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CALIFORNIA STATE ALLOCATION BOARD
PUBLIC MEETING

STATE CAPITOL
ROOM 447
SACRAMENTO, CALIFORNIA 95814

DATE: THURSDAY, OCTOBER 16, 2014
TIME: 2:05 P.M.

Reported By: Mary Clark Transcribing
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APPEARANCES

MEMBERS OF THE BOARD PRESENT:

ERAINA ORTEGA, Chief Deputy Director, Policy, Department of Finance, designated representative for Michael Cohen, Director, Department of Finance

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

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

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

ASSEMBLYMEMBER JOAN BUCHANAN

ASSEMBLYMEMBER CURT HAGMAN

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

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 ORTEGA: Good afternoon, everyone. I want to call to order the October 16th meeting of the State Allocation Board. If you could call the roll, please.

MS. JONES: Certainly. Senator Hancock. Senator Liu. Senator Fuller. Assemblymember Buchanan.

ASSEMBLYMEMBER BUCHANAN: Here.

MS. JONES: Assemblymember Hagman.

ASSEMBLYMEMBER HAGMAN: Here.

MS. JONES: Assemblymember Nazarian. Esteban Almanza.

MR. ALMANZA: Here.

MS. JONES: Kathleen Moore.

MS. MOORE: Here.

MS. JONES: Cesar Diaz.

MR. DIAZ: Here.

MS. JONES: Eraina Ortega.

CHAIRPERSON ORTEGA: Here.

MS. JONES: We have a quorum.

CHAIRPERSON ORTEGA: Thank you. So we will start with the adoption of the **Minutes** from our August 20th meeting. Any --

ASSEMBLYMEMBER BUCHANAN: So move.

MS. MOORE: Second.

1 CHAIRPERSON ORTEGA: Moved and seconded. Any
2 public comment? Seeing none, all in favor.

3 (Ayes)

4 CHAIRPERSON ORTEGA: The Minutes are adopted.
5 And, Lisa.

6 MS. SILVERMAN: So three items tonight and I'll
7 keep it quick. There was a sale that occurred with the
8 Treasurer's Office related to this bond program, and that
9 sale occurred on October 7th.

10 And this program actually did receive \$73 million
11 in bond proceed, but those bond proceeds actually covered
12 the projects that we apportioned back in August. So again,
13 just to clarify, that sale did cover those projects in
14 August.

15 And just to remind those folks that we have
16 allocated over \$100.2 million and those timelines to perfect
17 and come in with contracts and certifications need to come
18 in by November 18th.

19 And the fund releases related to the apportionment
20 activity are rather dismal at this point in time, but
21 we're -- I'm sure we're going to see a rush of projects
22 coming through the door, but at this point in time, we have
23 about \$23 million that's gone out the door out of the
24 original 100 million.

25 So again, we'll encourage and continue to outreach

1 to those folks to come in for those monies.

2 And to remind also, folks, that we have the
3 priority in funding round opening up in November, and if you
4 have an unfunded approval, you need to come in and provide
5 certification to us within that 38 window.

6 The last item I want to share is the regulations
7 came into effect for those other programs for priority in
8 funding and that applied to the career tech projects and the
9 charter school projects and overcrowded relief program
10 projects.

11 So if you have valid unfunded approvals on those
12 lists, as we mentioned earlier, again it's critical that you
13 do submit the certification for that current round that's
14 coming up. So we'll be reaching out to those folks, sending
15 email blasts to remind them of the certification
16 requirements coming up.

17 CHAIRPERSON ORTEGA: Okay.

18 MS. SILVERMAN: That's it.

19 CHAIRPERSON ORTEGA: And next we have the **Consent**
20 **Agenda.**

21 MS. SILVERMAN: Yeah. I do want to mention that
22 there's a few items that we wanted to acknowledge that Los
23 Angeles Unified, we had listed in the Consent Agenda, at
24 this point in time, we're going to withdraw it, and that's
25 on page 15 and 16. We're still working with the district

1 and hopefully get those issues resolved.

2 And then also as part of the emergency repair
3 approval that's submitted on page 54, although we're
4 bringing forward \$95 million for the Board on the Consent
5 Agenda, there is a few items that we wanted to recognize.

6 The district did submit -- Desert Sands -- that
7 they would like to have those projects removed from the list
8 at this point in time. So we won't award those projects.
9 They're currently on page 54 on Attachment A. It's about --
10 slightly over a million dollars.

11 So acknowledge that the remaining Emergency Repair
12 Program projects will move forward with approval, but the
13 district specifically had a request to remove projects from
14 the Consent Agenda.

15 CHAIRPERSON ORTEGA: Okay. And I'd like to
16 suggest that we move the items under Tabs 9, 10, and 11, so
17 the Charter School Facilities, New Construction Supplemental
18 Grant, the proposed regulations implementing Senate Bill
19 854, and the proposed amendments to the K-12 audit guide
20 also to the Consent Agenda. I'm happy to take comments --

21 ASSEMBLYMEMBER BUCHANAN: I just have -- yeah. I
22 just have a couple comments --

23 CHAIRPERSON ORTEGA: Sure.

24 ASSEMBLYMEMBER BUCHANAN: -- on Item 11.

25 CHAIRPERSON ORTEGA: Okay. On Item 11 then.

1 ASSEMBLYMEMBER BUCHANAN: Okay. Let me push this.
2 I am -- we've talked several times -- I know it's been sort
3 of a pet area of mine -- in terms of the performance audit
4 and potentially including a couple other items.

5 And my interest is in -- particularly in those
6 areas where over the years that I've served on the State
7 Allocation Board, I've seen numerous appeals come before the
8 Board.

9 And the two areas, one is labor compliance, and I
10 really do believe when a district is going through the
11 performance audit that that auditor ought to be able to
12 check a box or certify that the district is conforming with
13 the labor compliance requirements.

14 And I know now that labor compliance has been
15 streamlined dramatically. It could change several years
16 down the road, and it's tough when a district comes in then
17 five years later and we find they haven't followed all the
18 rules and we're trying to figure out how we can arrange
19 funds.

20 So that's one arear in particular. And the other
21 area where we've seen districts come in and have penalties
22 is when they check the box to say that they are under
23 contract and they're requesting release of funds and they
24 actually haven't signed a contract.

25 So we find out that we gave them the funds. It's

1 been, you know, 9 or 12 or I think one we saw 18 months
2 later when they actually had the contract for the funds and
3 so the penalty is that that lost interest to the State that
4 we would have had, we would have had the funds in our
5 account.

6 So I know there are some areas that we can't avoid
7 in terms of appeals when districts want to move where they
8 are on the list or things like that that require Board
9 action, but I would like them to at least consider looking
10 at a couple items like that that could help us keep
11 districts out of trouble down the road and an auditor could
12 bring those -- items like that to a district's attention
13 early on.

14 MR. DIAZ: So I'd also like to agree with those
15 comments of Assemblymember Buchanan, and also on Item 10 and
16 with the new regulations being set forth by Senate Bill 854,
17 it's also important to understand that the new requirements
18 now will actually apply to all public works projects.

19 It is regardless of the funding source. So I'm
20 looking at the chart -- the wonderful chart and information
21 that staff put together, but the chart on page 141, it talks
22 about the funding sources.

23 It's important to note that even if it's not
24 funded directly from any statewide proposition that school
25 districts have to use contractors that are from this

1 registry. If they don't, there could be severe penalties
2 not only on the contractor, but you may have to replace that
3 contractor with someone else that actually is eligible from
4 that registry and that might cost school districts more.

5 So I just wanted to kind of highlight that as a
6 note for school districts to monitor that because this
7 really starts next year.

8 ASSEMBLYMEMBER BUCHANAN: And school districts
9 have to do these Prop. 39 audits regardless of whether or
10 not there is a State program where they're participating in
11 the program.

12 So I just see this as one way of helping keep
13 districts out of trouble.

14 MR. DIAZ: Yes.

15 CHAIRPERSON ORTEGA: So, Lisa, let's see. You
16 have some ideas about how to make sure the information that
17 we put out on the labor compliance is very clear to folks,
18 that this doesn't change other responsibilities they might
19 have.

20 So I think from a staff perspective, we will work
21 on making sure that's clear --

22 MS. SILVERMAN: Right.

23 CHAIRPERSON ORTEGA: -- whatever we have on this.
24 And then regarding the audit, you can incorporate those
25 comments into the information we submit.

1 MS. SILVERMAN: Yeah. We can certainly share that
2 with the Controller's Office, yes.

3 ASSEMBLYMEMBER BUCHANAN: Thank you.

4 CHAIRPERSON ORTEGA: Great.

5 MR. DIAZ: Thank you.

6 CHAIRPERSON ORTEGA: Anything else from the
7 members on these items? Any public comment? Oh, sorry.

8 ASSEMBLYMEMBER HAGMAN: I was just going to move
9 it.

10 CHAIRPERSON ORTEGA: Any public comment on the
11 regular Consent Agenda as proposed and then Items 9, 10, and
12 11? Seeing none --

13 ASSEMBLYMEMBER HAGMAN: So move.

14 MR. DIAZ: Second.

15 CHAIRPERSON ORTEGA: We have a motion by
16 Mr. Hagman and a second by Mr. Diaz. And I also want to
17 make sure the record reflects that Mr. Nazarian is here.

18 So all in favor of approval of the Consent
19 Calendar.

20 (Ayes)

21 CHAIRPERSON ORTEGA: Any objection or abstention?
22 No. It's adopted. Thank you. Lisa.

23 MS. SILVERMAN: Yeah. We have the **fund release**
24 **update**. And on page 72, we just want to acknowledge that in
25 the month of September, we had \$28.9 million that was

1 released and that's the highlight of that report.

2 And if we move forward on the **status of funds**,
3 it's what we're tracking as far as our bond funds. On
4 page 76, primary activity has been -- obviously been shifted
5 to some of the rescissions and close-outs.

6 So in summation, we have \$2.9 million that has
7 returned back to the program in the areas of new
8 construction and both Proposition 1D and 55 and then also a
9 charter school that asked to rescind its projects. So
10 that's 2.9 million.

11 And then in the activity of actual **provide**
12 **unfunded approvals**, there were actually two career tech
13 education projects that did move forward and so \$4 million
14 and that actually results in no bond authority left in that
15 program. So career tech education has no more bond
16 authority and so that results in \$4 million of activity of
17 unfunded approvals this month.

18 And on page 77, just to reflect the **Emergency**
19 **Repair Program** activity. Although we highlight this
20 \$95 million that is going to be awarded to projects, we'll
21 modify that. Also we'll modify the Consent Agenda to
22 reflect about 94 million going out as opposed to 2- as a
23 result of the adjustments in Consent Agenda. And that's
24 what --

25 CHAIRPERSON ORTEGA: Okay. Any public comment on

1 any of that? Any questions or comments from the Board? No.
2 Okay. That was it for status of funds as well; right?

3 MS. SILVERMAN: That's -- we're done.

4 CHAIRPERSON ORTEGA: So we move to Tab 12 which is
5 the **Seismic Mitigation Program** report.

6 MR. LaPASK: Good afternoon. I'm Brian LaPask of
7 the Office of Public School Construction.

8 Back at the June 2014 Board, the Board asked us to
9 convene the Implementation Committee to discuss the fall-off
10 that we've been having. Projects have been proceeding
11 through steps 1 and 2 at DSA. That's getting their
12 eligibility and determination of rehabilitation or
13 replacement of their buildings, and then they haven't been
14 proceeding to step 3 in some cases.

15 So the idea of that conversation was to hear from
16 stakeholders as to why that's occurring. We had that
17 conversation. A number of things came up.

18 One of the most noteworthy was how the minimum
19 work is being determined.

20 As you know the seismic program can fund only the
21 minimum work to mitigate the seismic threats. And
22 currently, DSA does a review and OPSC does a review, and
23 DSA's role is to really ensure that the plans are -- that
24 they contain the minimum work and also that they bringing
25 the building up to code.

1 The OPSC then goes through and does a review to
2 ensure that it's just the minimum work that's being funded
3 in the program.

4 So there was some perceived redundancy there, in
5 that maybe that there's some duplication that needs reviews.
6 So there's a few things that we think going forward will
7 help with that.

8 First of all, in May of this year, DSA updated
9 their procedures for how they review those plans as when
10 they come in at step 2 to make the determination of
11 replacement or rehab, they're going to be required now to
12 submit two sets of plans if there's extra work.

13 The first set would contain only the minimum work.
14 The second set of plans would contain any of the extra work.
15 So to help separate that out and make it a little bit more
16 clear when it comes to us.

17 Another thing that we're kind of bouncing around
18 where we'd like to maybe try this out is a little bit more
19 outreach on the front end. With the school district's
20 design and facilities staff, they would meet with us and
21 possibly the DSA to discuss -- you know, kind of outline the
22 expectations for what they could be expecting when they come
23 into us for funding and that way, it would address the
24 concern that we've been having of districts coming in to DSA
25 expecting a certain amount, and then when we come in and we

1 look at the minimum work only, that amount might be reduced.

2 And so that would eliminate that issue. Again,
3 it's maybe not going to be a perfect solution, but it's
4 something that I think will help this immensely, and, you
5 know, try to give them more of an accurate representation of
6 what we can fund before they design those plans and get them
7 approved.

8 Some of the other things that came up were the
9 issue of reserving bond authority at the conceptual approval
10 stage, and this came up in the context of possibly sweep of
11 funds -- of seismic funds and kind of trying to set aside
12 those funds ahead of time and at a stage where the districts
13 come to the Board for conceptual approval and then carving
14 out. That gives them an assurance that the funds will be
15 there when they perfect their project and come in for
16 funding.

17 Another thing we discussed was prioritization of
18 seismic reviews at DSA. DSA's willing to entertain this on
19 case-by-case basis. They don't want to prioritize typical
20 projects because there is a responsibility to review the
21 projects that they receive in the order that they're
22 received, but they would on a case-by-case evaluate that.

23 And another thing was partial seismic upgrades and
24 this would mean instead of having to come in with a full
25 project where you do every single upgrade possible for

1 seismic and it might trigger some fire, life, safety, or
2 accessibility work, that's going to make the project bigger
3 than maybe they would like to at that time and it would
4 impact their budget, and this way, they can focus more on
5 the issues that -- select maybe the most critical areas and
6 focus on those.

7 There were some other topics as well that are
8 covered later in the item having to do with engineering
9 report costs and maybe providing those up front or perhaps
10 on the backend of more a reimbursement for what is exactly
11 spent on these.

12 The structural engineering report's a little bit
13 more complicated than the standard project, and they do
14 cost -- we've been hearing, you know, a lot more than
15 possibly what the program is providing currently.

16 We currently provide a percentage increase to the
17 construction grant amount on the backend, but the
18 stakeholders are asking for maybe that to be provided up
19 front or as a function of the actual cost of the reports.

20 So that's our summary of what happened at the
21 Implementation Committee and I can answer any questions that
22 you have.

23 CHAIRPERSON ORTEGA: Okay. Any members -- any
24 questions, comments?

25 MS. MOORE: I have some questions and comment.

1 CHAIRPERSON ORTEGA: Go ahead.

2 MS. MOORE: Well, first would be (indiscernible)
3 role. Having been here awhile, it seems the tradition that
4 the Assistant Executive Officer of the State Allocation
5 Board who operates the Implementation Committee has
6 oftentimes provided the report.

7 So I'm very interested in what Bill Savidge has to
8 say concerning what occurred at the meeting. Obviously, a
9 good reporting -- a good write-up by staff, but it has been
10 tradition that the Assistant Executive Officer has provided
11 that report directly from what the stakeholders have
12 indicated.

13 And the secondarily, I am curious about some of
14 the -- further delving into some of the recommendations.
15 And I know this is not an action item. This is an
16 information item. So what are our steps for following up on
17 some of these recommendations.

18 And also there's been a legal opinion on a number
19 of them and I'm curious about if there's any room within
20 those because there seems to be a number of really good
21 suggestions.

22 And then my final comment is on the work. And
23 when -- as I understood the minimum work determination --
24 certainly understand the State's role in capping costs, but
25 we ask districts to deal with things holistically and I'm

1 really wondering how -- I mean are we in argument about a
2 holistic approach to a project -- a seismic project that
3 should be done as opposed to, you know, this little piece
4 over here is going to be on the district, this little piece
5 over here is on the State, this piece over here is
6 additional.

7 To me, that is not a holistic approach to a very
8 complicated project.

9 And so -- and then asking districts to have a
10 separate project for the seismic and another set of plans
11 for the non-seismic or another differentiation seems to be
12 additional work.

13 So I'm curious about developing that piece a
14 little bit more in the hopes that we really do approach
15 seismic projects that are ostensibly a major safety concern
16 of the State and ensure that they are getting done in
17 accordance with plans that are before the DSA.

18 CHAIRPERSON ORTEGA: So I think regarding the
19 procedural question, Bill, I'll give you a chance in a
20 minute to add anything you'd like to add.

21 Regarding the -- kind of the summary that Brian
22 has provided and those items, I think what we should do is
23 ask staff to bring back a discussion of those items for I
24 would think January is probably the better time frame than
25 December, just to give them some time to actually work

1 through them.

2 And then the report can have some of this analysis
3 about legal opinions and also maybe a little bit of what may
4 have been considered before and not before, et cetera.

5 So --

6 MS. MOORE: Good.

7 CHAIRPERSON ORTEGA: Bring back the options like
8 we've seen in some of the other issues that we've raised.

9 And then on your final point about a holistic
10 consideration of the project, I think that is a good context
11 for which the staff can bring back the options.

12 So if we're talking about looking at the minimum
13 work versus the balance of the work, you know, what -- how
14 much difference does it make in actually doing that
15 division. Is it a worthwhile attempt to make the program
16 more efficient, streamlined, et cetera.

17 So I think that that's exactly the context in
18 which some of those options need to be brought back to us.
19 Does it work or are we just parsing the program out in a way
20 that doesn't really make any sense just to try to pick at
21 pieces that people have concerns with. So --

22 MS. MOORE: Okay.

23 CHAIRPERSON ORTEGA: -- I think those helpful
24 suggestions. Bill, before we have some more questions, let
25 me just see -- Bill, is there anything you want to add

1 either different from what Brian provided us or in addition
2 to?

3 MR. SAVIDGE: No. I think the staff did a good
4 job of presenting what we talked about. I would probably
5 have a little bit different focus in some areas, but I think
6 focus -- having the minimum work requires discussion and
7 having some follow-up on that item so that we can -- we
8 don't want to have the situation we're having now where one
9 State agency says this much and another State agency says,
10 you know, that much.

11 And it's confusing for districts and it creates a
12 project scenario that makes it more difficult and districts
13 have no idea what they're going to get when they go through
14 the process.

15 So I think that's the probably the most important
16 area that we need to focus on.

17 There was one specific item that Brian didn't
18 mention actually that's in the report and which is are there
19 ways that we could accelerate cash for these projects and so
20 exempt the projects from the priority in funding process.

21 If there was cash available at the State and you
22 had a seismic project, you already go to the top of the
23 list, but in this case, if OPSC had residual cash amounts,
24 go ahead and fund those projects immediately. It could save
25 six or nine months.

1 So that was one other one. I think the entire
2 focus that we've heard from stakeholders was we need to make
3 the program easier to navigate and we need to make sure that
4 we're really reflecting what it takes for a school district
5 to do these kinds of projects.

6 And it's not that you want to do a lot of
7 modernization while you do these necessarily, although it's
8 not a bad idea to do as Ms. Moore said a holistic project
9 where you do seismic upgrade and everything together.

10 But you're forced into situations by the extent of
11 seismic work on many of these projects where you get into an
12 area where it sometimes hard for the agency to see that this
13 really is minimum work that's required.

14 So I think good discussion and I hope we can carry
15 through on some of the items that were requested. Thank
16 you.

17 CHAIRPERSON ORTEGA: Mr. Hagman. Sorry, Joan.

18 ASSEMBLYMEMBER BUCHANAN: It's okay.

19 ASSEMBLYMEMBER HAGMAN: Thanks. And this is I
20 think the quintessential problem with government, and what
21 we're talking about right now is we're such a diverse state
22 and we have so much to it that we always try to put things
23 in boxes. The more boxes we build to top each other, the
24 more money and time it takes to go through to actually do
25 something.

1 Obviously, I won't be here when this comes back
2 for report in January, but I would like to see -- you have a
3 great staff. You have a review Board to review things.
4 Give the flexibility to the staff to make commonsense -- you
5 can't put a format up there. It's 50 percent, 20 percent
6 seismic, 80 percent retrofit. You know, we're doing this
7 new building.

8 You can't put everything in boxes or formulas so
9 well that this handcuffs everybody and that's what makes
10 things confusing. So give authority to the staff to say
11 this makes sense, bring it to the Board so it's open,
12 transparent, and let the Board say, yes, let's do this and
13 move on. There are still some boxes and hopefully, you
14 could streamline the process going that way by letting your
15 people in the business with the expertise behind it do what
16 they should do and have that authority to do it.

17 CHAIRPERSON ORTEGA: Thank you. Assemblymember
18 Buchanan.

19 ASSEMBLYMEMBER BUCHANAN: I wasn't a member of the
20 Assembly and the last bond when we created the seismic
21 program, but clearly if it were intended to be modernization
22 or new construction, it would have been part of that
23 program.

24 I mean it was intended to be a -- its own program
25 and there -- based on the work that we did on the Seismic

1 Committee for what, close to a year, and then follow-up
2 going over program review, there was concern initially that
3 because the dollars in the seismic program were limited that
4 we wanted to be sure we targeted the most at-risk schools.

5 And -- so as a result, we set standards very high
6 and we went the first six years with only two projects --
7 relatively small projects being funded. And Mr. Savidge and
8 I are very familiar with that because one was in my school
9 district and one was in his and that was even after we had
10 to adjust the shaking standards.

11 So going six years without spending virtually any
12 money, the question was asked how are we going to start
13 addressing these needs and we spent time studying and that's
14 how we changed the requirements to basically get -- move
15 away from the rigid shaking requirements to be able to say
16 if the seismic risk creates a situation where the schools
17 are not safe to be inhabited, then they will qualify for
18 seismic funding.

19 And when we went through the program, we really
20 didn't talk about whether seismic should be used for
21 modernization or new construction, but the idea is that you
22 want to eliminate the structural risks to the schools.

23 Whether you can go in with a fix to an existing
24 school or whether you need to tear down and build new
25 classrooms, but the idea was to mitigate the structural risk

1 to a school.

2 And when I look at where we are now, I understand
3 the holistic approach, but I do think this Board --
4 ultimately, it's going to have to grapple with is are these
5 funds there to deal with the seismic risk to a school or are
6 they there now to replace modernization or new construction
7 funding that we're out of.

8 Because the -- if I were -- if you do want to take
9 the holistic approach and I were a facilities manager for a
10 school district, I might want to find some kind of seismic
11 tie-in because there's no modernization money and now I can
12 get modernization money.

13 So -- and then we started getting into our
14 discussion when we met, you know, to go over the agenda and
15 we talked about the three steps. Yes, there are three
16 steps, but when you start asking the deeper questions and
17 you find out that step 1 takes about two weeks. Step 2
18 is -- now it's taking about six weeks with DSA. It's not --
19 and you take a look at how long it takes to get a normal
20 modernization or new construction project through DSA, I
21 mean there are more steps, but we all know that there are
22 other projects that take time as well.

23 So with that as the background, I do appreciate
24 the work you've done with DSA because I think anything we
25 can do to expedite any project makes sense. And while maybe

1 you can't expedite all of them, certainly there are projects
2 that we believe pose a real threat to the students in the
3 classroom. I would expect the DSA would be able to expedite
4 those projects.

5 So my interest when I look at your report, I mean
6 I guess come down to three areas. One is in terms of
7 streamlining and anything we can do with DSA and still
8 ensuring the same rigorous review makes sense.

9 Two is, you know, we talked about your being able
10 to assemble a team to work with the district earlier, and I
11 think that's critically important because we want to try and
12 identify what that scope of work is and what's covered
13 through the seismic program and what's covered through other
14 programs.

15 And the last area where I have interest is in
16 allowing districts to go in and fix structural -- you know,
17 the structural -- make structural fixes to a building to
18 ensure the integrity without having to touch the whole
19 campus.

20 I mean I think, you know, it's -- and that's not
21 because I don't believe that we should meet all the ADA
22 requirements and everything else. But kids need to be in
23 classrooms that are safe.

24 And so for those -- if we're not able to go in and
25 do a whole modernization, it doesn't make sense to me to

1 leave a certain building seismically unsafe because we can't
2 do it all.

3 And so short of turning this in, holistic is
4 better, but we're in a whole new world when it comes to
5 construction funding. Not having a bond on the ballot,
6 forcing districts to reassess their resources.

7 I mean if I were on a school board right now, I
8 probably would be saying, okay, if we don't matching funds,
9 which projects will I do, which am I not going to do. I
10 don't want that to be an impediment to making a building
11 structurally safe.

12 So those are the three areas where I would like to
13 see particular focus and the, you know, to the extent you
14 bring this back to the State Allocation Board later and
15 address the others, I think that's fine. But those three
16 areas are what stand out to me in terms of areas where we
17 could potentially move forward and make a difference for
18 districts.

19 ASSEMBLYMEMBER HAGMAN: Move the report.

20 CHAIRPERSON ORTEGA: I think this is not an action
21 item; right? We're just going to acknowledge the report. I
22 am going to ask if there is any public comment now on this
23 item. I don't see any, so we'll move onto -- thank you,
24 everyone, for your comments and we'll talking about this
25 again in January. Lisa.

1 MS. SILVERMAN: We have the workload.

2 CHAIRPERSON ORTEGA: Yeah.

3 MS. SILVERMAN: Any comments on the workload
4 report? Seeing none.

5 CHAIRPERSON ORTEGA: The information items.

6 MS. SILVERMAN: Yes. Just the list that we have
7 on the back of the report and --

8 CHAIRPERSON ORTEGA: Okay. Is there any other
9 general public comments? Okay.

10 Before we adjourn, we wanted to take a few minutes
11 to thank and acknowledge a couple of our members who will
12 not be with us at our next meeting.

13 ASSEMBLYMEMBER HAGMAN: Kicked out.

14 CHAIRPERSON ORTEGA: And also a staff member. So
15 I'm going to start with Assemblymember Buchanan and read the
16 impressive statistics that the staff provided to me.

17 So Assemblymember Buchanan has been a member of
18 the Board since July of 2010. So I think she deserves some
19 gratitude for that commitment -- and has been the Vice Chair
20 since January 2013 and has assisted in apportioning over
21 \$6.6 billion in school facilities projects. So I think
22 that's pretty great.

23 And I think not only your knowledge and attention
24 but the amount of time that you've spent on the real details
25 of understanding how the program works I think is really to

1 be commended.

2 ASSEMBLYMEMBER BUCHANAN: Thank you.

3 CHAIRPERSON ORTEGA: And also this is something
4 for both of you and I will say it for Assemblymember Hagman
5 too is the collaboration with which you folks have worked
6 especially the two of you on this Committee. I think it's
7 really impressive in terms of bipartisanship and trying to
8 get at the right answer are good policy, and I think that's
9 been great.

10 So we have a Resolution for Assemblymember
11 Buchanan.

12 MS. SILVERMAN: Yes.

13 ASSEMBLYMEMBER BUCHANAN: Thank you.

14 CHAIRPERSON ORTEGA: Hand that to you. Thank you
15 very much. Let everybody get your --

16 (Applause)

17 CHAIRPERSON ORTEGA: And Assemblymember Hagman,
18 who has served as a member of the Board from January 2011 to
19 the present and assisted in apportioning 3.6 billion in
20 projects.

21 ASSEMBLYMEMBER HAGMAN: That'd be about six
22 months, seven months.

23 CHAIRPERSON ORTEGA: And -- yeah, again, as I
24 mentioned working so well with other members of the Board.
25 I really appreciate that and also just again to point out

1 your participation in the Program Review Subcommittee and I
2 think all folks who participated in that know well the
3 amount of time and detail -- effort it takes and took.

4 So, Mr. Hagman, thank you so much.

5 ASSEMBLYMEMBER HAGMAN: Thank you. Thank you.

6 CHAIRPERSON ORTEGA: And we wish you both well and
7 we have a --

8 (Applause)

9 CHAIRPERSON ORTEGA: Thank you so much, and then
10 Lisa is going to do our staff presentation.

11 MS. SILVERMAN: Yes, Mr. Juan Mireles, do you want
12 to stand up. And just to acknowledge, if you don't know,
13 Juan Mireles did accept a job at another entity and so --

14 CHAIRPERSON ORTEGA: The Department of Finance.

15 MS. SILVERMAN: The Department of Finance, yes. I
16 know they -- so I appreciate Juan and his noble commitment
17 to this Board and to this organization and Juan's been --
18 we've been blessed and fortunate to have him in our
19 organization for over 16 years and he, to some extent, has
20 been the crux of knowledge and I'm sure you'll serve the
21 Department of Finance very well and we're going to miss you.
22 Congratulations.

23 (Applause)

24 CHAIRPERSON ORTEGA: Okay. Thank you so much.

25 Any other comments? Anything to come before the Board

1 today? I don't see any public comments. So with that,
2 we'll be adjourned.

3 (Whereupon, at 2:38 p.m. the proceedings were
4 adjourned.)

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