that's shared -- that we
13 all commit to here as a Board.

14 But if you look at the chart here we've displayed,
15 in 2012 we actually did process and brought forward to the
16 Board 13 appeals. There were actually seven appeals that
17 actually were administratively resolved and those actions
18 did go through the Board through consent agenda.

19 And there were several other appeals, a few that
20 actually were dispensed as well, some of them
21 administratively resolved and others are carried over to the
22 subsequent year.

23 But the projects in total, I mean between the blue
24 and the gray shaded area and the red area, that represents
25 about 98 -- almost 99 percent of the activity required to

1 the Board, really go with -- with no challenges.

2 So that's -- it's a great track record and a great
3 tribute to what the Board's work is doing here today. So
4 wanted to highlight that.

5 The subsequent page is just a synopsis of those
6 activities for the program and their respective categories,
7 be it new construction and modernization and so that
8 sunrises that activity.

9 And we also have attachments. I'm not going to go
10 in detail, but Attachments A, B, C, D that are reflective of
11 the activity in the unfunded approvals broken down by
12 county. So we give you a summary of that on an annual
13 basis.

14 So again just to acknowledge the report and the
15 work we've provided.

16 CHAIRPERSON REYES: Okay. Mr. Hagman.

17 ASSEMBLYMEMBER HAGMAN: I was -- I did peruse all
18 the reports. I know there's a lot of work that goes in
19 there, so I just want to at least acknowledge it and -- want
20 to go over all those things in detail on the Board here, but
21 I think it is important.

22 I actually especially like the different classes
23 we did with our subcommittee. We come up with new binders
24 with step by step. That's been great for me. I would
25 definitely suggest that new members that come on get those

1 so they get up to speed to do it, but I know there's been a
2 lot of work done here.

3 I want second Senator Wyland's comment that be
4 more schools, you know, the same amount of money, which
5 we'll have to figure out ways to do that, but at the same
6 time, I think you guys do -- the sheer volume of work with
7 the least amount of things that actually do come to us, this
8 speaks highly of your group and doing an excellent job of
9 going through.

10 So I just want to give you kudos on that.

11 MS. SILVERMAN: Thank you.

12 CHAIRPERSON REYES: I'll second that.

13 Ms. Buchanan.

14 ASSEMBLYMEMBER BUCHANAN: Actually I'll third that
15 because I think a lot of the information that we're
16 producing for members on the Subcommittee is, you know, very
17 beneficial for all of us to have a deeper understanding and
18 then be able to discuss the tough issues later as we're
19 moving forward.

20 So I have a question in terms of the new -- you've
21 been passed once and not apply or -- for funding and then
22 second time, we take you off the list, which we all agreed
23 to.

24 So that will start with this cycle; correct? I
25 mean can you --

1 MR. MIRELES: No. It will start once the
2 regulations become effective. Once the Office of
3 Administrative Law approves them, then the next priority
4 round cycle will be the first one that districts will have
5 the option to participate.

6 If they don't, then the next cycle, they would be
7 required to.

8 ASSEMBLYMEMBER BUCHANAN: And so when do we
9 anticipate those cycles coming?

10 MR. SAVIDGE: The regs.

11 MR. MIRELES: It depends. Right now we are --

12 ASSEMBLYMEMBER BUCHANAN: I know the regs, but I
13 mean in terms of when is all that going to happen.

14 MR. MIRELES: Right now, we're well underway in a
15 certification filing period which ends in February. The
16 next one will be in the middle of the year, but it all
17 depends on whether we can get these regulations approved on
18 an emergency basis, which usually can take between one and
19 two months.

20 If not, it will take about five or six months
21 before they become effective and then the next filing period
22 will be considered the first one.

23 ASSEMBLYMEMBER BUCHANAN: So can I ask the Chair,
24 is there anything we can do to encourage the regulations to
25 approved on an expedited basis?

1 CHAIRPERSON REYES: OAL is very independent. They
2 don't -- yeah. That's --

3 ASSEMBLYMEMBER BUCHANAN: All right. So writing a
4 letter or doing anything like that --

5 CHAIRPERSON REYES: No. They're --

6 ASSEMBLYMEMBER BUCHANAN: So if they're approved
7 in the next two months, then the next round is midyear, in
8 that round, you either participate or you pass. The
9 following round is then when, the first --

10 MS. SILVERMAN: January.

11 ASSEMBLYMEMBER BUCHANAN: January. So the
12 earliest -- if not, we'd have CDs going into effect until --
13 they're having an impact in terms of returning money for
14 more programs until mid 2014.

15 MS. SILVERMAN: It would be -- yeah. It would
16 require the action of the Board because it would happen
17 automatically. The rescissions would come back to the
18 program.

19 So yeah, you won't see the impact till 2014.

20 CHAIRPERSON REYES: Well, it's the administrative
21 law process.

22 ASSEMBLYMEMBER BUCHANAN: Yeah. It just kind of
23 potentially puts a number of projects for those who --

24 CHAIRPERSON REYES: Um-hmm.

25 ASSEMBLYMEMBER BUCHANAN: You know, they've been

1 on the list and haven't --

2 CHAIRPERSON REYES: But we've tried this issue
3 since I first got here.

4 ASSEMBLYMEMBER BUCHANAN: Right. I know.

5 CHAIRPERSON REYES: And we finally got it there,
6 but, you know, that was probably my second month on the
7 assignment, it was an issue that we discussed and took us a
8 year and a half to get there.

9 ASSEMBLYMEMBER BUCHANAN: I know. I mean I'm just
10 looking at where we are now and comparing it to the
11 financials and we can't spend money twice. So I can't
12 have --

13 CHAIRPERSON REYES: Um-hmm. Right.

14 ASSEMBLYMEMBER BUCHANAN: -- project waiting on
15 the list and then also give money to Project B, but we're
16 now looking at the earliest we see space opening up. I mean
17 that doesn't mean projects on the list can't go ahead and
18 apply, but it means the earliest we potentially know that we
19 have more funds available is a year and a half from now.

20 So I just throw that out.

21 CHAIRPERSON REYES: Um-hmm. Yeah. Observation.

22 ASSEMBLYMEMBER BUCHANAN: All right.

23 CHAIRPERSON REYES: Okay. Next item.

24 MS. SILVERMAN: Is the **quarterly reports on the**
25 **Joint-Use Program.**

1 The Board actually took action -- on page --
2 Tab 13, page 238, the Board did move forward with a motion
3 back in June and October in 2012 to approve four joint-use
4 projects.

5 And just to give you an update -- real quick
6 update on page 239, three of those projects have actually
7 come in and accessed the funds. There is one project that
8 is still working through the process of moving the project
9 forward.

10 As we speak about the joint-use projects, there's
11 a number of different steps that they have to -- in order
12 for them to move forward.

13 Once they receive an apportionment, in which they
14 did, the project has 12 months to come in for the necessary
15 approvals and as I understand they are working through DSA
16 for their review.

17 But we're checking as far as whether or not
18 they've submitted a review -- an approval for Department of
19 Education.

20 So that's the first step and they have until
21 June 26th of this year to perfect and if that doesn't
22 happen, then they will lose their -- the project. So we're
23 hoping they move it along.

24 And then once they've hit that benchmark, they
25 have 18 months to come in for the cash. So that's what we

1 have to report. Any questions?

2 CHAIRPERSON REYES: Next.

3 MS. SILVERMAN: Next is the -- Tab 14 is the
4 **workload** for the 90 days. That's all conditional. I know
5 we put various dates there, but it's really probably a
6 discussion for your calendar.

7 The next information item is the dates for the
8 SAB.

9 CHAIRPERSON REYES: Okay. Thank you. And I know
10 there are folks who want to talk about this particular item.
11 So as pointed out, the schedule's pending approval of the
12 Chair and Vice Chair, so the Vice Chair, now that we have
13 one, she and I will have a conversation.

14 But it's the goal of the Chair that we do not meet
15 in February but we meet in March and if the need arises for
16 us to meet -- so the schedule we have is that essentially
17 every other month.

18 If the need arises for us to meet in between, I'm
19 all for it. It may mean something that we do a consent
20 calendar and just approve something that needs to get
21 approved immediately kind of stuff.

22 But it's not -- my goal is not to disadvantage
23 anybody. So I just -- you know, I know that it cuts into
24 folks' billable hours and I apologize for that, but there's
25 a lot of effort that goes into creating these binders, and

1 so I just --

2 ASSEMBLYMEMBER HAGMAN: Mr. Chair, I was going to
3 suggest that -- to do the appeals, to do the reports, and
4 all that kind of stuff, I could see that every other month
5 since our workload's going down.

6 I am concerned somewhat about making sure the
7 business that we do still continues on. As far as
8 legislators, we're a captive audience. We're here anyway.
9 As far as having --

10 CHAIRPERSON REYES: Not always though because I
11 have a problem getting a quorum.

12 ASSEMBLYMEMBER HAGMAN: Well, I can't speak for
13 the Senators. They're on a different universe than the
14 Assemblymembers are anyway.

15 But come in and do a five-second consent calendar,
16 I'm all for that and just putting off the heavier stuff to
17 every other month. I just want to make sure that we don't
18 slow down -- I mean as it is -- and we just went through how
19 long it's going to take -- have a year to get this stuff
20 approved by the State Architects and then 18 months to get
21 started funding.

22 I mean in real life in the real world, you build
23 in a right.

24 CHAIRPERSON REYES: Right.

25 ASSEMBLYMEMBER HAGMAN: You don't have to go

1 through all this process and I know there's a lot of moving
2 parts, a lot of negotiations especially with the school
3 districts and the State, but I don't want to be part of that
4 slowdown. That's what I'm saying.

5 CHAIRPERSON REYES: No. Absolutely not and --

6 ASSEMBLYMEMBER HAGMAN: And if there's any way to
7 make sure that is --

8 CHAIRPERSON REYES: Um-hmm.

9 ASSEMBLYMEMBER HAGMAN: -- you know, or even get
10 the Chair or Vice Chair to say consent, boom, let's go from
11 a written -- I'm okay with any kind of system like that,
12 just as long as we don't slow it down.

13 CHAIRPERSON REYES: No. Our goal is to -- you
14 know, not -- again not disadvantage. Keep things moving
15 along and this is a trial. I mean we're trying to figure
16 out whether or not this works.

17 If it doesn't, if we find that we still have to
18 meet monthly anyway, then this goes away. But it seems to
19 me that there's less workload going on and there are less
20 issues going on as we look forward to some of the items.

21 We had a conversation with somebody who's up in
22 the future and we said, you know, can we put you to this
23 month, and they said no. Okay. How about March? March
24 works well. Let's do March then.

25 And so we will have those conversations.

1 I know that some of the folks are more sensitive
2 to the timelines of the charter schools. We do not want to
3 disadvantage anybody. We do not want to jeopardize
4 anybody's funding. And so we will not do that as a result
5 of this.

6 ASSEMBLYMEMBER BUCHANAN: So I'd like to suggest
7 maybe a compromise because I agree that the likelihood that
8 we're going to need to meet monthly is probably not very
9 great.

10 However, I know that on my calendar, you know,
11 even though I'm in my last term in the Legislature, I'm not
12 like a freshman that has their house -- and every 20 or 30
13 minutes to introduce themselves. I'm not walking out till
14 like 6:30 every night.

15 And so if we suddenly needed a meeting to try and
16 schedule it where all six legislators had time open, I'd
17 think it'd be challenging.

18 So what I would like to ask is could we put a date
19 on the calendar every month --

20 CHAIRPERSON REYES: Uh-huh.

21 ASSEMBLYMEMBER BUCHANAN: -- have the two of us
22 meet based on what we know our workload, and do it far
23 enough in advance so we're not creating unnecessary work for
24 staff, but I'm wondering this. Is it better having it on
25 the calendar and taking it off than trying to figure out a

1 time when we can all meet when we do have --

2 CHAIRPERSON REYES: So basically you're holding
3 the calendar for that day and then --

4 ASSEMBLYMEMBER BUCHANAN: You hold it and then
5 we --

6 CHAIRPERSON REYES: -- we release it, you know, a
7 couple weeks before.

8 ASSEMBLYMEMBER BUCHANAN: And we should be able to
9 do it well ahead of time so that we're not creating
10 unnecessary work. But it's always easier to take something
11 off --

12 CHAIRPERSON REYES: Um-hmm.

13 ASSEMBLYMEMBER BUCHANAN: -- the calendar than to
14 try and find a time we all can meet and that then hopefully
15 allows not just us but everyone else to plan their schedules
16 and for those of you who are advocates out there, you get a
17 free day.

18 CHAIRPERSON REYES: Ms. Banzon.

19 MS. BANZON: I would just like to remind the Board
20 that for any meeting, we have to comply with the
21 Bagley-Keene which means that we have the ten-day
22 requirement. So --

23 ASSEMBLYMEMBER BUCHANAN: Well, I would hope we
24 would know --

25 ASSEMBLYMEMBER HAGMAN: Know two weeks out to

1 cancel it or not.

2 ASSEMBLYMEMBER BUCHANAN: -- two or three weeks
3 out, but like I said, I just think from a calendar point of
4 view, it's easier to have it on and take it off than ever
5 try and --

6 CHAIRPERSON REYES: So we can have the dates on
7 the books and our calendar and on our personal calendars.
8 So say for February, if people want to freeze a day, you
9 know, hold that day, and if the need doesn't arise, then you
10 can fill it up later, but for now don't fill it up.

11 I mean -- but at this point, we have nothing for
12 February anyway, but if you want agree to do that, provide
13 us dates for February, for the other months, that we should
14 keep hold -- you know, put a hold on those, so that if the
15 need arises, that's the day that everybody agrees that we
16 will do it.

17 But two weeks in advance, we'll send out a note
18 and say it's not going to happen.

19 MS. SILVERMAN: And the tentative date would be
20 February 27th, if that's --

21 CHAIRPERSON REYES: Okay. So next meeting on the
22 books would be the 27th. Hopefully we will not use it and
23 we'll move back to March. But keep that 27th in place and
24 then a couple weeks ahead of that -- but I guess one of my
25 main things though is I really don't want staff trying to

1 create work to get to that.

2 ASSEMBLYMEMBER BUCHANAN: I agree.

3 CHAIRPERSON REYES: And so I'd rather they deal
4 with the applications, deal with trying to resolve issues
5 with schools, be supportive of schools, take care of the
6 issues they need to take care of rather than do -- working u
7 because putting it in a binder is time consuming.

8 Staff has to go do the analysis, the background,
9 the issues, and --

10 ASSEMBLYMEMBER BUCHANAN: Right. And if it's more
11 than 14 days, well, let's meet earlier --

12 CHAIRPERSON REYES: Okay.

13 ASSEMBLYMEMBER BUCHANAN: -- let's take it --

14 CHAIRPERSON REYES: Pull the plug earlier. That's
15 fine. I'm okay with that.

16 Ms. Moore, did you have a comment or --

17 MS. MOORE: I just have a comment on -- tangential
18 to this and that is the -- we're in the now world of the
19 acknowledgement list and that acknowledgement list I would
20 assume would be built every meeting that we meet.

21 But like today, we did not acknowledge the
22 acknowledgement list and I would think that if it's going to
23 be an acknowledged list, we probably out to take an action
24 on it and I would give that to you as Chair and Vice Chair
25 to consider in your -- as we move forward.

1 ASSEMBLYMEMBER BUCHANAN: I think that's a
2 reasonable request.

3 MS. MOORE: And that would build each meeting that
4 we meet.

5 CHAIRPERSON REYES: Okay.

6 MS. BANZON: May I say something?

7 CHAIRPERSON REYES: Yes.

8 MS. BANZON: I would just like to say that it
9 should be short of an approval. I just want to make sure.

10 CHAIRPERSON REYES: Just sort of submit it but not
11 approval. More like the nonaction item stuff.

12 MS. BANZON: Correct.

13 CHAIRPERSON REYES: Okay. Okay. All right. We
14 have some folks who want to wish us a happy new year.

15 MS. TOPP: Thank you, Mr. Chairman, members, Moira
16 Topp on behalf of California Charter Schools Association.
17 We're very appreciative of I think the compromise. We did
18 raise concerns about whether or not this could prejudice
19 projects.

20 And I do want to -- we do know of one school that
21 does need to avail itself of a February meeting. Again I'm
22 very sympathetic to the concerns raised and the reasoning
23 behind the proposal, but we do look to February as an
24 important date for a meeting for at least one of our schools
25 that just came out of CSFA approval.

1 But we do appreciate I think the idea of putting
2 something on the calendar and then removing it if not needed
3 is a wise course and we appreciate it. Thank you.

4 ASSEMBLYMEMBER HAGMAN: And Mr. Chair, is there --
5 can you have a heavy meeting and a light meeting? I mean
6 you don't have to go through all the reports and all the
7 special items and stuff like that in every meeting unless
8 the --

9 CHAIRPERSON REYES: We can still wind up being --

10 ASSEMBLYMEMBER HAGMAN: -- members want to go
11 through it. So if you didn't have like the February 27th,
12 it could literally be a consent item, we get a quorum, boom,
13 we're out in five minutes.

14 MS. MOORE: We have as a Board -- in our history,
15 there was a time when the Board had what were called consent
16 meetings and then there were, you know, all-in meetings that
17 included -- inclusive of policy. So that has been done in
18 the past with this body.

19 ASSEMBLYMEMBER HAGMAN: And that would save
20 hopefully a lot of the report stuff too.

21 CHAIRPERSON REYES: Yeah. So it would be that
22 kind of concept where we just take care of something that's
23 streamlined, get it done, and be gone and not take
24 everybody's time.

25 ASSEMBLYMEMBER BUCHANAN: And maybe between now

1 and February, we can --

2 CHAIRPERSON REYES: Um-hmm.

3 ASSEMBLYMEMBER BUCHANAN: -- get some feedback
4 from members in terms of maybe we only need the financial
5 reports quarterly. I don't know but in terms of how often
6 they feel that they --

7 CHAIRPERSON REYES: Yeah.

8 ASSEMBLYMEMBER BUCHANAN: -- need to see this.
9 Mr. Duffy.

10 MR. DUFFY: Mr. Chairman and members, Tom Duffy
11 for CASH. Just sort of an add-on to your proposal,
12 Ms. Buchanan. You have adroitly led now three -- at least
13 three Program Review Subcommittees and it appears to me that
14 you have a perfect opportunity to schedule those committees
15 on the date that the Board would normally meet.

16 It happens that in February the -- we have the
17 CASH conference. We have historically scheduled the CASH
18 conference since 1982 the week that the Board meets in
19 February.

20 So we have about 1,500 people that are going to be
21 here for the CASH conference. That would be an august time
22 to hold a Subcommittee hearing and ask people to tell you
23 what they think of the program.

24 But our overall suggestion really is -- and it's a
25 recommendation to you and I -- sincerely we appreciate the

1 work that you do because this is a part-time job for you and
2 you don't get compensated for, but --

3 CHAIRPERSON REYES: What?

4 MR. DUFFY: I told that to our group this morning.
5 That if you would consider scheduling those meetings on
6 those days when the Board wouldn't necessarily fully meet
7 but that you could indeed schedule a full meeting for part
8 of that time. It's a time when -- that is certain on the
9 calendar. It could be known throughout California that the
10 Board is going to be having a hearing on that date and I
11 have to say, Ms. Buchanan, I realize your time is extremely
12 important and you have been very conscious to make sure that
13 we know you want to hear from us and we try to encourage our
14 districts to come and speak and that's going to happen at
15 the next meeting.

16 But if you would consider that as an option for
17 you because it -- I think it dovetails well with your
18 mission.

19 CHAIRPERSON REYES: Okay. That's more of a
20 Subcommittee conversation --

21 ASSEMBLYMEMBER BUCHANAN: Yeah.

22 CHAIRPERSON REYES: -- than a Board conversation.

23 ASSEMBLYMEMBER BUCHANAN: We can talk about it,
24 but, you know, I -- it may work. I mean the problem is is
25 if you need a longer meeting and you're not planning on it

1 and you've got the Subcommittee meeting planned on the same
2 day, you potentially have a conflict there, but -- we can
3 talk about it.

4 But we also do have a schedule that we've put out
5 for those Subcommittee meetings and I --

6 MR. DUFFY: No. I recognize that.

7 ASSEMBLYMEMBER BUCHANAN: -- have to compliment
8 the Board members, Ms. Moore, Mr. Diaz, Assemblymember
9 Hagman, I mean everyone's been showing up for those meetings
10 and engaging and I'm really -- you know, appreciate that.

11 MR. DUFFY: Okay. Well, thank you very much and
12 happy new year.

13 CHAIRPERSON REYES: And speaking of that material,
14 if you could please make sure as we have new Board members
15 that their staff get that material because it is very, very
16 educational in terms of the program, the process, and so
17 forth. There's clearly a lot of thought that goes into
18 that.

19 So if you could please share that with the new
20 folks, I'd appreciate that.

21 ASSEMBLYMEMBER BUCHANAN: And did we provide that
22 to the Board members who aren't participating on the
23 Subcommittee?

24 MS. SILVERMAN: Yes.

25 ASSEMBLYMEMBER BUCHANAN: Okay. Good.

1 MS. SILVERMAN: We do email those --

2 ASSEMBLYMEMBER BUCHANAN: Because I know we've
3 given everyone the opportunity to participate, but I just
4 want to be sure they --

5 CHAIRPERSON REYES: It's fantastic material. So
6 thank you. Okay.

7 Any other public comments? Seeing none, meeting
8 adjourned.

9 (Whereupon, at 4:55 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 February 5, 2013.

Mary C. Clark
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