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CALIFORNIA STATE ALLOCATION BOARD
PUBLIC MEETING

STATE CAPITOL
ROOM 112
SACRAMENTO, CALIFORNIA 95814

DATE: WEDNESDAY, MAY 22, 2013
TIME: 4:04 P.M.

Reported By: Mary Clark Transcribing
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APPEARANCES

MEMBERS OF THE BOARD PRESENT:

TOM DYER, Director of Legislation, Department of Finance,
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 CAROL LUI

ASSEMBLYMEMBER JOAN BUCHANAN

ASSEMBLYMEMBER CURT HAGMAN

ASSEMBLYMEMBER ADRIN NAZARIAN

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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CHAIRPERSON DYER: Call the meeting to order. Hi.
It's about 4:04. I'd like to call the meeting to order.
Secretary, will you call the roll, please.

MS. JONES: Okay. Senator Hancock.

Senator Wyland.

Senator Liu.

Assemblymember Buchanan.

ASSEMBLYMEMBER BUCHANAN: Here.

MS. JONES: Assemblymember Hagman.

Assemblymember Nazarian.

Esteban Almanza.

MR. ALMANZA: Here.

MS. JONES: Kathleen Moore.

MS. MOORE: Here.

MS. JONES: Cesar Diaz.

MR. DIAZ: Here.

MS. JONES: Tom Dyer.

CHAIRPERSON DYER: Here.

MS. JONES: And Assemblymember Hagman.

ASSEMBLYMEMBER HAGMAN: Here.

MS. JONES: And we have a quorum.

CHAIRPERSON DYER: Okay. Thank you. At this
point, we've established a quorum. I'll request any public

1 comment at this point.

2 Seeing none, I would just like to note that as we
3 start the meeting, I'd like to note two items that are
4 withdrawn. First is the Alisal Union Elementary appeal item
5 under Tab 7 which is withdrawn as an appeal and moved to the
6 Consent section of the agenda.

7 And in addition, the discussion on high
8 performance incentive grants is postponed. We are planning
9 to include this discussion on a future agenda no later than
10 the August meeting.

11 Next item would be the **Minutes**, please.

12 MS. SILVERMAN: The Minutes are ready for your
13 approval.

14 CHAIRPERSON DYER: Okay. Is there any public
15 comment?

16 ASSEMBLYMEMBER BUCHANAN: Move approval.

17 ASSEMBLYMEMBER HAGMAN: Second.

18 CHAIRPERSON DYER: Okay.

19 MS. JONES: Senator Hancock.

20 Senator Wyland.

21 Senator Liu.

22 Assemblymember Buchanan.

23 ASSEMBLYMEMBER BUCHANAN: Aye.

24 MS. JONES: Assemblymember Hagman.

25 ASSEMBLYMEMBER HAGMAN: Aye.

1 MS. JONES: Assemblymember Nazarian.

2 Esteban Almanza.

3 MR. ALMANZA: Aye.

4 MS. JONES: Kathleen Moore.

5 MS. MOORE: Aye.

6 MS. JONES: Cesar Diaz.

7 MR. DIAZ: Aye.

8 MS. JONES: Tom Dyer.

9 CHAIRPERSON DYER: Aye.

10 MS. JONES: Motion carries.

11 CHAIRPERSON DYER: Okay. Next up is the **Executive**
12 **Officer's Statement.**

13 MS. SILVERMAN: We actually have four items
14 tonight. We actually wanted to give the Board an update
15 about the Overcrowded Relief Grant Program.

16 We actually have at least ten applicants that we
17 actually did receive and nine applicants are being processed
18 and that represents the 11th cycle that actually closed the
19 end of January. And those items are actually tucked in your
20 Consent Agenda.

21 We will be bringing forward another applicant to a
22 subsequent Board meeting and will just be presenting that in
23 the future.

24 Additionally, with the result of that -- close of
25 that 11th filing round, we will have about \$35 million

1 available in bond authority for the next cycle and that
2 cycle closes July 31st.

3 And so feel free to contact our staff. Staff will
4 be more than happy to assist you on how do you qualify for
5 the Overcrowded Relief Grant Program.

6 The second item I wanted to share is a 30-day
7 priority in funding request. We have an open period and
8 current certification round. That round opened May 8th and
9 it closes June 6th.

10 So those projects that are provided a consent
11 item, an unfunded approval day will be acknowledged and
12 could submit certification for that 90-day filing period.
13 That certification will be valid from July 1st through
14 December 31st.

15 So those folks again who are on the unfunded list
16 who want to compete for cash, please do so, and you must
17 turn in that certification by Thursday, June 6th, by
18 5:00 p.m.

19 The next item I wanted to update is the amended
20 regulations related to the participation in priority of
21 funding. The Board did adopt the regulation changes and the
22 Office of Administrative Law did put those in effect as of
23 March 25th on an emergency basis.

24 And so for those folks who are currently on the
25 unfunded list and we have -- we do have an open

1 certification period, it's very important to understand that
2 this certification period is your first time at bat and
3 acknowledge that if this is your first opportunity to
4 participate in the round and knowing that you'll have
5 another opportunity and -- but once you have acknowledged
6 and passed on two, that will mean that you will actually
7 lose your unfunded approval.

8 So again it's very important to understand that
9 this is a current open certification period and if you are
10 on the unfunded list, you must compete, and you must do so
11 within the time frame specified by June 6th.

12 And once we have the next open funding round come
13 November, which closes early part of December, again that
14 will be the second opportunity. And so that will be your
15 second time at bat and if you don't perfect within that time
16 period, then you'll definitely have some consequences
17 unfortunately and lose your unfunded approval.

18 So we'll actually have a webpage dedicated for
19 that, for those constituents and we have provided subsequent
20 Webinars and have been having additional outreach
21 opportunities to ensure that our customers are fully aware
22 about the certification round and how important it is.

23 And the last --

24 MS. MOORE: Ms. Silverman.

25 MS. SILVERMAN: Yes.

1 MS. MOORE: You could pass this time and then
2 certify in the subsequent round, correct, and be within
3 compliance?

4 MS. SILVERMAN: That's correct.

5 MS. MOORE: And then you could also perfect this
6 time, not be funded, and then pass the next time?

7 MS. SILVERMAN: It all depends on -- you're right.
8 I mean you could submit a certification and if in fact you
9 did compete in the round and we didn't have the right amount
10 of money to give to you, then, you're right, as long as you
11 did participate and we couldn't get to you, you don't --

12 MS. MOORE: You still have your one pass.

13 MS. SILVERMAN: You still have your one pass.
14 That's correct. But we'll have a lot of details about those
15 specific exceptions to the rules if you did compete and we
16 didn't have the opportunity to provide you an award.

17 So we'll have a whole webpage dedicated to that
18 and give some clear examples of the situation.

19 So the last item I want to share is the Program
20 Review Subcommittee. I do want to note that there is an
21 update. The Subcommittee is scheduled for June 10th at
22 9:00 a.m. till noon which is on Monday and I believe we
23 have -- noted that it was June 11th. So it is June 10th.

24 And that's all I have to report.

25 CHAIRPERSON DYER: Okay. Thank you. Is there any

1 public comment on the Executive Officer's Report?

2 All right. Seeing none, next up is the **Consent**
3 **Agenda.**

4 ASSEMBLYMEMBER BUCHANAN: Move approval.

5 ASSEMBLYMEMBER HAGMAN: I'll second.

6 CHAIRPERSON DYER: Okay. I would like to suggest
7 that take Tabs 8, 9, and 10 as part of the Consent Calendar.
8 These items are the priority funding item, high performance
9 regulations, and general site grant regulations
10 respectively.

11 With this recommendation, I would also like to
12 read into the record the following edit to Tab 9.

13 The School Facility Program regulation section
14 referenced at the end of the first paragraph on page 474
15 should read: Section 1859.71.4 subdivision (d) rather than
16 Section 1859.74 subdivision (d).

17 Does anyone have an objection?

18 ASSEMBLYMEMBER BUCHANAN: No.

19 MS. MOORE: Could you -- I have no objection. But
20 which tabs are we including in the Consent Calendar?

21 CHAIRPERSON DYER: Tabs 8, 9, and 10.

22 MS. MOORE: Then on 10, can I ask for 10 to be
23 discussed?

24 CHAIRPERSON DYER: Absolutely.

25 MS. MOORE: Thank you.

1 CHAIRPERSON DYER: We'll pull item 10 and at this
2 point, is there any public comment for any of those tabs
3 that were put on Consent, anyone from -- that would like to
4 come up and speak?

5 We'll pull item 10 and at this point, is there any
6 public comment for any of those tabs that were put on
7 Consent, anyone from -- that would like to come up and
8 speak?

9 MR. HUDSON: My name is Robert Hudson. I'm the
10 superintendent for Alpaugh Unified School District as well
11 as the director of facilities, preschool director, and high
12 school principal.

13 I just wanted to take this moment to thank the
14 Board. We've worked seven years -- hard years to get this
15 project started. Our buildings are falling down essentially
16 from alkali intrusion. Our septic system doesn't work
17 anymore because of the high water table and we also have
18 issues with our drinking water. You can't drink it, so we
19 have to import our water in.

20 It's a tough place and it's hard to learn in a
21 tough place, but this approval is really going to make a
22 difference for my students and I wanted you to know that we
23 appreciate that deeply. It's five-eighths of what we need,
24 but that's five-eighths closer to getting these kids into
25 some decent schools and the type of education they deserve.

1 So I wanted to thank you.

2 ASSEMBLYMEMBER HAGMAN: You only have four titles.
3 Now you can be the superintendent of construction as well
4 and a few other things too; right.

5 MR. HUDSON: Yeah. You know, they can figure out
6 a way to pay for it. We're open for that.

7 But it means a lot and small schools in
8 particular, it's an extra struggle because we don't have the
9 depth or, you know, the specializations that the large ones
10 do and it takes a lot of effort to push these things through
11 and thank God we have good help. Thank God the OPSC was
12 quite supportive in all of this and they did everything they
13 could for us.

14 And it was a long process, but it was a strange
15 process because of our locale and the different conditions.
16 But I wanted you to know that this is deeply appreciate.

17 ASSEMBLYMEMBER BUCHANAN: Thank you.

18 ASSEMBLYMEMBER HAGMAN: Thank you.

19 CHAIRPERSON DYER: Thank you.

20 ASSEMBLYMEMBER BUCHANAN: Can we have a --

21 CHAIRPERSON DYER: Yeah. I was going to -- if
22 there's any other public comment on this?

23 Okay. Seeing none, is there a motion?

24 ASSEMBLYMEMBER HAGMAN: We already did.

25 ASSEMBLYMEMBER BUCHANAN: -- motion and a second.

1 CHAIRPERSON DYER: Okay. We already -- all right.
2 Go ahead and vote.

3 MS. JONES: Okay. Senator Hancock.
4 Senator Wyland.

5 Senator Liu.

6 Assemblymember Buchanan.

7 ASSEMBLYMEMBER BUCHANAN: Aye.

8 MS. JONES: Assemblymember Hagman.

9 ASSEMBLYMEMBER HAGMAN: Aye.

10 MS. JONES: Assemblymember Nazarian.

11 ASSEMBLYMEMBER NAZARIAN: Aye.

12 Esteban Almanza.

13 MR. ALMANZA: Aye.

14 MS. JONES: Kathleen Moore.

15 MS. MOORE: Aye.

16 MS. JONES: Cesar Diaz.

17 MR. DIAZ: Aye.

18 MS. JONES: Tom Dyer.

19 CHAIRPERSON DYER: Aye.

20 MS. JONES: Okay. Motion carries. Thank you.

21 CHAIRPERSON DYER: Thank you. Since we pulled off
22 Tab 10, **School Facility Program Regulatory Amendments for**
23 **the General Site Development Grant**, if we could have a brief
24 description of that particular item, please.

25 MS. KAMPMEINERT: Thank you. Barbara Kampmeinert

1 with the Office of Public School Construction.

2 Tab 10 is requesting that the Board extend the
3 grant for general site development. This is a grant that
4 has a sunset date of January 1st, 2014, and what this grant
5 does is it pays for some of the finishing touches on new
6 school campuses, things like playground equipment,
7 sidewalks.

8 The grant was added to the regulations on a
9 temporary basis back several years ago actually and the
10 Board has taken several -- has heard several items to extend
11 the grant beginning in 2009 and the most recent time the
12 Board heard this item was in 2011 which extended the grant
13 until 2014.

14 And the -- a little bit of the history behind this
15 grant that it was discussed back in 2005 when the Board was
16 looking at the adequacy of the new construction grant and
17 the funding model overall.

18 And what happened at the time was that an ad hoc
19 committee was formed to evaluate the grants and compare
20 whether the Lease-Purchase Program -- the grants provided
21 under the Lease-Purchase Program were translated over to the
22 School Facilities Program and the pupil grant funding model.

23 And there was discussion. There was not complete
24 conclusion on all areas and one of the things that did come
25 out, however, was that general site may not have been fully

1 factored into the pupil grant because part of the
2 calculation is based on an acreage amount.

3 So if School District A has a ten-acre site and
4 School District B has a two-acre site, they would require
5 different amounts for general site purposes.

6 So what the Board determined at the time was that
7 it would be reasonable to include the general site grant
8 amount because at a minimum the acreage factor was not
9 included in the pupil grant amounts.

10 However, the grant was put forth on a temporary
11 basis until the complete discussion could be held about the
12 funding model and grant adequacy. And there have been other
13 attempts at this discussion, but there still it not
14 conclusion on that.

15 Staff is recommending that the Board approve this
16 grant again for another year to sunset on January 1st, 2015,
17 and that is reflected on the attachment with the proposed
18 regulations.

19 And the basis for the one-year recommendation is
20 due to the nature of the Subcommittee taking a look at the
21 funding model overall and the uncertainty of where we're
22 going in the future. We are putting forth one year and then
23 the Board would have the flexibility to go ahead and review
24 this item again in the future and if need be, grant another
25 extension if that was the desire of the Board at the time in

1 the future.

2 With that, I'd be happy to answer any questions.

3 MS. MOORE: If I may.

4 CHAIRPERSON DYER: Absolutely, Ms. Moore.

5 MS. MOORE: While I fully support the staff
6 recommendation to approve the general site development
7 grant, I also strongly believe that it should be a permanent
8 part of the grant program.

9 And we've, you know, had -- we continuously
10 approve this temporary grant that I think is an essential
11 component of building schools and modernizing schools in
12 California and I guess they're willing to wait for that, but
13 I hope that we put this issue on our parking lot list that
14 we develop in our Subcommittee because it seems a little
15 problematic to continue to extend a temporary grant over
16 many years. It's no longer temporary. It seems permanent.

17 MR. MIRELES: Yeah. And that's one of the topics
18 that we will be discussing in the Program Review
19 Subcommittee is funding, which will cover all the grants and
20 not just the base grant, but additional grants.

21 ASSEMBLYMEMBER BUCHANAN: It's on the list.

22 MS. MOORE: That was my only comment.

23 ASSEMBLYMEMBER HAGMAN: So I'll move it.

24 ASSEMBLYMEMBER BUCHANAN: Second.

25 CHAIRPERSON DYER: So we'll be -- just a

1 clarification, we'll be voting for the recommendation for
2 the one year.

3 ASSEMBLYMEMBER BUCHANAN: For this; right. Right.

4 CHAIRPERSON DYER: Okay. May we have a vote,
5 please.

6 MS. JONES: Okay. Senator Hancock.

7 Senator Wyland.

8 Senator Liu.

9 SENATOR LIU: Aye.

10 Assemblymember Buchanan.

11 ASSEMBLYMEMBER BUCHANAN: Aye.

12 MS. JONES: Assemblymember Hagman.

13 ASSEMBLYMEMBER HAGMAN: Aye.

14 MS. JONES: Assemblymember Nazarian.

15 ASSEMBLYMEMBER NAZARIAN: Aye.

16 Esteban Almanza.

17 MR. ALMANZA: Aye.

18 MS. JONES: Kathleen Moore.

19 MS. MOORE: Aye.

20 MS. JONES: Cesar Diaz.

21 MR. DIAZ: Aye.

22 MS. JONES: Tom Dyer.

23 CHAIRPERSON DYER: Aye.

24 MS. JONES: Motion carries. Thank you.

25 CHAIRPERSON DYER: Thank you.

1 MS. MOORE: Thank you.

2 CHAIRPERSON DYER: Okay. Our next item will be
3 the Quarterly Joint-Use Program Fund Release Status Report.

4 MS. SILVERMAN: I'm not sure if you want to go
5 back to Tab 5, to go back to financials.

6 CHAIRPERSON DYER: Oh, did I skip -- did I go --
7 yes. Let's please go to --

8 MS. SILVERMAN: Okay. The **Tab 5 [Status of Fund**
9 **Releases]** is just basically giving the Board an update on
10 the cash we've been releasing over in the program and
11 specifically on page 170, what we have been doing is
12 charting out the amount of funds that we've been receiving
13 from the various bond proceeds that we've received over the
14 last several years.

15 So on page 170, we wanted to acknowledge to the
16 Board that we do have two new charts to present in that area
17 that represent the bond sales in March of 2013 and the bond
18 sales for April 2013.

19 So respective amounts have been posted and we have
20 been releasing some funds in some program areas, but
21 collectively on page 171, just wanted to highlight that 86
22 and a half million dollars were provided to school districts
23 through the end of April.

24 And so that's a summary of the funds that we have
25 been disbursing to school districts.

1 On page 172, we've been showing graphically some
2 bar charts and trying to symbolize the various bond sales
3 we've had over the last several years and we have now
4 introduced some new shading and coloring in this area.

5 So we -- just to reflect the March and April bond
6 sale. So as we start going through the 90-day process with
7 the items that were taken action today, slowly those amounts
8 would also be liquidated as well.

9 I'm not sure if --

10 ASSEMBLYMEMBER HAGMAN: The little -- I'm trying
11 to read the chart here. I'm sorry. The little cross lines,
12 that's what's been used so far --

13 MS. SILVERMAN: The cross lines represent some of
14 the prior bond sales, yeah, and those have been dispensed
15 and we actually have a very small amount in that particular
16 category that's still left and available and may be
17 earmarked.

18 CHAIRPERSON DYER: Okay. For the Status of Fund
19 Releases, is there any public comment?

20 All right. Seeing none, we will move to Tab 6.

21 MS. SILVERMAN: Tab 6 is just to basically give
22 the Board an overview of what's happening in our **bond**
23 **authority**, how much credit do we have available for our
24 various bond programs.

25 We have been quite active this month Just to

1 highlight to the Board, we actually processed over
2 \$72.2 million dollars in the upper category of
3 Proposition 1D. That represents \$1.9 million in one new
4 construction project, five projects in the Modernization
5 Program, nine other projects in the career tech; in the high
6 performance areas, seven projects; converted some charter
7 programs and also some overcrowded relief projects.

8 And that represents \$72.2 million this month in
9 authorizations for unfunded approvals for Proposition 1D.

10 In Proposition 55, we actually processed
11 \$8.1 million in new construction and that represents two
12 projects. We actually converted a few charter projects as
13 well, five respectively.

14 Something to note that we actually did, in
15 Proposition 55, want to acknowledge to the Board that we did
16 convert some funds from the Critically Overcrowded Schools
17 Program and those funds have been posted to the new
18 construction account and that's why we're able to provide
19 some projects -- some unfunded approvals in the new
20 construction category under Proposition 55.

21 In Proposition 47, we processed another three
22 applications for 13.7 million in new construction and also
23 had some conversions in the charter program.

24 So in total for the month activity, \$152 million
25 of unfunded approvals was processed this month. That's not

1 including the projects that we have taken in prior to the
2 regulation change.

3 Prior to November 1st, we did receive
4 applications, even though we were beyond our bond authority.
5 We have processed some of those applications as well this
6 month -- very active in that area.

7 So on page 184, even though it's not posted
8 against our credit or our bond authority, we did process
9 over \$35 million in the modernization category and
10 139 million in the new construction category.

11 And that is summarized on page 184.

12 So if we don't have any other questions, move
13 forward.

14 CHAIRPERSON DYER: Okay. Thank you. Is there any
15 public comment for Status of Funds, Tab 6?

16 All right. Seeing none, now we will move to
17 Tab 12, **Quarterly Joint-Use Program Fund Release Status**
18 **Report.**

19 MS. SILVERMAN: Just want to quickly give the
20 Board an update. We did provide some joint-use projects
21 some apportionments back in June of 2012 and that actually
22 represented four projects.

23 And to that extent, we've been providing the Board
24 quarterly updates. Those projects had 18 months to come in
25 for conversion, plus they actually had to meet program

1 requirements of having the DSA plan approval.

2 We have on page 499, a summary of the chart, just
3 basically outlines that there's one project that we're still
4 waiting to come through the door and they're working really
5 closely right now with DSA and hopefully they get their
6 project through.

7 And they have until the end of December to come in
8 for their cash. So we provide the Board some updates. They
9 still have one point -- slightly over a million dollars
10 allocated to them and so we'll give you an update at the
11 next quarter.

12 CHAIRPERSON DYER: Okay. Thank you. Were there
13 any questions from the Board? Any public comment on this
14 item?

15 All right. Seeing none, we'll go to Tab 13. This
16 is the **School Facility Program Review Subcommittee update**
17 from Assemblymember Ms. John Buchanan. And just a note to
18 you that the School Facility Program Review Subcommittee
19 held its latest hearing yesterday on May 21st. And
20 Assemblymember Buchanan.

21 ASSEMBLYMEMBER BUCHANAN: Yeah. I'm going to give
22 sort of a brief overview, but as all of you can see who are
23 not on the Subcommittee -- about half of us are -- we've
24 been going through a very detailed process of taking a look
25 at the entire program from how to determine eligibility to

1 how we allocate grants. We went over the process of a
2 project from when the school first conceives to how it works
3 its way through CDE and DTSC and DSA and OPSC and what that
4 life cycle is.

5 And as we've been going through the process, we've
6 been accumulating what we're calling parking lot items which
7 are several pages of areas that we want to discuss in more
8 detail and I expect we'll probably get there either the next
9 meeting or the following meeting.

10 So I know all of you have received all the
11 information that we have on the -- for the Subcommittee and
12 in past meetings have expressed how helpful that information
13 is. But if there -- the one thing I would say, if there's
14 anything that -- in particular from your experience serving
15 on this Board that you would like us to take a look at as we
16 go through and make program recommendations for the next
17 bond, we'd very much appreciate hearing from you.

18 With that, I'm happy to answer any questions that
19 you might have.

20 CHAIRPERSON DYER: Thank you, Assemblymember
21 Buchanan. Any comments? All right.

22 Now we'll move to Tab 14 which is the **three-month**
23 **workload.**

24 MS. SILVERMAN: Do we have any comments on the
25 workload report?

1 CHAIRPERSON DYER: Pardon me?

2 MS. SILVERMAN: Just opening it up for the members
3 to review the workload report.

4 CHAIRPERSON DYER: Sure. Yeah. Absolutely.
5 We'll open it up for any comments.

6 Okay. Seeing none.

7 MS. MOORE: I --

8 CHAIRPERSON DYER: Okay. Yes.

9 MS. MOORE: I have one. So today on high
10 performance, we simply took a correction -- or the direction
11 from the Board. However, I thought there was a third
12 component of looking at high performance as the problem that
13 we have of marrying that pot of money with program outcome
14 that we're looking for right now.

15 And I'm wondering -- it's not on the workload
16 list, so is there a --

17 MS. SILVERMAN: Yes. To answer your question --

18 MS. MOORE: I don't know what the question is.

19 MS. SILVERMAN: No.

20 MS. MOORE: Is it going to be on the workload
21 list?

22 MS. SILVERMAN: Yes. It's going to come back
23 to -- I think the Chair had mentioned at the beginning of
24 the meeting that we'll be bringing it back before August.

25 And so we will reflect that on the 90-day

1 workload.

2 MS. MOORE: Okay. Thank you.

3 SENATOR HANCOCK: If I could -- would that mean
4 June or August or sometime later? July is often a meeting
5 that is canceled which is perfectly appropriate if it's
6 going to take some time to get it together.

7 But so you're looking at the August meeting or
8 later than that?

9 MS. SILVERMAN: That would be the latest. The
10 latest would be August, but if we can move it forward
11 earlier, we definitely could shoot for a June meeting.

12 SENATOR HANCOCK: Whatever, you know, works for
13 the Chair.

14 CHAIRPERSON DYER: Yeah. I think August would be
15 our latest. If we can fit it in earlier, then by all means,
16 we'll do so.

17 SENATOR HANCOCK: Okay. Okay. I'm probably not
18 going to be here in the July meeting --

19 CHAIRPERSON DYER: Okay.

20 SENATOR HANCOCK: -- so I would appreciate it if
21 it would be in the August meeting.

22 CHAIRPERSON DYER: Absolutely.

23 SENATOR HANCOCK: Thank you.

24 CHAIRPERSON DYER: Absolutely. That sounds --
25 we'll do that.

1 MS. MOORE: Through the Chair, will that be part
2 of an Implementation Committee meeting or -- I mean it seems
3 that it's a -- kind of a larger issue than what we dealt
4 with today about how to perhaps expend these funds.

5 MS. SILVERMAN: I believe we're just going to be
6 discussing the policy issue first and then obviously have
7 that conversation and bring it back --

8 MR. MIRELES: Yeah, at this point --

9 MS. SILVERMAN: -- for regular discussion, yeah.

10 MR. MIRELES: At this point, the item is just
11 going to consist of exploring any possible options for the
12 Board to consider. That was the goal for this item.

13 MS. MOORE: So in August, we'll discuss policy
14 options for the high performance remaining funds and if
15 there's a direction developed from that Board meeting, we
16 could then ask the constituents to weigh in on that.

17 MR. MIRELES: It would be up to the Board, yes.

18 MS. MOORE: I know this has been an item of
19 interest to you, Senator Hancock. Is that good?

20 SENATOR HANCOCK: Yeah. I'm really just --
21 looking forward, I think the Chair has some issues that he
22 wants to explore.

23 MS. MOORE: Okay.

24 SENATOR HANCOCK: And I'd like to do that and come
25 back. I think we all know it would be very difficult to

1 move forward with any kind of a new bond while we had a lot
2 of unspent money in any category, let alone seismic or high
3 performance.

4 And so I think it will be good to have that
5 exploration happen and then if we can have policy options in
6 August, that would be helpful because it has been a number
7 of years that we've been trying to work on this, I know, and
8 I appreciate your concern.

9 MS. MOORE: Great. I mean I strongly support that
10 we look at options because we are at the end of the bond
11 cycle and this is a fund that seems to have not gone out as
12 readily as we had wished and it seems that the other funds
13 all have pretty much good -- for them and -- or we have
14 transferred the critically overcrowded school fund.

15 So I would support that we look closely at this
16 item so we can expend those funds appropriately and
17 efficiently for potential future bond.

18 CHAIRPERSON DYER: Okay. Thank you. So be
19 looking forward to --

20 MS. SILVERMAN: We'll add that to the 90-day
21 workload. Right.

22 CHAIRPERSON DYER: Any other comments or
23 questions?

24 Okay. We'll go to Tab 15 and we have some
25 **informational items.**

1 MS. SILVERMAN: It's just our calendar for the
2 next meeting.

3 CHAIRPERSON DYER: Okay. Would you --

4 MS. SILVERMAN: Yeah. It's -- I guess it'll
5 depend on the Chair and Vice Chair and we'll introduce the
6 workload that we have for June and we'll figure out amongst
7 that time period whether or not we'll have a June meeting.

8 CHAIRPERSON DYER: Okay.

9 MS. SILVERMAN: But if we do have a June meeting,
10 it will be slated for June 26th.

11 CHAIRPERSON DYER: Great. Any public comment at
12 this point? Yes. Feel free to come on up.

13 MR. SMOOT: Good afternoon, members of the Board.
14 Lyle Smoot, Lyle Smoot Consulting. I could have made this
15 request when the Executive Officer's Statement was going on,
16 but I thought I'd just wait until the end.

17 There's an issue that as I understand it is coming
18 up for the districts that are on the unfunded list after the
19 bond authority has run out. That under the current rules
20 that are being followed, those districts are not eligible
21 for funding under this bond measure even if there's money.

22 And I wanted to verify if that's a true statement
23 or not because I heard this morning that they're not --
24 those projects are not eligible for the 90-day certification
25 and the time you meet with funding -- the next time you fund

1 will be the second time for some projects that are on the
2 unfunded list within the bonding capacity. Some of those
3 are going to fall off, will create money for projects that
4 are beyond that, and if those projects aren't even eligible
5 to certify, then that's going to create a delay in any
6 potential use of those funds.

7 CHAIRPERSON DYER: Assemblymember Buchanan, do you
8 want --

9 ASSEMBLYMEMBER BUCHANAN: Yeah. My intent when we
10 were to create that list was not to create a situation where
11 we're spending processing applications that would not be
12 funding, but it was never an intention I don't think -- and
13 I don't speak for everyone on the -- it's never an intention
14 to leave money on the table for projects that need to be
15 completed.

16 So as we go through the process of determining
17 which projects are going to be funded and which are going to
18 be dropped off the list, if there's more money available
19 since we have been keeping track of those projects as
20 they've come in in order, I would anticipate that we would
21 then begin to process some of those applications to make
22 sure that we, you know, could get the money out.

23 So the intent's not to have a balance at the end.
24 The intent is not to process a long list of projects that
25 will not be funded .

1 So if projects drop off and we find that we have
2 more money to allocate than we've anticipated to date, I
3 would expect that we would then move forward and begin to
4 process maybe not all of them, but process some that --

5 MR. SMOOT: Assemblymember Buchanan, I'm talking
6 about projects that are -- have been processed. They are on
7 an unfunded list. They were on the unfunded list. You
8 process some and we approved some of them today that are on
9 an unfunded list called --

10 MR. MIRELES: The lack of bond authority unfunded
11 list.

12 ASSEMBLYMEMBER BUCHANAN: Right.

13 MR. SMOOT: Lack of bond authority --

14 ASSEMBLYMEMBER BUCHANAN: Right.

15 MR. SMOOT: But that's a temporary situation --

16 ASSEMBLYMEMBER BUCHANAN: But that's exactly --
17 well, if they're on the -- I apologize. I was --

18 MR. SMOOT: That's all right.

19 ASSEMBLYMEMBER BUCHANAN: -- the other list, but
20 if they're on and we've processed them and bond authority
21 frees up, then they're going to move the list and they will
22 be eligible for funding.

23 MR. SMOOT: Well, if you'd make that clear right
24 now that those districts on that particular list could come
25 into the 90-day certification --

1 ASSEMBLYMEMBER BUCHANAN: Well, I don't --

2 MR. SMOOT: -- anything that falls off the next
3 time you have a funding situation would automatically go
4 down that line without any further action of the Board.

5 MS. MOORE: Mr. Smoot, we don't have any fall off
6 for at least two rounds.

7 MR. SMOOT: But today was the first one.

8 MS. MOORE: No. Today was not the first one.

9 MS. SILVERMAN: The certification is still open.

10 MR. MIRELES: The certification -- the filing
11 period to submit a certification ends June 6th. So
12 districts that are currently on the unfunded list have the
13 option to participate in this certification filing period.
14 It's the first optional.

15 MR. SMOOT: So there's two to go?

16 MR. MIRELES: Then there's -- the subsequent one
17 will be the one that they have to and if they don't, then
18 they will --

19 MR. SMOOT: That's fine. I understand that. But
20 I'm just saying then if it's two more, that's fine. I
21 misunderstood what was said this morning. I apologize for
22 that.

23 But if it is the second one after this, unless
24 something is done, that situation will still occur and I'm
25 just asking you to say that that second funding list -- any

1 money that comes back should automatically go to the next
2 project who meets the 90-day certification.

3 If you don't allow them to do that certification
4 until after those projects are done, you create another
5 delay.

6 ASSEMBLYMEMBER BUCHANAN: Well, let me just say
7 this. I think we will -- obviously we're going to have to
8 very closely monitor that because the intent is not to keep
9 the money in the bank and not have it go out.

10 The intent is to have the money go out for the
11 project.

12 So I think we can -- as we move forward, we can
13 ask staff to monitor that closely so that if we're able to
14 certify more projects, we could have as minimal delay as
15 possible to be able to get the money out.

16 But right now, the amount of bond authority we
17 have reserved is equal to the projects that are on the list.

18 MR. SMOOT: I'm not asking you to change that.

19 ASSEMBLYMEMBER BUCHANAN: Right. Right.

20 MR. SMOOT: We've had that conversation before.

21 ASSEMBLYMEMBER BUCHANAN: I know. Right.

22 MR. SMOOT: I'm just saying that if it's two more
23 rounds, then on the second round --

24 ASSEMBLYMEMBER BUCHANAN: Right.

25 MR. SMOOT: -- districts on that other list should

1 be allowed to certify to the 90 days so if money becomes
2 available, and it'll become August at that point, they'll
3 automatically be allocated. Thank you.

4 ASSEMBLYMEMBER HAGMAN: Clarification for me then.
5 What's the anticipated time frame for the next two funding
6 rounds to be going out?

7 MS. SILVERMAN: The second cycle closes the middle
8 of December and all depending on the timing, we would have
9 to survey those folks to see who actually made the list and
10 who didn't make the list and then we'd have to obviously
11 carefully ensure that who came in during that proper time
12 period -- the first time period, the second time period, and
13 then probably for a January board, we'll be able to
14 reconcile how much is available for projects to move off
15 that other list.

16 And we can marry the bond authority with the
17 projects that are on the other list part and bring forward
18 unfunded approvals.

19 But you have to take that action first. They have
20 to be on the unfunded approval list in order to compete in
21 the certification round.

22 MR. SMOOT: But they're already on it now.

23 MS. SILVERMAN: They're not on that -- they're on
24 the other list. They're not on the --

25 MR. SMOOT: Right.

1 MS. SILVERMAN: -- unfunded list.

2 ASSEMBLYMEMBER HAGMAN: So we're probably not
3 going to take much action as a Board until later on this
4 year.

5 MS. SILVERMAN: January.

6 ASSEMBLYMEMBER HAGMAN: December and January.

7 MS. SILVERMAN: 2014.

8 MR. SMOOT: That's fine. As long as it is a
9 consideration so that there isn't any delay. Thank you.

10 CHAIRPERSON DYER: Thank you. Before we adjourn,
11 I would like Senator Hancock and Senator Liu to have the
12 opportunity to vote on any items.

13 MS. JONES: The Minutes. Senator Hancock.

14 SENATOR HANCOCK: Aye.

15 MS. JONES: And Senator Liu.

16 SENATOR LIU: Aye.

17 MS. JONES: Thank you.

18 ASSEMBLYMEMBER BUCHANAN: And Assemblymember
19 Nazarian.

20 CHAIRPERSON DYER: Oh, and Nazarian. Sorry about
21 that.

22 MS. JONES: Oh. I'm sorry. Yes.

23 ASSEMBLYMEMBER NAZARIAN: Yes.

24 MS. JONES: Okay. Thank you. And then on the
25 Consent, the PIF which is Tab 8, the HPI regs which is

1 Tab 9. They were all approved together with the Consent
2 Calendar. How would you vote?

3 SENATOR HANCOCK: Aye.

4 MS. JONES: Thank you. Senator Liu.

5 SENATOR LIU: Aye.

6 MS. JONES: Thank you. And you were here,
7 Assemblymember Nazarian. Thank you.

8 And then the final one, I believe that, Senator
9 Liu, you were here, but, Senator Hancock, for the additional
10 grant for general site development, how would you vote?

11 SENATOR HANCOCK: Aye.

12 MS. JONES: Thank you.

13 CHAIRPERSON DYER: All right. Thank you very
14 much. And thank you and we are adjourned.

15 (Whereupon, at 4:40 p.m. the proceedings were
16 adjourned.)

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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 June 6, 2013.

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