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CALIFORNIA STATE ALLOCATION BOARD
SCHOOL FACILITY PROGRAM REVIEW SUBCOMMITTEE
PUBLIC MEETING

DEPARTMENT OF FINANCE
915 L STREET
CEDAR ROOM
SACRAMENTO, CALIFORNIA 95814

DATE: TUESDAY, MAY 21, 2013

TIME: 9:08 A.M.

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APPEARANCES

MEMBERS OF THE SUBCOMMITTEE PRESENT:

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

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

ASSEMBLYMEMBER JOAN BUCHANAN

ASSEMBLYMEMBER CURT HAGMAN

REPRESENTATIVES OF THE STATE ALLOCATION BOARD PRESENT:

LISA SILVERMAN, Executive Officer
BILL SAVIDGE, Assistant Executive Officer

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

LISA SILVERMAN, Executive Officer
JUAN MIRELES, Deputy Executive Officer

P R O C E E D I N G S

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3 CHAIRPERSON BUCHANAN: Call the meeting to order
4 and the first item on the agenda finally is the Project
5 Information Worksheet.

6 MS. SILVERMAN: Mr. O'Dell.

7 MR. O'DELL: Bryan O'Dell here discussing the
8 Project Information Worksheet. Just as a quick background,
9 the Project Information Worksheet is currently required for
10 new construction projects.

11 Any project that is -- the funding is based on per
12 pupil grant or new construction is what's required for the
13 Project Information Worksheet and also modernization
14 projects if they have the high performance grant and
15 incentive.

16 The purpose of the PIW was to analyze the pupil
17 grant eligibility, the relationship between that and the bid
18 climate, also to further bond accountability, and to
19 evaluate the high performance incentive grant.

20 At the January 2012 Board meeting, OPSC was
21 directed to have a discussion at the Implementation
22 Committee to talk about the worksheet, specifically to talk
23 about ways to streamline the entire process, the worksheet
24 itself, and also to look at expanding it to other programs
25 beyond just new construction based programs.

1 At the -- so we talked about it from July to
2 November, about how to expand the -- expand it to other
3 programs and when we looked at it -- well, I'm sorry. Let
4 me back up.

5 As far as streamlining it, what we looked at was
6 it's filled out online. So what can OPSC auto fill and auto
7 populate and auto zone. So we went through line by line,
8 talked to the programmers, and figured out what could be
9 done. So that's already implemented which we were told that
10 it does cut down the time to fill it out.

11 We also looked that -- there's currently required
12 at three stages of the construction process which is when
13 the district receives funds, where the funds are released
14 with the Form 50-05. Then a year later when the first
15 expenditure report comes due, they update the PIW, and then
16 finally when the project is a hundred percent complete as
17 indicated on the expenditure review.

18 So we looked at could one of those be eliminated
19 and we looked at the pros and cons of that and because all
20 of those reporting requirements -- those stages -- are built
21 into the regulations, that would require reg change and thus
22 a Board action.

23 So that would be part of if it went back to the
24 Board, something that would have to be looked at. But we
25 just looked at the pros and cons.

1 And as far as expanding it to the Modernization
2 Program, most of the worksheet would work. There's four or
3 five pages -- three or four pages. One is for HPI -- would
4 work for modernization, but the key page that really
5 wouldn't work is where you capture the actual project scope.

6 Currently, new construction just asks what kind of
7 building, what kind of building type, is it permanent,
8 modular, or portable, and then asks what's the square
9 footage. Because if you're building it to Field Act
10 compliant, it's pretty much like for like depending on
11 square footage.

12 It also asks for things about playgrounds, some of
13 the other infrastructure that were built into the new
14 school.

15 But because of the way the modernization projects
16 work, that really wouldn't be applicable. We know hearing
17 from stakeholders that modernization projects vary.
18 Districts will completely tear down a classroom and rebuild
19 it. That would be eligible for modernization project, or
20 they could go through a school and replace 80 percent of the
21 roofs and HVACs for all of the buildings.

22 So if the district reported 80 percent of the
23 classrooms had modernization work, that wouldn't be a true
24 representation of, so people might assume that 80 percent of
25 the school is then modernized, which is inaccurate.

1 So what we tried to do was say what would
2 represent a good snapshot or a picture of what that
3 modernization project actually did.

4 So if we look at page 3, this was our first
5 attempt. It was later revised as you'll see. But this was
6 our first attempt and again we were trying to say what would
7 give a real in-depth snapshot of what that project did.

8 So we looked at types of facilities, number of
9 buildings. We wanted to know for each room -- or for each
10 building what work was done. And in the middle there with
11 some of the yellow columns, that was an attempt to capture
12 if the building was replaced, tell us what you were doing
13 and what the motive for that. Was it to improve the layout
14 of the school or the building was just so old, it didn't
15 make sense to even touch it. Just go ahead and tear it down
16 and build a new one.

17 We received a lot of concerns about the amount of
18 time it would take to fill this out and the accuracy of it
19 because not everyone at the district would immediately have
20 all of the answers. So it would be a lot of research in
21 order to be really accurate and in depth.

22 So based on those concerns, we revised it and
23 page 4 reflects that. It's much more streamlined and rather
24 than trying to capture individual building work, we focused
25 it more on scope.

1 For example, if roofing or site infrastructure was
2 done, just the hard costs -- not all the soft costs, but
3 just the hard costs, how much was spent for that type of
4 work. And this would be captured -- it says first submittal
5 and second submittal. That's assuming that the number of
6 submittals was going to be reduced from three to two. So
7 that could be revised if the number of submittals wasn't
8 going to be reduced.

9 And then finally at the bottom right, it captures
10 total square foot modernized, all facilities. So that's
11 where we potentially would be able to compare the type of
12 work and the hard costs with the actual square foot that was
13 modernized. Not to say that certain -- 50,000 square foot
14 was modernized, that it was completely modernized, but just
15 kind of give a scope or a relative from one project to the
16 next to see, other than just dollar amount, how much was
17 being done and how far along districts are in their
18 modernization projects.

19 And then at the bottom right, total modernization
20 cost per square foot, that would just be simple division of
21 dividing the total hard costs -- no, I'm sorry -- the total
22 cost of the project, including the soft costs, by whatever
23 square footage amounts were entered in the above box.

24 So that's where we were at with the discussion at
25 the Implementation Committee and then the Board directed

1 that this discussion be moved then to the Subcommittee.

2 So if you have any questions -- thank you.

3 CHAIRPERSON BUCHANAN: Bill, do you have any
4 comments at all?

5 MR. SAVIDGE: Yes. Thank you. I do. You know,
6 I've been involved with Bryan and OPSC and all the people in
7 this -- many of the people in this room discussing the PIW
8 for a couple years and I was actually involved in some of
9 the early work on it.

10 As I think most people know, I'm a strong advocate
11 of data collection for the State and I think it's extremely
12 important that we have good data to inform public policy.

13 The PIW is a useful tool. I've used it. It's
14 available on the accountability website. Every single PIW
15 that has been submitted to OPSC provides us with the only
16 total project cost information that we have in the State.

17 Because of the way that districts report using the
18 required 50-06 expenditure report, they often only report
19 costs officially to the State that reflect their matching
20 share. So if they received \$10 million from the State, they
21 report \$10 million on there to show that they've met their
22 match; whereas the actual project cost may be significantly
23 different than that.

24 And the PIW is the only information that provides
25 the actual total project cost that it takes to build a

1 school in California. And so it's extremely important for
2 that reason.

3 It also provides good information about the scope
4 of the project in terms of the types of facilities built,
5 the number of classrooms, et cetera.

6 But that said, there are a number of issues with
7 the current PIW that need -- for new construction, that need
8 to be addressed in order to make it more effective for the
9 State and to simplify the process of filling out the form
10 for districts, including the bid climate section is, to be
11 honest, it's not very usable in terms of the data that is
12 collected and the ability to isolate data that might be
13 useful in understanding what the bid climate is.

14 We really -- it's just hard to get at and the
15 questions are not very helpful getting there. The high
16 performance section also needs a lot of work. We're asking
17 questions that frankly there are no answers for and it's not
18 really -- it's not good data.

19 It doesn't give us data that's useful or helpful
20 in understanding whether we're meeting our high performance
21 goals. I do support -- strongly support expanding the PIW
22 to include modernization so we begin to have that total
23 project cost for modernization, so we know what we've done
24 as a State, but it should be done really carefully to avoid
25 some of the issues that we have in the new construction

1 side.

2 The modernization project information is critical,
3 but we need to keep the level of detail fairly high so
4 districts can fill it out.

5 A lot of what goes on at districts is this is not
6 necessarily filled out by the project manager or the
7 facilities person always. Often it's a clerk or someone in
8 accounting who might be filling it out. So we need to kind
9 of respect the level of simplicity.

10 ASSEMBLYMEMBER HAGMAN: If I may interrupt there.
11 Why not? I mean any -- I've been to enough of these schools
12 to know when they get a lot of money, they're actually
13 bidding it out, they're trying to get their supplies. They
14 have someone who is very competent either overseeing it or
15 they go to an outside agency who does that.

16 Someone is doing a heck of a lot more detail than
17 any of the stuff we're asking for. I mean if it gets passed
18 down to the clerk to fill out the form, then that's probably
19 a problem. That should be part of -- if I'm on the school
20 board, I'm going to want to have that information too to
21 make sure that things are -- there's different levels of
22 oversight and we do have a function to be oversight and to
23 make sure that we're accountable to the taxpayers who are
24 scoping the money for this, who's paying the bill.

25 So I'm just wondering why would a clerk do this if

1 they didn't -- if they don't respect it, yes. But if they
2 think it's part of the system that you have to do just like
3 all the rest of your bids, just like going to the right
4 vendors for my project, my right architect -- you're not
5 going to sit there and just --

6 MR. SAVIDGE: Good point. No. I --

7 ASSEMBLYMEMBER HAGMAN: I just don't -- I don't
8 understand the -- because I've heard this a lot from school
9 districts too.

10 MR. SAVIDGE: It's just -- it's part of what
11 happens in school districts. So maybe if there's any
12 districts here, they can kind of share that with you, but I
13 agree. I think it would be best for us to have the person
14 with the greatest knowledge of the project filling out the
15 form so that we have the best information. Totally agree.

16 I -- just to finish up. I do think that we should
17 not adopt the modernization PIW at this time prior to a new
18 bond. It would probably be best to implement this as part
19 of a new bond package. It would be difficult for us to go
20 to districts I think at this time and say, gee, we're out of
21 money, but here, fill out another three-page form for us.
22 And so I think -- that's what I would support.

23 And I would recommend that we continue to work
24 with stakeholders at the Imp Committee to just finish
25 refining the form that we have. I've looked at all of the

1 other PIW-type forms that are used throughout the United
2 States. This is by far the most complicated one. We have
3 one of the most complicated programs and the biggest program
4 in the nation also. So most of the forms are one to two
5 pages, but again I strongly support it and I think it would
6 be important for us to wait till we have a new bond to make
7 that a part of our new requirements for modernization.
8 Thank you.

9 CHAIRPERSON BUCHANAN: I think instead of taking
10 comments after, I'd like to take -- if there are any public
11 comments now and then we can ask our questions based on the
12 information you've provided as well as public comments. So
13 if you'd like to come up and -- anyone who has any comments
14 to make and then we can delve into the conversation a little
15 bit more.

16 MR. PREGMON: Good morning. I'm Ron Pregmon
17 representing WLC Architects and district clients. There
18 isn't a district other than maybe a big district that fills
19 out this form. They just don't have the information or have
20 access to it and know enough about the bid and how the bid
21 is put together. I hate to break your bubble.

22 ASSEMBLYMEMBER HAGMAN: So who is --

23 MR. PREGMON: The architect or the construction
24 manager are generally the people that fill these out.

25 ASSEMBLYMEMBER HAGMAN: So they can't direct you

1 to do that? If I'm the school board and I'm hiring you to
2 do the project --

3 MR. PREGMON: Absolutely.

4 ASSEMBLYMEMBER HAGMAN: Then why don't you -- why
5 don't I have them do that.

6 MR. PREGMON: Absolutely. Did you fund it?

7 ASSEMBLYMEMBER HAGMAN: Yes. With a bigger check,
8 we did.

9 MR. PREGMON: I don't remember that. I missed
10 that part and I've been following this program since 1990.

11 ASSEMBLYMEMBER HAGMAN: Well, part of the -- I'm
12 not trying to play devil's advocate here, but one of my jobs
13 as the representative for my district is to make sure that
14 we spend taxpayer dollars in an efficient manner, and I have
15 to report out to go out and do this.

16 And all of you in this room who say put a new bond
17 in 2014 because we're out of money, if I can't go sell it,
18 then we all have a problem. So if we can't say we have
19 these projects, we're efficient, we're doing good, what's
20 going to be thrown back at me is, you know, the worst
21 extreme case of a 350- or \$700 million high school or
22 something like that, you didn't spend our money wisely, so
23 why are you coming after more money.

24 So this is beneficial for all -- everybody, even
25 though it's a little more work. If I'm the school board, I

1 might say my architect, my project engineering, somebody
2 fill this out for me. And you're going to tell me out of
3 the millions of dollars we give, you want to get paid extra
4 to fill out a three-page form online?

5 MR. PREGMON: Telling you it takes time. And
6 perhaps I should start out a little bit differently. I
7 agree with Bill and his total assessment. Everything that
8 he said about big climate, HP, and the Modernization
9 Program.

10 However, you are not going to be able to
11 capture -- and I agree with you, sir. We should know where
12 every dollar is being spent, on what type of projects, what
13 type of materials because it will help us.

14 It'll do you -- other than the final PIW, any
15 interim ones do you no good. They don't help with the bid
16 climate like Bill said because they either lead or lag.
17 It's like predicting to buy a house. When is the market the
18 lowest and when you want to sell it, it's the highest. You
19 never know.

20 CHAIRPERSON BUCHANAN: So you agree we need data.

21 MR. PREGMON: Absolutely.

22 CHAIRPERSON BUCHANAN: You don't think the interim
23 report is necessary.

24 MR. PREGMON: Absolutely. And that's my point.
25 Because there's scope changes. There are changes to

1 materials. There is value on engineering that takes place
2 where they take things out of a project.

3 So you're reporting these things in the interim
4 and they don't end up in the actual cost of the project.
5 But I agree with you wholeheartedly. I don't think that
6 there's anybody sitting in this room or any taxpayer out
7 there that wouldn't want to make sure we're getting the most
8 bang for our buck and that we're spending the money wisely
9 and how we're doing it.

10 ASSEMBLYMEMBER HAGMAN: I'm sure Joan has a lot
11 more experience at building school buildings. I mean I
12 built a couple city halls, you know, things like that for my
13 city, but we had the architect come in or designer and say
14 this is your budget.

15 MR. PREGMON: Absolutely.

16 ASSEMBLYMEMBER HAGMAN: We had to pick some
17 things, tweak around. We start off with a budget. It never
18 ended up that way because like you said, there's change
19 orders when it's done. But at least, you know, we can point
20 out how much it costs per square foot and what material --
21 you know, all that stuff's there.

22 MR. PREGMON: Absolutely.

23 ASSEMBLYMEMBER HAGMAN: And the architect and the
24 design consultant, they're making pretty good dollars. They
25 should be able to fill out some kind of information that we

1 could capture, that we could go back and say it cost us X
2 amount of dollars per square foot for a room or for
3 modernization, how much it cost me for a new roof, what time
4 period they have. I mean this is important stuff and I
5 don't know what's the best way, whether or not this is the
6 perfect form or not, but that data I think is very important
7 for all of us.

8 MR. PREGMON: I agree with everything you said.

9 CHAIRPERSON BUCHANAN: So --

10 MR. PREGMON: My point would be do one at the end
11 when it's -- when the project is finished. You have
12 accurate costs, accurate data. I'll help you with bond
13 accountability and how the money was spent. It'll capture
14 everything that Bill says about additional funds beyond what
15 the reporting requirements are, but to do an interim, trust
16 me, it's a waste of time.

17 CHAIRPERSON BUCHANAN: So are there any other
18 comments from anybody before we get into more discussion?

19 MS. MOORE: I have just a question though, Ron, if
20 you've been doing these over time. Have the auto-populating
21 pieces improved the process at all?

22 MR. PREGMON: Absolutely. Absolutely. It's
23 helped and maybe Lyle -- because I think LA -- doesn't LA do
24 some of their own -- or most of them.

25 MS. MOORE: And can you -- are there areas that

1 could benefit by that type of auto populating as well? I
2 mean have not captured all of that.

3 MR. PREGMON: No. I think they've done a real
4 good job on that. But when you get down to the amount of
5 plastics or coverings on the windows and stuff like that, I
6 don't think Joe Q. Public cares --

7 MS. MOORE: Are we into that level of detail?

8 MR. PREGMON: Some of that stuff is in there,
9 yeah.

10 MS. MOORE: Because we don't have the actual --

11 MR. PREGMON: Some of that stuff is in there. It
12 gets really -- drills down into the details.

13 MS. SILVERMAN: Well, right now our discussion's
14 about modernization. And I know right now there's been a
15 lot of focus on, you know, refining the new construction,
16 but I think the focus of this discussion's explicitly about
17 modernization.

18 CHAIRPERSON BUCHANAN: Little bit of both, but
19 yeah, right. So maybe we can hear from --

20 MR. PREGMON: Thank you.

21 CHAIRPERSON BUCHANAN: -- Lyle on -- his comments.

22 MR. SMOOT: Good morning. First of all, I'd like
23 to say that it's extremely difficult to hear back there. I
24 don't know if the microphones just aren't working or what,
25 but --

1 MS. MOORE: These aren't microphones --

2 MR. SAVIDGE: These are recording microphones.

3 MR. SMOOT: Oh. Well, hello. So I'll try to talk
4 louder.

5 I just want to say that one of the problems with
6 the form all along has been that the school districts don't
7 buy into it and the reason they don't buy into it is because
8 it has never served the purposes for which it was supposedly
9 established. In other words, bond accountability has never
10 really been shown as a result of the information. Bidding
11 climate, of course, as Bill said just didn't work and other
12 situations.

13 So I agree with Bill and I agree with Ron. The
14 information is a great thing and information flow from
15 school districts to the State is absolutely essential for
16 good bond accountability and good planning, et cetera.

17 The form has just never accomplished those goals
18 and I think that's one of the problems that you've had in
19 trying to get -- Assemblymember Hagman said, you know, the
20 form should be filled out by someone that knows the project,
21 knows what they're doing, blah, blah, blah. It never is.
22 It's filled out by, you know, kind of the end of the line.

23 The last person in line kind of fills it out
24 because nobody else sees the essentialness of it. And so
25 that's a problem.

1 You look at this form, the one that's proposed for
2 the Modernization Program and again it has information that
3 is going to be really difficult to provide because it's hard
4 to understand exactly what is being asked. Okay?

5 And when you're doing a Modernization Program --
6 let's just say that what you did was replace the HVAC
7 system. Okay? In the whole school or maybe two-thirds of
8 the school. Then you look down here and you say total
9 square feet modernized. Well, did you modernize the school
10 by replacing the HVAC system and the answer's no, you
11 didn't.

12 So -- and then you look at the rest of it and try
13 to figure out, okay, what does it mean. How do you fill it
14 out in a manner that has importance and validity and it's
15 just impossible to do and that's why, you know, there's so
16 much push-back on this form.

17 If you can show how it's being used, in other
18 words, is it being used for bond accountability, did it
19 actually work in that purpose, did you show a report that
20 came to the State Allocation Board that accomplished that
21 goal, if the answer's yes, I'll tell you every school
22 district in the State will jump right onboard because
23 everybody wants bond accountability.

24 And again, Assemblymember Hagman, when you're
25 talking to a board, this is not the form you're going to be

1 using. You're not going to take this form to any board that
2 I'm familiar with anyway and say this is the information
3 that you're going to use to understand what we've done. A
4 board wants either a lot more or a lot less.

5 ASSEMBLYMEMBER HAGMAN: Less than this. I think I
6 would like to have -- if I'm going to sit on a board, I
7 would at least like to -- a starting out bid. We're going
8 to do this to the school; it's going to cost, you know,
9 25,000 for this HVAC system. And then at the end of the job
10 when you report out that it's done and say, well, it really
11 only cost us 22,000, that's a good thing.

12 I mean I'm looking at these categories, building
13 replacement -- replacing building, hazardous material
14 abatement. I mean these are broad categories and the
15 beginning bid and the end bid, you know, is pretty good, but
16 if you just say I spent -- this building replacement
17 \$10 million and we don't have the number of buildings or the
18 square foot of buildings, how do you ever calculate that out
19 to have some kind of cost per square foot.

20 MR. SMOOT: Oh, you -- the board's going to want a
21 lot more information than this.

22 ASSEMBLYMEMBER HAGMAN: Yeah. Exactly.

23 MR. SMOOT: It's just that it's not going to be in
24 this kind of a format. That's the only problem that I
25 really see in that regard.

1 So somehow or another you can marry the two and
2 make it a good form that works for school districts, that
3 accomplishes other goals, accomplishes your own goals, I
4 think you'd find a lot more support for the form and a lot
5 more help in making it work properly.

6 I mean I agree the form is necessary. Information
7 is a good thing. We just want to see it done right.

8 MS. MOORE: I think there is validity to the issue
9 of the form being utilized for the purpose that it was put
10 into place for and having been here when that happened and
11 been through -- those were some rough times and there -- it
12 was really put into place to either determine whether we
13 would increase the program by 6 percent or not.

14 MR. SMOOT: Right.

15 MS. MOORE: It has never to my knowledge been used
16 for that purpose. If I'm wrong, correct me. I don't
17 remember that we ever --

18 MR. SMOOT: No. You're absolutely correct.

19 MS. MOORE: -- used it for that purpose. Now, its
20 other -- the other areas, we, I think, along the way
21 expanded to say, yes, we would use it for these purposes as
22 well. And so that's the faith I think with the community of
23 users is that that's the issue that we put this into place
24 for.

25 It has expanded to other uses. It's expanding

1 more as we talk about it. Information is good.

2 It also became -- it was part of the system
3 midway through a bond program. I mean we put this into
4 place quite a few years into the bond program and so it
5 wasn't part of the institutional part of this program and it
6 took a shift, I think, by many parties to accept that.

7 I think going forward as we look at this and as we
8 look at the modernization component of it -- I know there's
9 a recommendation to maybe not do that until we have a new
10 bond program -- that if we put this on the front side of the
11 program, that it's part of the program and not an
12 afterthought or an after-product of the program, that it's
13 going to be much more effective.

14 And I'm not so sure that the effectiveness of it
15 is at the end and that's something that probably can be
16 discussed here.

17 And also the linkage between what we're asking for
18 in the form and what we fund is another component of it. We
19 have a program that has a philosophy of it's per ADA --
20 particularly in modernization, it's per ADA and then you
21 take those fundings and it is your local decision about what
22 you do, whether you do the HVAC, whether you do educational
23 program. It's your decision on that.

24 And yet we're asking for information about what
25 did you do and I think in keeping faith with the bond

1 program and everyone is what is the purpose of that
2 information if we have a philosophy of a system that says
3 it's local control.

4 I think there's -- it needs to have stronger
5 linkages that way and that will go further to bring all
6 parties along on what is important data to make policy
7 decisions.

8 MR. SMOOT: I especially wanted to jump on that
9 bandwagon about trying to apply this to the end of a
10 program. Just quite frankly doesn't make any sense. Not
11 the least of which is by the time this is -- would actually
12 be implemented and in place for regulations, your money's
13 going to be gone and you'd be retroactively applying it to
14 projects, so -- thank you very much.

15 CHAIRPERSON BUCHANAN: Are there any other
16 comments?

17 MR. ALMANZA: I have a question for staff. So
18 what amount of data do we have for the modernization
19 dollars?

20 MS. SILVERMAN: The only data we provide is the
21 outcomes of the dollars that we put out for the projects.

22 MR. ALMANZA: So we just have number of projects
23 and number of dollars.

24 MS. SILVERMAN: Number of dollars awarded and
25 there's no other data being captured.

1 MR. ALMANZA: For how many millions of dollars?

2 MS. SILVERMAN: So far \$32 billion have been
3 dispensed in the program.

4 MR. ALMANZA: Okay.

5 MS. SILVERMAN: And there's plenty of opportunity.
6 There's over \$600 million in projects that haven't been
7 awarded funds at this point in time.

8 And at the allocations of bond sales coming out,
9 it may not be for another two or three cycles, maybe even a
10 couple years, three years before we even have all the funds
11 actually dispensed and apportioned. So there are plenty of
12 opportunities.

13 MR. ALMANZA: Thank you.

14 CHAIRPERSON BUCHANAN: Tom.

15 MR. DUFFY: Good morning.

16 ASSEMBLYMEMBER HAGMAN: Can I interrupt, Tom, for
17 one second. We're talking about this form, but I kind of
18 want to put the whole context and maybe kind of comply with
19 that too or comment on that.

20 We have 39 that's going to be -- we all have
21 Prop. 39 bills. Governor's got a proposal. We got
22 proposals. I got a proposal. We all have proposals. But
23 eventually money's coming to the school districts.

24 One way or the other, money's coming out. Part of
25 that is upkeep and recordkeeping as well. Part of that's

1 going to be taking an energy audit and then reporting out
2 again -- just kind of what this is -- where are those bond
3 monies being spent.

4 And I saw the Governor's 52-page thing and he has
5 little, you know, tier one, tier two, tier three suggestions
6 and those type of things. But there's going to be a
7 database component to that.

8 We're asking for data. Eventually -- I'd just
9 like to get -- why don't we have a statewide system that
10 says this is my canvas. Every time I get money in, we got
11 to update. So when you come back to us and we need to put
12 another bond out, I know how much money we should put out
13 for a bond and where that money's going and when to do
14 reports.

15 Most of the other states have it. Our community
16 college system has it. I know we've got way too many school
17 districts, but is this the time to start that now with the
18 Prop. 39 dollars? I keep hearing wait till the next bond.
19 I mean the way this Governor's talking, there won't be a
20 next bond. Do you want to reinvent this wheel or not, you
21 know, those type of things.

22 But if we are going to put a bond, it's going to
23 have to come out next year. Do we want start this Prop. 39?
24 Is there -- instead of having pieces here for Prop. 39 and a
25 little bit for new construction and a little bit for

1 something else, do we want to try to use some of those
2 resources to build one I guess better system? You know, one
3 complete, capture it all type system. Because I know they
4 put that into all our bills on the Assembly side. So all
5 those bills amended with that language and this would be for
6 all that data, not just energy efficiency data.

7 So I'm just -- while you're coming up here, might
8 as well get comments on that too I guess.

9 MR. DUFFY: Thank you. Tom Duffy for the CASH
10 organization. And, Mr. Hagman, in a conversation with
11 Curtis in your office a couple of months ago in --
12 discussion along the lines of your comments, we had
13 suggested to him that maybe Prop. 39 could be a vehicle for
14 a pilot of trying to say what is it that we can really
15 assess because it is money that hasn't been allocated and
16 the program hasn't been designed yet.

17 So as we design the program, let's also design the
18 means of assessing what it is that we're going to be doing
19 with that program and maybe that is making -- or taking a
20 snapshot of the building today for energy purposes, whether
21 it's glazing, whether it's lighting, whether it's air
22 conditioning, that kind of thing.

23 ASSEMBLYMEMBER HAGMAN: And just a comment. We've
24 expanded that concept to actually include life of building
25 and those type of other things, not just energy too, and

1 that was by the Committee's desire to add all these
2 different things as well into it. So they actually amended
3 this scope into a larger scope of data collection. So I'm
4 not sure, you know, what's going to get signed in law or
5 not, but it's going that way for the system.

6 So I'm wondering as we talked about this one
7 snapshot for modernization or for new construction or -- we
8 use different bond funds for it, but it's all construction
9 work and trying to help bring up our school, you know, site
10 different ways.

11 What is better to do, multiple different programs
12 or to have one standardized system I guess.

13 MR. DUFFY: And I would imagine that in -- if we
14 went forward say to 2000 and --

15 CHAIRPERSON BUCHANAN: Tom, can you speak up just
16 a tiny bit because I'm not sure Lyle can hear you.

17 MR. DUFFY: If we were to go into 2015 and maybe
18 we have a bond and we have Prop. 39, we would want to make
19 sure that there's a recognition that there are two funding
20 sources and what do school districts add to either of those
21 funding sources as well.

22 So we'd be really looking at three funding
23 sources. But my comments -- not to belabor several things
24 that have been said.

25 I think that -- I heard -- rather part of what

1 Mr. Savidge was talking about is -- go back to your -- but
2 he and I have been in discussions about this over the last
3 year or more. A bit of history. We proposed that this kind
4 of work be done to look at, as you said, Ms. Moore, what is
5 it that we can do to demonstrate the cost of building
6 schools because what was in the prior bond -- when D
7 basically said that the Board could provide an increase
8 based upon information.

9 And there was a particular effort that was done
10 that was seen as vectoring toward constraining dollars
11 rather than expanding dollars. And I won't go into that,
12 but it's the now infamous Macias report.

13 After that, we said why don't we look at working
14 with school districts and State agencies, put together
15 collaboratively a document to make an assessment. And so
16 the CASH organization suggested that we organize meetings.
17 We had agents, including the executive officer at the time
18 from OPSC, and others and we created a document
19 collaboratively.

20 We actually went into the field into three
21 locations, two school districts and one county office, to
22 say give us your feedback about this. We collected a lot of
23 feedback.

24 There was a disconnect at some point in time and
25 that disconnect basically had the document go in one

1 direction, which was not the direction we thought it should
2 go, and therefore we didn't support what happened after
3 that.

4 I say that to you for reasons of, one, it was
5 history. Two, you've heard a report from our colleague over
6 at Berkeley, Jeff Vincent, who's talked about a trust
7 factor. That trust factor is real and I just told you about
8 something that was a demonstration of where the lack of
9 trust -- some of the last of trust I think began.

10 And I'm suggesting that following what Mr. Savidge
11 suggested that there be a collaborative approach using
12 stakeholders, looking at it prospectively, and it could be
13 done in a variety of ways and I know, Mr. Hagman, you have
14 very strong feelings about this.

15 But if it were to be done that -- and building a
16 new school is very different than going in and modernizing
17 an existing school or fixing a school certainly. But if
18 part of this new program within the new bond and possibly
19 within Prop. 39 would be making an assessment of the
20 building and then that assessment of the building being
21 compared to what is done after that building has been
22 retrofitted, modernized, rehabilitated, whatever it may be,
23 but that there would be a baseline that's a real baseline
24 that is identified and then the changes identified and the
25 cost of those changes.

1 If we were to begin today, what are we going to
2 compare that to. We've not done this before. The
3 Modernization Program been around since 1982 and we've not
4 done anything except go in and I think do some very good
5 things in schools.

6 Many of us in this room know what that program has
7 been and know what we can do and know the shortcomings of
8 that program. Let's use that knowledge of the people that
9 are in the -- I know Mr. Pregmon's comments about, you know,
10 who is doing this . Well, in school districts, architects
11 get involved. CMs -- construction managers get involved.
12 The school district personnel themselves get involved if
13 they have knowledge.

14 And of course -- and we've talked about this,
15 Ms. Buchanan, about the various levels of expertise as well
16 as the capacities in school districts today because of the
17 diversity of California.

18 So what I'm suggesting, without carrying on too
19 long here, is that it be prospective but that there be a
20 baseline identified, very much like what I think would be
21 suggested for Prop. 39 for older buildings, and then make a
22 determination of what those changes were and what those
23 costs were so we begin to build a database for the future.

24 CHAIRPERSON BUCHANAN: So could you please
25 elaborate for me on what you would have schools to give us

1 an assessment of their current buildings.

2 MR. DUFFY: If it were to be for modernization not
3 for Prop. 39?

4 CHAIRPERSON BUCHANAN: Well, either one.

5 MR. DUFFY: Either one. Well, just with Prop. 39,
6 if -- we've talked -- and --

7 CHAIRPERSON BUCHANAN: Well, let's talk about
8 modernization --

9 MR. DUFFY: Okay.

10 CHAIRPERSON BUCHANAN: -- because that's what's
11 before us right now.

12 MR. DUFFY: Okay.

13 CHAIRPERSON BUCHANAN: So you're saying all
14 schools should give -- all districts should give us an
15 assessment of their buildings? What would go into that and
16 what would be reported?

17 MR. DUFFY: The district -- and what I'm thinking
18 is that the district would, through its architect,
19 structural engineers, and others, make an assessment of what
20 that building is at in today's --

21 CHAIRPERSON BUCHANAN: What would that include?

22 MR. DUFFY: That would include lighting. It would
23 include painting. It would include is there lead. All of
24 the things that --

25 MS. MOORE: Life cycle cost?

1 MR. DUFFY: Life cycle cost if we have some
2 determination really identifying what that is.

3 CHAIRPERSON BUCHANAN: But I'm talking about
4 current condition.

5 MR. DUFFY: Current condition --

6 CHAIRPERSON BUCHANAN: So are you going -- you're
7 going to say the lights are X years old or what kind they
8 area or when was the last time it was painted or how many
9 electrical outlets you have or how many -- I mean what would
10 you include in that?

11 MR. DUFFY: Well, all of those things relative to
12 what is it that I'm trying to do within that building,
13 within those classrooms because some of those classrooms --
14 and you've heard it from Mr. Vincent. You've heard from
15 others. Some of those classrooms may need to be changed
16 significantly.

17 In my experience in using the Modernization
18 Program in the '80s and the '90s anyway, we didn't enough
19 electrical outlets because the buildings were built in the
20 1930s or the 1940s.

21 CHAIRPERSON BUCHANAN: So you're recommending that
22 we have more information than this.

23 MR. DUFFY: Well, the information that the
24 district would utilize to make its determination of what it
25 does may not necessarily be filed with the State of

1 California, but --

2 MS. MOORE: Is it that similar -- I mean -- I'm
3 sorry -- to -- I talked about when the Department of Defense
4 was before us on the matching share which still is an
5 issue --

6 MR. DUFFY: Yes.

7 MS. MOORE: -- and that we will probably need to
8 be looking at as well, but when they were before us, their
9 approach -- the U.S. -- the Federal Government's approach to
10 these projects was, okay, what is wrong -- or what is
11 deficient in these buildings both educationally and
12 infrastructure wise and those were enumerated. They were
13 prioritized and they moved their program for that bottom
14 dollar.

15 Is that what you're talking about as opposed to a
16 per ADA program where we've historically said here's your
17 money, do what you can. Are you saying an approach that
18 says here's the building deficiencies, this is what we need
19 to be funding?

20 MR. DUFFY: That would be the ideal and we have
21 certainly talked about that kind of thing in the past and
22 I'm always told that's not going to happen, we don't have
23 enough money for that.

24 But if -- as the educational leader in a school
25 district, I'm trying to create the best environment for

1 learning; I've got to look at those things. Maybe they
2 don't get funded through the State program. Maybe they --
3 what I provide to the State is something short of that, but
4 I'm certainly going to want to look as deeply as I can in
5 what changes I need to make in that building and probably
6 have to spend more than the State's going to provide to me
7 to meet those or to be able to winnow back and say what are
8 the basics. So --

9 MS. MOORE: So this is a condition and assessment.

10 MR. DUFFY: Yes.

11 MS. MOORE: That's what they're called.

12 MR. SAVIDGE: Can I make a comment because I think
13 a way to start -- and the point that Tom made is actually
14 good which is the PIW for modernization says, here, I
15 modernized this building, but there's not baseline that says
16 what is this building before you start.

17 And I'm not necessarily -- I'm a big fan of
18 condition assessments as I think several of you know, but I
19 think you could start in a simpler place which is to create
20 an inventory and the inventory would have the square footage
21 of the building, the number of grades, the number of
22 classrooms, the age of the building, the time last
23 modernized, and then as your inventory is setup as a
24 framework, any information that flows into the State through
25 the PIW gets linked to it and then you have an ongoing

1 record of the work that's done related to that building.

2 ASSEMBLYMEMBER HAGMAN: That's what I was trying
3 to say. Instead of piecemealing this --

4 MR. SAVIDGE: Yeah.

5 ASSEMBLYMEMBER HAGMAN: -- why don't we have a
6 community college system where we know every facility
7 because we -- first of all, what I heard from all here
8 testimonies so far is this first attempt on a form was
9 basically to help them adjust costs for coming to us.

10 Never once in there did I hear anything about what
11 position the State of being an oversight agency -- or what
12 position this Board or anybody else -- a fiscal duty. So
13 it's almost like -- I mean I don't want to paraphrase it,
14 but -- not trying to be that way, but almost like give me
15 the money and then let's go do our thing.

16 And maybe that's how it was set up originally, but
17 if you truly want a partnership, I mean we're at the stage
18 now, \$600 million later, we have no more dollars. Do we
19 come back, do we keep fighting for more and more resources.
20 Even Prop. 39 in the project, we are all apparently saying
21 the same thing. Schools should get these dollars. It could
22 go to any public building. It would probably actually be
23 more efficient to go to buildings that are open 365 days a
24 year versus ones that are open half the year right now.

25 But we're trying to be partners in this. So if we

1 create a database, it should be something that's useful for
2 the districts and for everybody else as well, not just for
3 us for oversight. It should be a system that is useful for
4 districts to internalize and make -- a lot of the bigger
5 ones already have them. A lot of the smaller ones don't.
6 What I'm saying they're not on the same system.

7 Is there a way to combine -- create a product that
8 is good for everybody's purposes, not just extra work to
9 keep those guys happy at the State because they're going to
10 give us more money -- you know, not something like that but
11 something that is useful for a tool for your organization,
12 for the district board to say, you know, this one campus is
13 now at 40 percent life cycle right now because it's -- you
14 know, it hasn't had a new roof in 25 years.

15 You know, they could easily do inventory and they
16 could sit there and make projections of what kind of money
17 they're going to need and stuff. So when those boards come
18 up to lobby me or Joan or somebody else to say we need more
19 construction money, we need more, you know, dollars than
20 this, they actually can see that as well.

21 But for me taking a snapshot in time right now --
22 I could tell you every building in my local city that when I
23 was on council, the life cycle was, money they're putting
24 away, the room space. We had all that stuff organized which
25 is not as big as some of these districts.

1 But that's even more cause for them to have a
2 system that maybe we could all be on the same system to help
3 with. But for me to sit up there and say we spent
4 \$33 million and I want to go out for another 15- maybe
5 coming up and I can't say what property we bought even, what
6 inventories we have of anything, anything like this, and to
7 also see in the paper that declining enrollment and schools
8 are being leased or they want to sell, things -- the
9 snapshot in time right now is poor for me.

10 I can't sit there and say how do I go out and try
11 to get more dollars and do things like this if I don't -- if
12 I can't explain where the 33 million went to begin with.

13 And I'm not saying that nothing was wrong, but I'm
14 saying that is the part that's the obligation I feel that
15 the Legislature has and the role the central government has
16 is to at least have that accountability report out.

17 And I don't want to make any extra work, but is
18 there a way we could use our current resources, either what
19 we have or the Prop. 39 dollars, which is what is in the
20 bills right now, to use that funding to aid, do the
21 assessments, because if you saw that Prop. 39, there's money
22 to go out there and actually take a snapshot at your
23 facilities and be -- to actually develop a database system
24 to report that into.

25 I think now's the time to try to do that before

1 you go back -- I'm not saying you have to go retrofit
2 everything, but now you come back and we start talking next
3 year to put a bond on the ballot. We could at least get
4 some kind of data to what to go for. Do we want 50-50, new
5 construction, old construction, or what?

6 MS. MOORE: It was one of the recommendations of
7 the U.C. Berkeley report was to have -- I mean it was a
8 tiered. It was to have an inventory and then secondarily, I
9 think where it parted company probably with some of the
10 constituents is that it recommended that decisions be based
11 upon a priority of that inventory.

12 And so that's where, you know, people started
13 indicating, well, there's winners and losers of that world.
14 But I think what Bill is talking about is beginning that
15 baseline inventory and it's been done in other states and it
16 also -- there's an industry standard around assessments, you
17 know, that you go in, you look at life cycle costs. I mean
18 there's many different types of assessments, but there's an
19 industry standard around that.

20 A little bit where the wrinkle I feel in the whole
21 industry standard is what is educationally appropriate, what
22 is 21st century learning, how do we support that in our
23 school buildings.

24 It's very easy to say the HVAC doesn't work, we
25 can fix that. But how do we structure our buildings so that

1 they're delivering program in the best manner possible so
2 that we can be a vibrant State.

3 So that's the wrinkle I see sometimes in the
4 assessment piece, but it's been done by other states and I
5 think there's examples out there if that's the direction
6 that we want to go as a State.

7 MR. DUFFY: If I could try to get back to
8 something I was trying to report. Asking for a lot of
9 information and not saying we're going to focus on that in
10 terms of funding is not the direction I think to go.

11 I think what is suggested is something that is
12 basic and I think that's the better approach. The example
13 that I was going to try to get to was that within the
14 current for new construction, we ask what do you spend on --
15 beyond the State program on off-site costs because cities
16 and counties, prior to the Murinda (ph) decision, a court
17 decision that says if you have an impact such as impact on
18 traffic down the road, you have to pay for the cost of the
19 traffic signals, left-hand turn lanes and the like.

20 The program doesn't do that, but that's actually
21 something that's asked in this current existing PIW on new
22 construction.

23 If you're not going to provide funding for
24 something, why ask that kind of a question? Is it to find
25 exactly what are you spending on schools?

1 So what I'm suggesting is it would be wonderful to
2 have all the information that I would want as a
3 superintendent in a school district to say what do I need to
4 do to this educational environment. Maybe I have that;
5 maybe I don't have that. But basic information that is
6 being suggested I think is a way to begin with an assessment
7 at the beginning when you apply for funding. What is the
8 age of that building, what are the number of classrooms,
9 that kind of information.

10 CHAIRPERSON BUCHANAN: Thank you.

11 MR. MIRELES: Madam Chair, if I may, a couple
12 comments I think on just some of the testimony.

13 There's references that the information is not
14 being used for bond accountability purposes. We are. We
15 use the current information that's from the form and we
16 summarize it and provide it to the Board members on a
17 monthly basis or when we meet at the State Board level --
18 State Allocation Board.

19 And then we also, as Mr. Savidge mentioned
20 earlier, each of the PIWs is found on the bond
21 accountability website. So I just wanted to clarify that we
22 believe that it is serving that purpose which we really
23 think is a very strong and a very relevant purpose which is
24 to inform the taxpayers of what they're getting for their
25 investment in school bonds.

1 So we are using it for bond accountability
2 purposes.

3 CHAIRPERSON BUCHANAN: Well, this is where I am.
4 I haven't spoken too much.

5 I think it is difficult to implement at the tail
6 end of a program, but I think if we're moving on to a new
7 program, it certainly would be an appropriate time to
8 implement the changes.

9 I agree with I think what I'm hearing from both of
10 my colleagues here that something needs to be done that will
11 give us some kind of a State inventory so we know what we
12 have in terms of classrooms, so we know the ages of the
13 buildings, and we know what we're doing when we build a new
14 building or when we modernize a building.

15 And I will share with you that when we did our
16 first bond in my school district, frankly it was with our
17 facilities person picking numbers out of the air. And what
18 happened was we couldn't deliver on most of those projects
19 because some of those numbers were years old and no one
20 really took a look at what needed to be done and so we
21 instituted a process where we started doing -- at the
22 request, by the way, of our Prop. 39 committee and the
23 Board, very in-depth postmortems on all of our projects to
24 take a look at what we spent and whether it was in design
25 or, you know, in each category, what it cost us.

1 So then when we were -- when we had future bonds,
2 we were much better prepared to apply cost factors to square
3 footages or what we were doing and come up with better
4 estimates so we could actually deliver on the bond itself.

5 So I wouldn't assume that all large school
6 districts are doing this, but I think you probably have many
7 districts that are doing it already and I don't know if this
8 is the perfect form. It certainly is what I would call a
9 minimalist form. But I will tell you it's hard for me as a
10 legislator to say we need another bond, how much do we need
11 for modernization, we don't even know how many buildings we
12 have out there, how old they are, and when was the last time
13 we touched them and what we did.

14 When we take a look at new construction, it's --
15 you know, you need to know what you did with new
16 construction. And I have to say that the program in my mind
17 when it was revamped back, you know, starting in '98, 2000,
18 it was never intended -- it was intended to be a partner.

19 It was -- we really weren't establishing -- you
20 know, trying to tell districts exactly what kind of school
21 you should build. We were trying to provide an incentive
22 out there for the State to partner with developers, partner
23 with school districts, and upgrade our schools.

24 I mean we had overcrowding everywhere and so we
25 knew we needed new classrooms. You had housing developments

1 that were begin added. We needed new schools to house those
2 kids and we wanted a program that would allow you to build
3 those schools before the kids arrived so we weren't always
4 playing catch-up.

5 So -- and the program in that regard has worked
6 wonderfully because you've taken \$35 billion in State
7 general obligation bonds, you've matched that a little over
8 \$70 billion in local bonds and developer fees, and we've had
9 significant upgrades to schools.

10 But it's hard to be as big as a state like
11 California is and have so little data to look at to make
12 decisions. And so I actually do believe that we need to
13 have something that will give us an inventory of out
14 buildings and we also need to have -- if we can improve or
15 if we don't need all three new construction reports, I mean
16 I think we probably should take a look at that since the
17 full State Allocations Board charged us with taking a look
18 at all of this, you know, we need to take a look at what
19 we're doing for new construction.

20 I don't want people to report data that's not
21 used. At the same time, we need to have the meaningful
22 information and I think with the modernization, if we can
23 improve on this, fine, but we have to do something to start
24 collecting data and have that data available.

25 ASSEMBLYMEMBER HAGMAN: Madam Chair, I had just

1 have a couple --

2 CHAIRPERSON BUCHANAN: Yeah.

3 ASSEMBLYMEMBER HAGMAN: Specifically on these
4 things, on our phase two project sheet or the -- I didn't
5 see anything for any soft costs like, you know, architect
6 management or anything like this.

7 MR. SAVIDGE: They're reported on the first page.
8 The project cost data is reported on the very first page.

9 ASSEMBLYMEMBER HAGMAN: Okay.

10 MR. SAVIDGE: And so the point about this page
11 would be that the individual hard costs scope would get
12 reported for the modernization scope elements and so that
13 way you could at least have kind of a tracking of the
14 level -- you know, what in general terms type of work you
15 did, about how much money you spent in each area including
16 technology, et cetera.

17 MS. MOORE: So, Bill, just -- are you saying that
18 the page 4 -- is this the total form or just a portion of
19 it?

20 MR. SAVIDGE: No. That's the project
21 information -- there's a cost page is page 1. Then there's
22 the project information page and then after that is the good
23 climate page and then the final page is the high performance
24 page.

25 MS. MOORE: So we're just looking at one portion

1 of it here.

2 MR. SAVIDGE: Correct. And -- because this is
3 what we focused on with Bryan and OPSC and the Imp Committee
4 and it's a pretty difficult task actually. How do you do a
5 simple questionnaire for modernization because the scope of
6 work is so complex and so all over the place and so varied
7 in --

8 ASSEMBLYMEMBER HAGMAN: No. I like the category
9 stuff. I do think -- this hopefully will become part -- a
10 subset of the bigger database and then that way just click
11 on, okay, this school click, this building click, and then
12 it cost this much click. And then is what I did, click,
13 click, click, you know, you could down and have the
14 drop-down menus.

15 But again it should be a tool useful -- I guess
16 that's my follow-up question, is with the current dollars we
17 have now -- and I don't know how the bonds are written or
18 what the administration costs. Obviously there is an
19 administration cost to oversight and doing what you guys do.

20 Is there any way in that administration cost or is
21 there a way to use any of those dollars to build a database
22 system? Question two would be I know there's money in and
23 our bills are coming out with the Prop. 39 dollars to have
24 this. Obviously they need to talk together -- work
25 together, be part of -- I notice at least the Governor's

1 proposal, he does have a billable amount that you could do
2 if you want. Again the schools get the dollars.

3 If they don't want to hire someone to go do that
4 assessment, they could do it themselves. But there is an
5 assessment amount of level one, two, and three that the
6 Governor allows to charge off the money they get.

7 So do we have those things built into our current
8 bonds at all? If not, that's probably something we need to
9 look for in the future or can we piggyback off the Prop. 39
10 dollars in order to develop this very -- I want the partners
11 to be involved in the design because at the end result, we
12 need to get our information that we need out of it, but it
13 should be a working tool for districts to keep track of
14 their inventory, the maintenance, and stuff.

15 CHAIRPERSON BUCHANAN: You just said you don't
16 want us to have to duplicate what we're doing. Whatever we
17 do, you want us to flow from Prop. 39 to changes here --

18 ASSEMBLYMEMBER HAGMAN: And there may be systems
19 already out there. I'm sure LA Unified probably has a
20 fantastic system already because they're so big. I'm sure
21 other school districts may have ones already we could look
22 on and if there is a standard out there, can we provide that
23 software, make it changeable for everybody else, and then --
24 for the rest of the school districts. I don't know.

25 MS. MOORE: Well, I would say too -- you know,

1 because we are looking at parts of the U.C. Berkeley report
2 that we can look at in terms of implementation because of
3 the inventory issue, we started a working group, you know,
4 within the Department of Education that are looking at
5 master plan educational specifications and assessments, to
6 look at is there some standardized method that we could
7 report this information or have this information that's both
8 useful to the field and that would be useful to the State
9 government.

10 And it might be that the locals want a greater
11 degree of information but that what bubbles up to the State
12 is less so but that it would be systematic.

13 So we started a working group around that and, you
14 know, hopefully would have some recommendations around this
15 as it moves forward as well because I think it is important
16 work.

17 And the only -- the piece of the form I wanted to
18 ask how you were -- and I think I know, but I want to make
19 sure is if people are modernizing for educational
20 appropriateness, where would they be reporting that in this
21 form.

22 MR. O'DELL: The revised form doesn't capture
23 that. That was something that we had tried to capture in
24 the original version, but we were told to try to put it in
25 context of everything else, to capture all of that type

1 information was very time consuming.

2 So now we just focus on the hard costs and not --
3 and just assumed, well, the HVAC was replaced because it was
4 worn out, but it doesn't speak to intent.

5 MR. SAVIDGE: It's -- to be honest with you, it's
6 a pretty complex piece to try and report data for because
7 let's say you're creating project-based learning centers to
8 support three classrooms.

9 The scope of work to do that might be demolition
10 and reconstruction of interior participations. It might be
11 HVAC system reconfigurations, lighting changes. That's all
12 captured here. You could have another place where you could
13 report, but you -- that was the purpose of that work
14 perhaps, but it's a fair complex piece because --

15 MS. MOORE: I get that it's complex, but I'll tell
16 you from our vantage point, you know, from the educational
17 side, I think it's important to capture. And that is --
18 because all this work ultimately -- I mean it is improving
19 aging infrastructure, but let's be real. I mean the real
20 reason too is student -- you know, student experience and
21 performance.

22 And so if there's a way simply to capture, are we
23 making that mark. Are we falling short of it.

24 CHAIRPERSON BUCHANAN: I mean how do you define --
25 I mean your definition of educational appropriateness may be

1 different than my definition and every school district is
2 not the same and to try and say at the State level this
3 is -- these are what your schools are going to look like --

4 MS. MOORE: I don't know --

5 CHAIRPERSON BUCHANAN: -- at each level --

6 MS. MOORE: -- if you define it, but you can ask
7 for it. It's information.

8 I mean I'm not saying --

9 CHAIRPERSON BUCHANAN: But how do you --

10 MS. MOORE: -- that you must always, you know,
11 build your facility in X manner. That is a local decision.

12 But if we -- okay, here's the problem. Tell me
13 the answer. The problem is my gut is that we are not
14 getting down to educational modernization because we can't
15 get the HVAC fixed. I still think that it should be on the
16 table and that it should be part of the discussion.

17 So if I did modernize for educational
18 appropriateness, I think we can capture that statement. If
19 it's more complex to capture what I actually did, I don't
20 think we need to go that far.

21 But I do think it's part of the discussion because
22 we're not just modernizing infrastructure.

23 CHAIRPERSON BUCHANAN: I don't think you can
24 define educational appropriateness. I think if an
25 individual school district says we want to take these three

1 classrooms and create one, you know, they should get the
2 same amount of money that they would get for the three
3 classrooms and then they're making a local decision in terms
4 of how they want to change their classrooms.

5 So each district ultimately is making a decision
6 about educational appropriateness and what they want. So
7 the question is, is, you know, are we a partner where we're
8 giving districts a grant and continuing to allow them to
9 have the authority to define that and build based on what
10 they deem is appropriate and -- you know, and what they want
11 to put in or are we defining that for them and --

12 MS. MOORE: Well, let us look at the metrics for
13 that. I mean our Title 5 is about educational
14 appropriateness. So there is some vision about what --

15 CHAIRPERSON BUCHANAN: Right.

16 MS. MOORE: -- what we believe, you know, school
17 districts should be considering both process-wise and --

18 CHAIRPERSON BUCHANAN: Right.

19 MS. MOORE: -- also the piece of it. I think
20 where we definitely need the discussion is are we in the way
21 of someone wanting to do exactly what you said, by going --
22 you know, the State considers you have three classrooms.

23 In your modernization of that, you break that down
24 to one classroom and we say you can't do that because you
25 just lost two classrooms of capacity or whatever, then I

1 think we do need to look at that --

2 CHAIRPERSON BUCHANAN: Right.

3 MS. MOORE: -- and there are instances of that
4 happening.

5 CHAIRPERSON BUCHANAN: But that's an eligibility
6 issue.

7 MS. MOORE: Right.

8 CHAIRPERSON BUCHANAN: Which I think we can
9 address. You know, the educational appropriateness, where I
10 end up taking a step back, is we tore down schools and
11 replaced them, schools that I'm sure at the time were the
12 trend in terms of educational appropriateness --

13 MR. SAVIDGE: Pod schools, yeah.

14 CHAIRPERSON BUCHANAN: That's exactly right, the
15 Oakland pod schools, and they did not work. And so, you
16 know, we tore --

17 MS. MOORE: I mean I've heard a lot of the pod
18 schools not working.

19 CHAIRPERSON BUCHANAN: We tore down -- I'm just
20 saying that there -- if you go through school construction,
21 you know, you had the schools that were designed sort of the
22 finger approach. Some were aligned with the street. Some
23 were -- I mean you have all these different trends of design
24 and I really shudder when I talk about -- when we talk about
25 the State defining what educationally appropriate is.

1 You know, and I may not agree with how the
2 decisions Curt makes about his schools, but he -- you know,
3 you've got an elected board, you've got a superintendent,
4 you've got others that have to make decisions about how they
5 want to design their schools.

6 And some designs will be a function of if I'm, you
7 know, in the middle of a big city, I've got different kind
8 of constraints and if I'm in a more rural or suburban
9 area -- so they have to make those decisions.

10 Now, where I think I agree with you is I don't
11 want -- I mean if you're going to combine three classrooms
12 into one big classroom, you know, I don't want that to be
13 gamed so all of a sudden the district gets two more new
14 classrooms that it gets to build.

15 But if you want to combine that and take
16 eligibility for three classrooms of kids, I don't have a
17 problem with that.

18 So I think there needs to be some flexibility on
19 one end, but in terms of trying to define educational
20 appropriateness or whatever, I mean we define what building
21 standards are, but I just think that that's going to change
22 and evolve over time and you could get into that discussion
23 and end up, you know, we build a school now, 30 years from
24 now, we want money to tear it down and build a new one
25 because it's no longer educationally appropriate 30 years

1 from now. I mean you make decisions and you have --

2 MS. MOORE: Well, I'd say build on the agreements.
3 I don't think that the State should be in the way of what
4 educationally school districts want to do.

5 So if we have things that are like that, we need
6 to address them.

7 And I will say I think that as part of the
8 discussion about future bond measures that we are looking,
9 you know, is there things that we need to do educationally
10 or that we stood in the way of funding educationally that
11 are being missed.

12 I do think that conversation is necessary, whether
13 you -- whether we want to quantify it or not is --

14 ASSEMBLYMEMBER HAGMAN: Yeah. And I think -- I'm
15 trying to take what you're trying to get to and maybe try to
16 figure out how pragmatically you could do a -- do like
17 categories. Like on a scale of one to three, how are you
18 with your school's technology. We are one. So we need to
19 go -- that's an area that you want to go through.

20 If you're a one to three, you have some -- or
21 environment for the student. Now, we got old -- it's always
22 95 degrees in that classroom and it smells like rat
23 droppings, that's probably a zero. You know --

24 MS. MOORE: Yeah.

25 ASSEMBLYMEMBER HAGMAN: You can do different kind

1 of -- those type of assessments maybe and that's how you get
2 to your grading system like the Federal Government does
3 broad scale without being prescriptive saying every school
4 room should have a wireless into hard IT line to the
5 projector.

6 You know, you don't have to have that perspective
7 at all.

8 MS. MOORE: Right.

9 ASSEMBLYMEMBER HAGMAN: But I know like in my
10 daughter's classrooms, we raised outside money to give the
11 fifth graders the high speed lab that I only saw in high
12 schools. You know, so I mean it's different -- appropriate
13 for them, yes. Would it be appropriate for another school,
14 don't know.

15 So I don't think you put those standards there,
16 but you can go like a grade, you know, A through F or the
17 case may be on those type of broad scale, so they could
18 self-report and that way if I'm a school district, I'm not
19 going to self-report an F unless I really need help on
20 something because then I'm going to have somebody yell at me
21 why is your school an F. You know, or some kind of standard
22 you may want to put out there and they could self-report, if
23 you want.

24 But I think by giving them the dollars really is
25 what they need. They need the resources to do it. It's

1 just honestly I don't know how much should go out for the
2 resources or how much, you know, everything should cost
3 right now without having some kind of assessment tool to
4 know where we're at and what kind of dents -- let's say we
5 spent \$30 million, you guys spent 70-. Hundred million
6 dollars is spent, 15 years, do we do a 5 percent dent in
7 what's needed or a 50 percent or 75 percent. I don't think
8 anyone could say because we have no way to record that at
9 this point.

10 CHAIRPERSON BUCHANAN: So --

11 ASSEMBLYMEMBER HAGMAN: And how much ongoing. So
12 if we're talking -- here's something real pragmatic for you
13 guys right now.

14 We're talking budget right now. New funding
15 formula for ADA, all these new things. Right now, I don't
16 think we have a cutout for school maintenance. Well, how
17 much should that be?

18 CHAIRPERSON BUCHANAN: No. We've eliminated the
19 requirement for school maintenance.

20 ASSEMBLYMEMBER HAGMAN: Yeah. And should we do
21 that or not. And what happens if we don't? How long do
22 these bonds last. We go completely on bonds to retrofit all
23 these things? Do we put that burden on the local school
24 districts to take it out of their operating account or they
25 do that voluntarily? What happens if the school district

1 doesn't ten years from now and all of a sudden, the roofs
2 start falling in. Are now we on the hook for the State to
3 come in with emergency grant.

4 These are the policy questions that I think not
5 just with these bond monies but overall that we're trying to
6 figure out how do to with the education stuff.

7 CHAIRPERSON BUCHANAN: Okay. So I'm going to try
8 and summarize and move us on. Okay. Tell you -- yeah,
9 where we think we have consensus.

10 And so this is more work for all of you and Bill I
11 guess. But I think we have consensus around the fact that
12 we would like to move towards developing a statewide
13 inventory.

14 ASSEMBLYMEMBER HAGMAN: Yes.

15 CHAIRPERSON BUCHANAN: Okay?

16 MS. MOORE: Um-hmm.

17 CHAIRPERSON BUCHANAN: And --

18 ASSEMBLYMEMBER HAGMAN: And just to add on that, a
19 system that's actually useful for the districts to help
20 manager their own --

21 CHAIRPERSON BUCHANAN: Well, I think that's
22 inherent.

23 ASSEMBLYMEMBER HAGMAN: Okay.

24 CHAIRPERSON BUCHANAN: Okay. And, two, that we
25 believe that the PIWs are valuable for both new construction

1 and modernization and if -- you know, but I think we'd like
2 to take a third, fourth, fifth look at it. I don't know
3 which look you're on right now, but another look at them
4 just to take a look at the data because as we move forward
5 in terms of the new bond, you know, we'd like to have
6 everything as well coordinated as possible.

7 So whether we need information on high
8 performance, whether we need an interim, whether we -- you
9 know, if -- we need better definitions here, but I think
10 we'd like you to take one last stab at the form so that the
11 inventory we're collecting and the forms can match as
12 seamlessly as possible, also taking into consideration that
13 if we're required to do this for Prop. 39, we don't want to
14 continue reinventing the wheel every time something comes
15 up.

16 We want to have, you know, some sort of system
17 that'll give us meaningful data with -- that can be
18 collected as efficiently as possible.

19 MR. ALMANZA: So question.

20 CHAIRPERSON BUCHANAN: Yeah.

21 MR. ALMANZA: In regard to the statewide facility
22 inventory, So are we suggesting that would be a condition
23 of funding?

24 CHAIRPERSON BUCHANAN: Well, I think we're going
25 to get in to talking about that, but, you know, at some

1 point in time, you've got to decide what's important and
2 you've got to ask yourself if -- okay -- you know, when this
3 program was originally developed, you had to establish a
4 baseline eligibility in order to participate in the program.

5 I mean, you know, basically how many classrooms
6 did you have and what the square footages were and how many
7 students and what was your growth population.

8 I think, you know, we ought to take a look at
9 what's involved and whether or not we should move in that
10 direction. I think it might -- I think it merits
11 considerable discussion.

12 ASSEMBLYMEMBER HAGMAN: And one more question. We
13 still have roughly 600 million outstanding in which the next
14 18 months, two years' worth of projects?

15 CHAIRPERSON BUCHANAN: Well, for the projects that
16 have already been awarded, I think it's very difficult to
17 change -- myself I think it's very difficult to change the
18 rules midstream.

19 We're trying to come up with what is the statewide
20 inventory and all of that going to look like and my basic
21 belief of my time sitting on this committee is that it's
22 very difficult to add these things in mid bond and we're
23 near the end. And so to do that now when people have sort
24 have been playing under a certain set of rules for a number
25 of years I think is going to meet with great resistance and

1 probably for some good reasons.

2 But let's try and take the next step here. I mean
3 my basic feeling is if we're going to start a new program,
4 let's start it with the new program and be really clear
5 instead of adding --

6 ASSEMBLYMEMBER HAGMAN: But we kind of are 39.
7 That's our -- if we're already doing this for 39 --

8 CHAIRPERSON BUCHANAN: Right. But that's why if
9 we can have some work done on what a statewide inventory
10 would look like -- you're right. 39 -- for those districts
11 that are participating, if that's a requirement, they would
12 have to start with that new program.

13 And, you know, in terms of the modernization and
14 new construction, they would have to start with this new
15 program.

16 ASSEMBLYMEMBER HAGMAN: Yeah. That's why I'm
17 hoping that it's not a separate program.

18 CHAIRPERSON BUCHANAN: No. That's what it
19 needs --

20 ASSEMBLYMEMBER HAGMAN: It has to be a global
21 thing.

22 MR. ALMANZA: Um-hmm.

23 CHAIRPERSON BUCHANAN: That's right.

24 ASSEMBLYMEMBER HAGMAN: That you just add the
25 module onto it somehow.

1 CHAIRPERSON BUCHANAN: Yeah. No, I agree.

2 MS. MOORE: One of the suggestions also in the
3 Berkeley report on the inventory is really looking at what
4 is the existing available information and mining that first
5 perhaps to begin that structure.

6 And there does seem to be -- I mean through the
7 PIW, through the information that OPSC has, you know, or the
8 Department of Ed and perhaps the Division of State
9 Architect, mining that to see, you know, maybe there's some
10 baseline that can be updated or built upon, would be part of
11 that investigation into the inventory

12 ASSEMBLYMEMBER HAGMAN: Kind of surprised -- we
13 don't have the data. Maybe Department of Education doesn't
14 have any of this data either. I mean --

15 MS. MOORE: Yeah. Well, we've never been part of
16 the system.

17 ASSEMBLYMEMBER HAGMAN: We have three silos --

18 MR. ALMANZA: Um-hmm.

19 ASSEMBLYMEMBER HAGMAN: -- kind of over-watching
20 the local districts and --

21 CHAIRPERSON BUCHANAN: We're still trying to get
22 CALPES (ph) to work to tell us basic information about the
23 kids we're educating, so -- you know.

24 MS. MOORE: Yeah. It's never been --

25 CHAIRPERSON BUCHANAN: So I think is that clear.

1 We want to have a statewide inventory and then we do want to
2 have PIWs for new construction and modernization, but, you
3 know, take one more look at that to determine how those fit
4 together and acknowledging Assemblymember Hagman's comments
5 in terms of if we are going to require this information on
6 Prop. 39 that we don't duplicate, that we have one system
7 that hopefully will --

8 ASSEMBLYMEMBER HAGMAN: And who -- I guess the big
9 Prop. 39 question is OPSC, Department of Education -- who's
10 supposed to be the keeper of this database? And that's --
11 this needs to be --

12 CHAIRPERSON BUCHANAN: OPSC I would -- you can
13 make your recommendations there --

14 ASSEMBLYMEMBER HAGMAN: But if they have no
15 funding to do something like this, then what do we do?

16 MS. SILVERMAN: Well, that's the limitations we do
17 have within our administrative budget. We don't have a
18 separate line item other than our personnel services and our
19 budget is very limited in what we can --

20 CHAIRPERSON BUCHANAN: Well, let's figure out what
21 we want to do first --

22 MS. SILVERMAN: Right.

23 CHAIRPERSON BUCHANAN: -- and what is involved and
24 then we'll have to figure out if it's important and we all
25 agree that it should be done, we'll figure out who should

1 have responsibility -- you know, what it's going to cost and
2 who's going to have responsibility.

3 MR. MIRELES: And just to clarify, Madam Chair.
4 Is this within the context of a new program or just to
5 collect the inventory now?

6 CHAIRPERSON BUCHANAN: Well, I would think it's
7 both in terms of ongoing and with the new program because if
8 this is required for Prop. 39 and you're going to have to
9 have an inventory, I don't think we want to ask districts to
10 gather information today and then gather different
11 information a year and a half from now.

12 I think we've got to have a way of having it fit
13 together.

14 MS. MOORE: So on the Prop. 39 bills that you said
15 were amended, it's an overall inventory and not just an
16 energy efficiency inventory that was amended in?

17 ASSEMBLYMEMBER HAGMAN: Correct.

18 MS. MOORE: Okay.

19 ASSEMBLYMEMBER HAGMAN: It's much more
20 comprehensive than I was even hoping for. But -- and that
21 was --

22 MS. MOORE: And those available yet? I mean is
23 that -- does the --

24 ASSEMBLYMEMBER HAGMAN: They are in the props
25 somewhere right now.

1 CHAIRPERSON BUCHANAN: We don't know what gets
2 through, but it's --

3 ASSEMBLYMEMBER HAGMAN: They -- they're all -- the
4 same way.

5 MS. MOORE: Okay.

6 ASSEMBLYMEMBER HAGMAN: And that's on our side and
7 the Senate has their own thing going, so --

8 CHAIRPERSON BUCHANAN: Okay. So I think we're as
9 clear as we're going to be on this right now and we're going
10 to move on to Tab 2, which is the role of State agencies in
11 the School Facilities Program. And the intent on this, let
12 me just say, was to give a broad overview of a project as it
13 passes through or interacts with the different agencies, not
14 to really drill down because basically the State Allocation
15 Board's job is to approve the distribution of the funds and
16 so we primarily deal with OPSC.

17 But we wanted to at least look at the numbers and
18 it's too bad we're not all here, at least have this
19 overview. So --

20 MS. KAMPMEINERT: Thank you. Beginning on page 7
21 of the item and as you mentioned this is a broad overview of
22 the State agencies.

23 The -- we do of course acknowledge that before the
24 State agencies even being involved, there's a lot of work
25 that's done at the local level. We won't be addressing that

1 in particular today, but just more of the highlights of each
2 agency.

3 And on page 8, we'll touch on this now, but what
4 we have tried to do here is put the agencies in context of
5 where they fit into the different parts of designing and
6 building a construction project. And to do that, we've
7 broken down the life cycle of a school construction project
8 into some steps.

9 Now this is drawn in a bit of a line. However,
10 it's not always a linear process. There are some districts
11 that may not be doing these steps in the order that we've
12 represented here, but this at least will allow you to see
13 where the State agencies sort of fit in in the funding stage
14 or plan review stage or down at the construction stage,
15 et cetera.

16 So hopefully that can serve as a reference as we
17 go through, so -- but rather than spoil the presentation,
18 we'll save that to come back at the end where it might make
19 a little more sense.

20 Moving on then to page 9, the first agency that we
21 are going to start with today is the California Department
22 of Education and specifically the School Facilities and
23 Transportation Services Division. And for purposes of
24 facilities, the -- and I'll be using the term CDE meaning
25 the particular division, but CDE focuses on the student

1 safety and educational appropriateness of the facilities.

2 And actually as we're going through this, I'll
3 point out that we're going to connect this to the Education
4 Codes and requirements that State agencies have to follow
5 and the districts have to connect with and then also how the
6 State agencies fit into the funding process which we're
7 using the term basically OPSC requirements or funding
8 application requirements to sort of connect it to the School
9 Facility Program.

10 Education Code 17251 requires CDE to develop
11 standards for school districts to use in the selection of
12 school sites and the design of schools.

13 And the most recent version of those standards was
14 adopted by the State Board of Education in 2000 and it's
15 contained in the California Code of Regulations Title 5.

16 And for purposes of this presentation, I'll be
17 using Title 5 for that terminology. I think we're all
18 pretty familiar with that at this point.

19 But also the Education Code requires that if a
20 school district is seeking funding through the School
21 Facilities Program that the State Allocation Board may not
22 apportion funds unless the district has obtained approval
23 from CDE, that the site and building plans and
24 specifications comply with the standards adopted by that
25 department.

1 So this is a requirement for school districts to
2 participate in the funding process.

3 And the standards that the district -- that CDE
4 develops and the districts comply ensure that the
5 construction of the facilities is educationally appropriate
6 and it promotes school safety.

7 For a comprehensive list of the statutory and
8 regulatory references, we have included that at the end of
9 this section -- of the item.

10 ASSEMBLYMEMBER HAGMAN: Can I ask a quick
11 question. Because of this, wouldn't CDE have basically the
12 basic inventory out there anyway and if they have to approve
13 the site and look at it, isn't that something we should be
14 able to pull out to get the basic site database going?

15 MS. MOORE: We -- of all projects that have come
16 through our office, we have a site -- we have site
17 knowledge, yes. We don't have it in a database. No one has
18 asked for it in that method.

19 What we do is for purposes of the Board, we send a
20 letter that says, you know, this is the site that has been
21 selected and it's approvable by our standards. But we do --
22 you know, every site that this Board has approved has come
23 through our office and then some because there's many that
24 get -- you know, that they don't go forward on.

25 ASSEMBLYMEMBER HAGMAN: And just to add onto that,

1 is -- like for a while there, we were buying future sites,
2 you know, vacant lands and stuff like that. Is that also
3 something that you would --

4 MS. MOORE: Yes and no. I mean some districts
5 went forward -- and we called it land banking at the time --
6 went forward with a land bank and they could or could not
7 have come into our office because you're not required to
8 come into CDE unless there's State funding.

9 So land banking was done at local expense and they
10 may have purchased a site and then they would come through
11 for approval.

12 Others may have done it and simultaneously sought
13 our approval because if you bought a site that would have a
14 problem with us, that was a problem for you --

15 ASSEMBLYMEMBER HAGMAN: Um-hmm. But if it's State
16 money, then we would know about it somewhere.

17 MS. MOORE: Yes.

18 ASSEMBLYMEMBER HAGMAN: So we could get that data
19 as well. Okay.

20 MS. MOORE: Yeah.

21 MS. KAMPMEINERT: So picking up on page 10, I'd
22 like to highlight some of the processes in place for the CDE
23 reviews and approvals.

24 Now there are two main reviews and one relates to
25 the site, as Ms. Moore just mentioned, and then also there

1 is the approval of the plans.

2 But in the site review and approval process, the
3 school districts provide the CDE with information related to
4 three or more potential sites and then CDE staff does
5 actually do site visits to go out and take a look at sites
6 and provide feedback to the school district with written
7 evaluations and rankings of the sites and they include a
8 feasibility of whether that site is appropriate for the
9 educational -- for an educational setting.

10 And then once that feedback has been received, the
11 district decides which site they're going to pursue. And
12 when selecting a site, the district looks at specific
13 characteristics at the site and after doing some
14 evaluations, they report back to CDE that the site is
15 suitable for use as a school.

16 And when they are doing that, they'd have to
17 consider some safety issues such as proximity to airports,
18 high transmission power lines, the busy roads that could
19 pose a safety hazard, pipelines which I'm sure you've heard
20 about. At this point, we've had a few items go forward with
21 those.

22 And then what happens next is that CDE reviews the
23 district's submittal and if the site is acceptable, then a
24 site approval letter is issued and this letter is valid for
25 five years.

1 And the site approval letter is submitted to OPSC
2 as part of a request for School Facilities Program funding
3 and in addition to letting OPSC know that the site has been
4 approved, there's also other information in that letter that
5 can be used when calculating funding information such as,
6 for example, the number of acres that are usable at that
7 site for school purpose because the whole piece of land that
8 the district purchases may not all be usable for the school
9 and that's something that we use to assist us in determining
10 the funding amounts that are recommended to the State
11 Allocation Board.

12 So the moving onto the plan approval process, the
13 school design is based on the requirements of Title 5 and
14 the educational specifications that are approved by the
15 local school board.

16 The educational specifications help to inform the
17 architect on what types of facilities are necessary for the
18 educational program. And I'd like to draw your attention to
19 page 10.

20 At the bottom there, there are some bulleted items
21 that CDE will review to determine that the plan of the
22 school facilities does meet the requirements in Title 5. So
23 it includes things such as the layout of the site, for
24 example, the parking and drop-off area, supervision, just
25 some things that are important. I think one that stands out

1 to me as an example that CDE has used in the past where
2 location of the building can impede a teacher's ability to
3 see the entire site and there's a nice graphic where if you
4 just move the building over a little bit, then you have a
5 full view of the entire play area and there are no hidden
6 corners.

7 So CDE can assist districts in figuring out, hey,
8 is the school laid out so that it's addressing safety
9 issues.

10 ASSEMBLYMEMBER HAGMAN: Again so some of this data
11 is already there of inventory, not just the sites, but also
12 the classroom size, square footage, things like that and do
13 we -- when someone builds the school after it's been
14 approved, go through the whole process, someone -- the plan
15 versus -- to completion and basically the same thing we
16 started on?

17 MS. KAMPMEINERT: It's my understanding that the
18 CDE and DSA plans can be submitted at the same time and upon
19 occasion, CDE doesn't have the set of plans that DSA
20 receives. OPSC reviews to the DSA plan approvals and upon
21 occasion, there are slight differences in things such as
22 classroom counts.

23 So there may not -- it may not be a complete match
24 with what CDE has done, but in most cases, it's reasonably
25 close.

1 MS. MOORE: And one of the things we square up is
2 when our plan review letter comes through and OPSC has done
3 their review, they're ensuring that it squares with that or
4 there's a request for a scope change on the part of the
5 department.

6 But to answer your question, we don't go back and
7 review at the end of the -- we don't -- Department of Ed,
8 did you build what we approved in that letter. I think part
9 of the Project Information Worksheet is looking at it versus
10 what the Board approved.

11 ASSEMBLYMEMBER HAGMAN: And I'm not trying to be
12 argumentative here by any chance, but this one of the things
13 we had in a very school in my city. I had the planning, I
14 had, you know, three different -- three or four different
15 things and my developers come in and get banged around.

16 One person would ask for something. They would
17 change all the plans and go to the next person and they
18 would have another problem and then they go back to the
19 first one, they wouldn't approve and the thing took too
20 long, added quite a bit of cost to doing things.

21 I know we spend a lot of money for our schools,
22 always wondered, you know, how do we spend so much money
23 compared to, you know, the private sector and maybe because
24 we have one, two, three, four, five -- at least five if not
25 more departments -- all the hands in the cookie jar wanting

1 their own thing.

2 Wouldn't it kind of make sense to take one agency
3 and take the staff they have in your facility that works on
4 this, the staff that the Department of Toxic Substance
5 Control and all the rest of the five or six agencies who do
6 have oversight, do have jobs, and be like a one-stop shop,
7 be in one location, and that way it's all in one place and
8 we could maybe get it out quicker and more efficiently.

9 I know like we do that with the Attorney General's
10 office. We've actually put some of the department --
11 insurance investigators over there so they could work
12 collaboratively together and they're funded out of the
13 different agencies, but they're all in one location, they're
14 all on the same page.

15 Is that something we could look maybe if we do go
16 out to new bonds and stuff maybe to streamline the process,
17 have it all in one shop and that way it's all -- lot more
18 easy for everyone to do what they're supposed to do.

19 MS. MOORE: Are you asking me?

20 ASSEMBLYMEMBER HAGMAN: Yeah. Just opinion.

21 MS. MOORE: Since we're in the California
22 Department of Education portion of it --

23 ASSEMBLYMEMBER HAGMAN: Yes.

24 MS. MOORE: -- I'll certainly comment. I think
25 that you are hitting on an issue that has been brought up in

1 probably every single report that has looked at the
2 agencies, beginning back with the report that was done in
3 2008 in our offices around these issues, the 2010 report by
4 the expert work group that was run by the DSA -- or the
5 DGS -- excuse me -- the Superintendent Schools of the Future
6 report, the U.C. Berkeley report.

7 It was consistent throughout that the handoff of
8 the agencies does create complexity and in fact I mean you
9 can go back to the 1949 reports that say, you know, there
10 should be one agency.

11 It is an issue that has been a part of this system
12 for some time and you're right to point it out and I think
13 if there's ever going to be anything done about it, it has
14 to be considered legislatively because each entity has
15 legislative duties and obligations --

16 ASSEMBLYMEMBER HAGMAN: And I'm not saying shut
17 down one or the other. I'm just saying maybe the staff, you
18 know, is all in one building. You know, the ones that
19 handle these things, they're all -- you know, they're still
20 paid by DOE, they're still paid by DTSC, and -- I have to
21 get all the acronyms right. They're still DSA. They're
22 still employees of those agencies, but they're all on one
23 floor somewhere in one of our State buildings and they all
24 talk together and they're all part of the same kind of
25 group --

1 CHAIRPERSON BUCHANAN: You know, but we live in an
2 age of IT and communication and you can have big tech
3 companies that can have engineers all over the world working
4 on the same project.

5 I mean there's no reason if we're talking about a
6 database where we have the inventory and the information why
7 everyone has to be in exactly the same place. We have to
8 have some kind of agreement of what is the information we
9 want to collect, who's going to be responsible for that, and
10 then, you know, you can also partition a database if you're
11 dealing with -- you know, you want to create your own little
12 plot or something, so that, you know, you can then determine
13 how the fields get filled in.

14 Because that's the real question is -- I mean I
15 think our trying to reorganize the executive branch of the
16 government is going to be pretty hard -- beyond our scope
17 and pretty hard to do, but certainly in terms of trying to
18 define what is that information that should go into the
19 database and who should be responsible, I think it's not
20 unreasonable for us to maybe try and tackle some of that
21 particularly as it relates to facilities and funding because
22 that's --

23 MS. MOORE: Well, one of the recommendations again
24 in the U.C. Berkeley report was that, you know, at maximum
25 you would have your systems the same and at minimum you

1 would have your systems at least be able to talk to one
2 another, and right now we have neither.

3 CHAIRPERSON BUCHANAN: Right.

4 MS. MOORE: So as we look forward into the future,
5 you know, DSA -- because they're executive branch, DSA and
6 OPSC's systems seem to be working fairly well together, but
7 they'll probably need to be revamped in the future as well
8 and we don't -- we aren't in that loop and DTSC isn't in
9 that loop and DIR isn't in that loop.

10 So those pieces are ones that have been
11 recommended previously.

12 MR. ALMANZA: Right. And our purpose is to, you
13 know, allocate State funding for --

14 MS. MOORE: Yeah.

15 MR. ALMANZA: -- school facility and so this is
16 really going beyond and reorganizing government and --
17 because we don't fund every type of school construction.

18 ASSEMBLYMEMBER HAGMAN: No, but I do think -- I've
19 talked about it for two or three years. You know, how's it
20 cost me \$650 a square foot for a new school when I could
21 build pretty much anything else out there for a lot less.
22 And so when I go back and ask are we wasting the dollars
23 somehow or -- this is probably a lot of the problem.

24 So I think it is reasonable for this Board, who's
25 the keeper of the funds, to try to get the best bang for the

1 dollars out there, to say, hey, if it's our side, if it's
2 the State impeding those costs, if the State's adding
3 20 percent to it because the bureaucracy that we all hear
4 about, then we probably should at least discuss -- bring it
5 up because you do have legislative representatives on the
6 Board to go back up and say, hey, we can go maybe discuss
7 this. We maybe can go through the different scope of work.

8 I'm not holding my breath for the IT solution
9 after it's taken, what, 12 years for the courts. They still
10 don't talk to each other and overbilling for later.

11 So I'm hope --

12 CHAIRPERSON BUCHANAN: Mine's another story that
13 we don't want to get into now --

14 ASSEMBLYMEMBER HAGMAN: Yeah.

15 CHAIRPERSON BUCHANAN: -- because I was involved
16 with that and I'd be happy to talk about that, but let me
17 just say to try and finish by noon --

18 ASSEMBLYMEMBER HAGMAN: That's okay. You get rid
19 of me before noon today.

20 CHAIRPERSON BUCHANAN: Yeah, someone -- I said
21 gee, we'll probably be done by 10:30. Let us just say that
22 we all agree we need an inventory and we don't -- you know,
23 we need to come to some kind of consensus on what should be
24 in that and how we should collect the data in the most
25 efficient manner, and if we could then just continue to walk

1 through what the role is of each agency now, maybe we could
2 then, you know, get to the heart of this discussion.

3 MS. KAMPMEINERT: So I think we're on about
4 page 11 here. So CDE reviews and approves the construction
5 plans to make sure that the standards in Title 5 have been
6 met and then when CDE approves the plans, what happens is
7 the -- a plan approval letter is issued.

8 And this plan approval letter is issued and is
9 required when a school district submits the School Facility
10 Program application. We do need to see -- OPSC needs to see
11 that letter and it helps to not only show that the Title 5
12 standards have been met, but it also contains other
13 information that's useful for funding such as the number of
14 teaching stations that are in there, core facilities are in
15 there.

16 It provides verification that if it's necessary,
17 the Department of Toxic Substance Control review and
18 approval has been received. There's a paragraph in the CDE
19 plan approval letter that indicates that.

20 There is also a process in CDE to do a preliminary
21 or a final plan approval review and in most cases, it's the
22 final plan approval that is necessary for the funding
23 portion, but the preliminary plan review allows the school
24 districts to work with CDE to get feedback on things that
25 may help them to design the project so that it can be

1 approved.

2 And CDE does provide that input to help the
3 districts meet the requirements.

4 Final plan approval letters, once they're
5 obtained, are valid for two years.

6 And then if I could draw your attention to
7 page 12. In addition to the plan and site approval process,
8 CDE also has other functions that are related to the School
9 Facilities Program other programs. For example, there are
10 reviews for the environmental and financial hardship best
11 available alternative site certification.

12 So that is necessary if districts are purchasing
13 sites that require extensive cleanup. CDE has reviewed and
14 said that, yes, this is the one -- it's the best option
15 under the circumstances.

16 The CDE also takes a look at the Career Technical
17 Education Facilities Program. There are evaluations and
18 scoring processes that are done for applicants under that
19 program and CDE has the knowledge base to do that evaluation
20 and scoring and then that scoring is used for the funding
21 process once the applications have been submitted.

22 And for the overcrowding relief grants, the CDE
23 verifies those site specific eligibility because that
24 program relates to the number of students that are on the
25 site and the appropriate pupil density. So CDE does that

1 review and provides that information so that an application
2 can be submitted.

3 For the Charter School Facility Program at the
4 stage when applicants are submitting a preliminary
5 apportionment application, CDE helps them determine what the
6 necessary site size is for the project because at that
7 stage, it's a guess of how big the site ultimately will be.
8 So that helps aid in setting aside the appropriate amount of
9 funding for that project.

10 And then roughly similar to the Joint-Use Program
11 where CDE looks at the maximum square footage of joint-use
12 projects. So there are multiple roles in addition to the
13 basic plan and site approval where CDE is interacting with
14 this program.

15 And I believe that hits the high level of CDE's
16 roles. Beginning with page 13 are all the specific
17 regulatory and Ed Code references in there, but with that,
18 I'd be happy to answer any of the high level, but there are
19 also some folks here from CDE that could address any of the
20 more detailed questions as well and of course Ms. Moore is
21 there too.

22 CHAIRPERSON BUCHANAN: Okay. Any comments or
23 anything?

24 MS. MOORE: I don't think I have more comments.
25 Barbara obviously did a nice job going over the highlights.

1 The one that I would definitely draw attention to
2 that is the Career Technical Education Program and the
3 interaction of that program which has been very different
4 than the other programs that we work on and how successful I
5 believe it is because it was a marriage of the program
6 components and the facility components.

7 And that is that school districts had to have a
8 good educational approach to their career technical
9 education reviewed by, you know, experts in those areas at
10 the department before they could receive a funding approval
11 and it was -- I think it was one of the highlights of our
12 programs this last time because of that marriage. It was
13 really -- I think we got very quality career technical
14 education facilities built because we had those program
15 elements reviewed and advised upon.

16 And that's one I would call attention to and then
17 I do think that, you know, the site work -- or the site
18 approvals that CDE does, there's a component of that that
19 does provide a protection for the State in that we're not --
20 as best as can possible. Things happen in projects all the
21 time, but as best as possible, we're ensuring that the State
22 dollars that are being expended are being expended on sites
23 that are, you know, not toxic dumps.

24 You'll hear more about toxic -- Department of
25 Toxic Control's responsibilities there, but that are safe

1 for students and staff and I think that's an important
2 component of the program that's provided as well as the
3 educational pieces looking at Title 5.

4 Anything from staff?

5 CHAIRPERSON BUCHANAN: So move on to DTSC.

6 MS. KAMPMEINERT: DTSC and for that, Tracy Sharp
7 is presenting that material.

8 MS. SHARP: Good morning. As Barbara said, I'm
9 Tracy Sharp and I'm giving you just a high level overview of
10 the Department of Toxic Substance Control's role in the
11 school facility process.

12 And basically the -- and that's starting on
13 page 31. The mission of the DTSC is to protect all of us
14 and the environment from harmful effects of toxic
15 substances. And that rule in the School Facility Program
16 relates to schools' assessment, investigation, and cleanup
17 of proposed new sites as well as when there's expansions to
18 existing sites.

19 Basically DTSC's going to make sure that they're
20 free of contaminants before the district starts building on
21 that site to protect students -- the future occupants
22 basically of the site.

23 And the DTSC review process applies to all
24 projects that are going to receive funding through the
25 School Facilities Program. That's required in the Education

1 Code.

2 If a district is doing a locally funded project
3 that will not request State funds, the DTSC review process
4 is voluntary.

5 So moving on to the --

6 ASSEMBLYMEMBER HAGMAN: Just a quick question.
7 I'm sorry.

8 MS. SHARP: Yes.

9 ASSEMBLYMEMBER HAGMAN: I don't want to slow us
10 down. So it's voluntary if they spend their own dollars on
11 their own project. They don't have to make sure the soil's
12 safe?

13 MS. SHARP: That's my understanding, yes.

14 ASSEMBLYMEMBER HAGMAN: So that doesn't make sense
15 to me. If you're there to do a protection of the public one
16 way or the other and especially our students, that just
17 seems like a check-off you would normally do wherever you
18 build a school.

19 And regardless if it's State dollars or local
20 dollars --

21 MR. YEAGER: Yes.

22 MS. SHARP: And I -- could I real quick just say
23 we have a member of the schools cleanup program here from
24 DTSC and I was going to introduce him as soon as we were
25 done, but I'm happy to invite him right now as well.

1 MR. YEAGER: For a locally funded district, that
2 doesn't --

3 MS. MOORE: This is Fred Yeager from the
4 Department of Education.

5 MR. YEAGER: Oh, I'm sorry. Title 5 standards
6 apply to all schools and some -- if you're coming to the
7 State, we have to actively review and sign off on it, but
8 Title 5 standards for sites do contain a number of
9 environmental assessments that districts are required to
10 follow.

11 There is just no State verification that that
12 process was followed.

13 ASSEMBLYMEMBER HAGMAN: Okay. So you still have
14 the safety check-off so to speak. It's just whether or not
15 you hire the State to check it off or you hire somebody else
16 to check it off. Okay.

17 So if --

18 CHAIRPERSON BUCHANAN: But if a district goes
19 ahead and builds and we haven't signed off on it and then
20 they have problems down the road, you potentially are
21 opening up some liability there.

22 ASSEMBLYMEMBER HAGMAN: And I don't know if you
23 want to do this, but, you know, we have a lot of people
24 actually do this stuff out there from the private sector. I
25 was wondering if -- you know, is that (A) an issue. I think

1 we have heard of sites that --

2 CHAIRPERSON BUCHANAN: Wouldn't you want -- the
3 question is, is should they at least submit the report to
4 DTSC that says that --

5 ASSEMBLYMEMBER HAGMAN: Yeah, that it's been
6 cleared.

7 CHAIRPERSON BUCHANAN: -- it's cleared, yeah.

8 MS. SHARP: Can I introduce Thomas Cota from --

9 MR. COTA: I'm Thomas Cota with the Department of
10 Toxic Substances Control and I'm a branch chief for the
11 Southern California Schools Program.

12 It's true. Under the Education Code, only schools
13 that are receiving State funding or seeking State funds are
14 required to have a phase one environmental assessment review
15 by the department, and at that time, based upon the history
16 of the site, we determine whether or not there is a
17 potential for a release of hazardous substance and whether
18 some additional investigation is required.

19 We do have school districts that have local bond
20 money. Charter schools using private funds and private
21 schools and colleges have come to us under a voluntary
22 cleanup agreement and seek our evaluation and approval of
23 their site, but that's purely on a voluntary process.

24 They're not required under the Education Code to
25 come to us for that assessment.

1 ASSEMBLYMEMBER HAGMAN: And I guess -- I hate to
2 get -- this is -- I'm learning new stuff, so I'm starting to
3 get sidetracked on what we're trying to do here.

4 But I'm just wondering if a private school came to
5 you and said please check my site -- okay -- even though
6 they had their own environmental work, do you charge them
7 for that service?

8 MR. COTA: There is a fee for service, yes. For
9 the work that we charge, reviewing the documents, we have
10 scientists, toxicologists, geologists, hydrologists, folks
11 like that, evaluate the site and make a determine whether
12 the site is protected or not.

13 ASSEMBLYMEMBER HAGMAN: And I assume that -- I'm
14 hoping that if the builder decides not to go through the
15 State, it's private funds, private school, builds its own
16 campus, that they're doing the same checking because if
17 we're here to protect -- and I believe that's one of the
18 government's core functions is to protect our residents from
19 whatever the case may be, public safety or environmental
20 safety in this case.

21 There should be at least some check-off in there
22 that says that part has been done even if it's not done by
23 us, quote, the State, that it's done by someone else who is
24 qualified to check that off. Is that the case?

25 MR. COTA: We have had situations and we've had

1 talks with -- we had a charter school wanting to site a high
2 school -- relocate their high school on top of a former
3 Superfund site that adjacent property was actually going to
4 be the site for the remediation of the ground water.

5 We've had some -- we had numerous discussions with
6 the facility, explained to them our concerns, the potential
7 hazards, they were still interested in moving forward. We
8 tried to explain the implication of trying to site a charter
9 school or any school for that matter on a national Superfund
10 site. Ultimately after long discussions, they decided to
11 look elsewhere.

12 But under that scenario, they did not have to come
13 to us under the schools Education Code for that approval.
14 That was their decision after we had a lot of discussion
15 with them.

16 And it does happen quite a bit.

17 ASSEMBLYMEMBER HAGMAN: That's just interesting.
18 We have all these departments, spend all the stuff -- least
19 a check off on that. And that -- I assume the local
20 control -- I mean the local planning or whoever has to zone
21 that are pretty much institution, put pretty much anywhere,
22 so I guess even the local city -- to stop it if they wanted
23 to --

24 MR. COTA: Well, we were putting a lot of pressure
25 through CEQA's process and through -- since it was a federal

1 Superfund site with EPA, we were working together to
2 enlighten them.

3 ASSEMBLYMEMBER HAGMAN: But that's an extreme
4 case. So there's probably a lot of other cases out there
5 that probably wasn't (A) brought to your attention, or
6 (B) -- you know, I'm just -- I don't know. Something to
7 look into separately.

8 CHAIRPERSON BUCHANAN: Yeah, I think we could have
9 a -- I mean question in my mind is if it's paid for --

10 ASSEMBLYMEMBER HAGMAN: We got the education chair
11 here, so o--

12 CHAIRPERSON BUCHANAN: Well, if it's paid for with
13 taxpayer dollars, whether it's State bond money, local bond
14 money, or through general fund money that we're giving
15 school districts, if it's paid for with taxpayer dollars,
16 should we have a higher level of confidence that we're not
17 building on sites like this, we're not exposing children
18 to -- or staff to toxins, and, you know, I get in all kinds
19 of conversations with charter schools, but if the charter
20 school for some reason stops operation and those children in
21 the facilities revert back to the district, do you want to
22 potentially have a school that the district can't use
23 because it's -- you know, so --

24 MS. MOORE: I think in the overall system of the
25 agencies, the only required agency regardless of funding

1 source is the Division of State Architect; is that correct?

2 Our office, Department of Toxic Substance Control,
3 and I think -- is DIR required regardless -- are only
4 required approvals when it's State funding. So it is an
5 issue that is open to legislative discussion because that's
6 how it shows up in the legislation.

7 CHAIRPERSON BUCHANAN: Okay. So now -- is there
8 more --

9 MS. SHARP: Just a little bit more.

10 CHAIRPERSON BUCHANAN: Okay.

11 MS. SHARP: And then I want to say that that
12 highlights the OPSC role. When we receive a funding
13 application, we're looking at the documents. We're looking
14 the DTSC determination letters and the -- also what's
15 contained in the CDE's plan approval and site approval
16 letters to make sure that these steps have been taken.

17 So that just kind of emphasizes what we're looking
18 at to ensure that they've complied with these various steps.

19 And something that is available to everyone, DTSC
20 has a database out there, the Enviro Store, that we might
21 take a look at if we need additional information and it's,
22 you know, obviously available to the public as well.

23 And very quickly, I will mention that this --
24 there's potentially a three-step process which Thomas
25 already alluded to. Step one is the phase one environmental

1 site assessment to look at the history of the site, what was
2 it used for or are there naturally occurring substances
3 there, to look at that, and if nothing is found, then a no
4 further action determination comes out of that. The
5 district can proceed.

6 But if there is a potential there for a
7 contaminant, they need to do a more in-depth review and
8 that's step two on page 33, the preliminary environmental
9 assessment. That's going to get into testing and sampling
10 and the DTSC is involved in that process. They're
11 overseeing that testing to make sure that -- you know, the
12 findings are accurate and done appropriately.

13 If that results in the finding that there are
14 contaminants there that a potential cleanup is needed, the
15 district is at a decision point there. They can choose to
16 proceed with that site and that's why it's called a
17 voluntary cleanup agreement -- and go through a cleanup
18 process, or they can say, no, don't want to go through the
19 cleanup.

20 We went to CDE. We proposed three potential
21 sites; maybe there's another one that fits or maybe this
22 really is the best available site. You know, we're going to
23 go through that process with DTSC overseeing it and proceed.

24 And the limitation there is that they can start
25 their funding process if their response action and that

1 cleanup process has been approved, but they can't start
2 construction until that cleanup is complete and there's
3 details to that too that if -- would like to speak to, but
4 for the most part no construction until it's clean.

5 MS. MOORE: And the DTSC process is part of the
6 Department of Education's review of the -- of providing an
7 approval of a site.

8 So it -- the Department of Education and DTSC have
9 that interaction, that DTSC approval or -- they have to have
10 a certain level of approval.

11 They can be working on this issue and we would
12 give them a contingent site approval, but ultimately we want
13 to know that it clears DTSC in order for the site approval.

14 MS. SHARP: I'd like to quacking touch on the
15 funding then. The district can get additional grants when
16 they're acquiring a site for that DTSC review and if they
17 qualify, they can also get grants for the cost of that
18 cleanup. That's it, yes. Thank you.

19 CHAIRPERSON BUCHANAN: So now we move onto DSA.

20 MS. SHARP: I'm going to cover the DSA overview as
21 well and as we mentioned earlier, when it comes to school
22 construction, K-12, all districts have to go through the
23 Division of the State Architect review process. And this is
24 to ensure compliance with the Field Act and California
25 Building Code.

1 The Field Act -- excuse me. This is on page 35 of
2 the agenda -- ensures a higher level of seismic safety. The
3 Field Act also requires that a licensed design professional
4 has drawn the plans, that there's continuous oversight
5 during construction, and that during that construction,
6 there are -- verified reports are done by the project
7 inspector, design professional, and contractors through the
8 process.

9 So before a district can start construction, they
10 must go through plan review. The DSA is involved from the
11 beginning reviewing the plans when they're drawn. They are
12 there overseeing construction and then for the closeout of
13 the project itself.

14 And their authority lies in Education Code and
15 Government Code as the accessibility component and of course
16 if you're pursuing State funding, we're going to request
17 those DSA approved plans.

18 So basically the plan review process is a district
19 submits their plans to the DSA and their review focuses on
20 structural safety, fire and life safety, accessibility, and
21 the fourth piece, the energy efficiency, is optional.

22 If the district is pursuing high -- at this point
23 in time, high performance incentive grants, they're going to
24 need that energy efficiency review as well to obtain high
25 performance incentive grants for their project.

1 And once the DSA has reviewed the plans, they will
2 return them to the design professional with comments.

3 If there's anything that needs to be changed,
4 they'll have what's commonly known as the back check meeting
5 to go over those things and make any corrections necessary
6 before final sign-off and stamp-out of those plans and
7 providing the DSA plan approval letter.

8 One other service that the DSA offers and
9 encourages districts is if there's questions about a
10 particular site, they can come in before they submit their
11 plans to talk about particular issues on that project so
12 they can get those design elements discussed early.

13 So the second step is basically going to
14 construction and the DSA approval letter of those plans is
15 good for a year and basically the requirement is that the
16 district signs construction contracts within a year of that
17 approval date, but they are able to get extensions if they
18 don't go -- sign contracts within a year of getting that
19 approval.

20 The Field Act requires, as I mentioned earlier,
21 the oversight and a district will hire a project inspector
22 that is eventually approved by the -- that person is
23 approved by the DSA that they are qualified to perform the
24 construction oversight and they're there ensuring that the
25 project is basically being built to the plans and

1 specifications.

2 There is also DSA field staff that are visiting
3 the construction site as the project proceeds to ensure that
4 again the project is being built to the plans and specs and
5 that those required reports are being completed and if
6 there's changes on the project as it's going through
7 construction, they can also look at that and provide
8 approvals.

9 The last step for the project is basically the
10 project certification and closeout and this is where the
11 Division of the State Architect is reviewing all of the
12 documents and verifying that the documents are part of the
13 file and that the work was completed in compliance with
14 those approved plans and specifications.

15 ASSEMBLYMEMBER HAGMAN: So if I could just make a
16 quick -- it's -- we like the plan check.

17 MS. SHARP: Hmm?

18 ASSEMBLYMEMBER HAGMAN: We're like my planning
19 department -- the plan check.

20 MS. SHARP: Right.

21 CHAIRPERSON BUCHANAN: Right.

22 ASSEMBLYMEMBER HAGMAN: Okay. So you actually
23 have the plans. You actually physically look at the site
24 plans and stuff like that.

25 CHAIRPERSON BUCHANAN: Yeah.

1 ASSEMBLYMEMBER HAGMAN: So again we have already
2 our basic database built in at DSA. We just need to pull
3 all you guys together and we have our database.

4 MS. SHARP: So while DSA does this for -- as we
5 established earlier, for every school project, what does the
6 OPSC look at? Well, basically with the funding application,
7 we're getting a full set of the DSA approved plans, the plan
8 approval letter so that we can confirm what the district is
9 asking for in the plans and it helps us to verify the grants
10 that they are requesting in their funding application as
11 well.

12 So we're going through a verification that they've
13 completed that stuff for funding.

14 The other required documents, as we have listed
15 there on page 37, as I mentioned the plan approval letter,
16 the stamped plans.

17 If the district is requesting, as I mentioned
18 earlier, HPI grants, they're going to have a verification of
19 the points achieved through their energy review and those
20 points determine the actual amount of an additional grant
21 that they're getting for those high performance components.

22 And the last document that we may get, and this is
23 strictly for modernization projects, is if the district is
24 asking for an additional grant for fire and life safety or
25 accessibility work in there, they will submit a form that

1 will outline the minimum work that was included in there and
2 there's two potential grants that they could apply for under
3 that excessive cost hardship grant.

4 CHAIRPERSON BUCHANAN: Any questions about DSA?
5 Then we're going to move onto DIR.

6 MR. MIRELES: Yes. The next agency involved in
7 the School Facilities Program is the Department of
8 Industrial Relations.

9 Within the DIR, the Division of Labor Standards
10 Enforcement is responsible for enforcing the State's labor
11 laws in regards to wages, hours, and working conditions for
12 employees in California.

13 The DLSE achieves this enforcement by
14 investigating and prosecuting complaints against contractors
15 and subcontractors who violate the code requirements.

16 Another important function of the DIR is that the
17 director also approves and oversees the Labor Compliance
18 Program.

19 I think some of you may have heard discussions at
20 the SAB regarding issues with the LCPs, but just as a
21 reminder, the LCP as an entity has been approved by DIR to
22 enforce compliance with prevailing wage laws. They review
23 certified payroll records. They inspect job sites,
24 investigate complaints of violations, and they take
25 appropriate action when violations are found among other

1 things.

2 On page 41, we've listed the process for DIR
3 involvement in the SFP over the years as it's changed.

4 Between 2003 and 2011, Labor Compliance Programs
5 were required for projects funded by Propositions 47 and 55.
6 So any project that had started construction on or after
7 April 2003 as signified in the date of notice to proceed or
8 the initial public contracts -- public work construction
9 contract is awarded before January 1st, 2012, were required
10 to initiate and enforce the LCP or contract with a DIR
11 approved third party.

12 That changed for contracts awarded after
13 January 1st, 2012. The Labor Code now requires that all
14 State bond funded projects including school facilities whose
15 construction contracts were awarded again after January 1st
16 of 2012 are subject to prevailing wage monitoring by the
17 DIR.

18 There are a few exemptions. Basically if the
19 awarding party has a previously approved LCP that the
20 director has approved for continued use in lieu of DIR
21 monitoring -- there's only a few -- actually three school
22 districts and one COE and the UC and CSU systems that
23 qualify.

24 Another exemption is if the project is covered by
25 a qualified project labor agreement or the project received

1 funding from the Safe Drinking Water, Water Quality and
2 Supply, Flood Control, River and Coastal Protection Bond
3 Action of 2006. That's a long one there.

4 So in this function, the prevailing wage
5 monitoring, the DIR will perform basically similar functions
6 that the LCP perform, again such as reviewing certified
7 payroll records, conducting investigations, construction
8 site visits, and interview workers.

9 The DIR would also enforce any violations if they
10 are found.

11 Now, the funding is slightly different for each
12 program. The LCP grant is based on a sliding scale
13 depending on the amount of State funding provided for the
14 project while the prevailing wage monitoring grant is set up
15 one quarter of one percent of the total State share of the
16 eligible project cost.

17 Now, the grants for both programs are intended to
18 be reasonable and directly related to the costs associated
19 with performing specified monitoring enforcement services.

20 So that's a very basic high level overview of
21 DIR's involvement. We do take a look at certain documents
22 to see if the district qualifies. This is usually done at
23 the fund release stage for Labor Compliance Programs.

24 We take a look at contract documents. But if
25 they're under the Prevailing Monitoring Program, we just

1 make sure that the districts have contacted DIR and that
2 they've initiated that process.

3 Again that's a very high level overview of DIR's
4 role. I'd be happy to answer any questions.

5 ASSEMBLYMEMBER HAGMAN: Do we have anybody from
6 DIR here?

7 MR. MIRELES: I don't think that they were
8 available.

9 ASSEMBLYMEMBER HAGMAN: All right. My ongoing
10 complaints for classification, but --

11 CHAIRPERSON BUCHANAN: All right. We'll move onto
12 OPSC then.

13 MS. MOORE: I just have -- so do we have any
14 information on how the process since January 1, 2012, has
15 been going?

16 MR. MIRELES: Going with us or with the DIR?

17 MS. MOORE: Well, they're not here, right. With
18 DIR.

19 MR. MIRELES: No. I think that there has been
20 some questions raised by we don't know specifically how it's
21 worked -- districts working with DIR directly. We get
22 involved at the back end, just provide the funding once the
23 districts have contacted DIR, but to get engaged with DIR,
24 we don't know as far as how it's worked.

25 MS. MOORE: And is there a way that you are

1 checking that they have started that process so that we
2 don't -- I mean we've heard a lot of appeals around this --

3 MR. MIRELES: Right.

4 MS. MOORE: -- the prior process. Is there a way
5 that we know that this is happening now that we wouldn't
6 have a back-end issue of someone didn't do the --

7 MR. MIRELES: Right.

8 MS. MOORE: -- prevailing wage process?

9 MR. MIRELES: Yeah. The districts do provide us a
10 form that they have to submit to DIR to contract them for
11 the prevailing wage monitoring. So basically that's
12 certification to us that they are engaging in that process.

13 MS. MOORE: And you have that before the funds go
14 out. Is that what --

15 MR. MIRELES: Yes.

16 MS. MOORE: And -- but we don't have any report on
17 how it's working.

18 MR. MIRELES: Not with DIR, no.

19 CHAIRPERSON BUCHANAN: Move onto OPSC.

20 MR. MIRELES: Yeah. Last but certainly not least,
21 at least in our opinion, is OPSC.

22 I know you're all familiar with who we are and
23 what we do, but again we are staff to the State Allocation
24 Board and on behalf of the director of DGS, we administer
25 the School Facilities Program.

1 There's various other things that we do, but in
2 the interest of time, I'm not going to go through all of the
3 detail. But I do want to highlight how we interact with
4 other State agencies, which is on page 44.

5 So depending on the type of project, certain
6 projects do require plan approvals. So, for example, if we
7 take a look at the new construction, a new construction
8 project that typically acquires land, they will require, as
9 we mentioned earlier, CDE site approval as well as a plan
10 approval.

11 They also need DTSC determination on the site and
12 DSA plan approval. And at the end, they will also be
13 required to have either the LCP or the prevailing wage
14 monitoring documentation.

15 So the way the process works is that school
16 districts submit funding requests to our office and we
17 verify that they have received the appropriate approvals
18 from all the other agencies.

19 So again when we get an application, it's
20 considered to be construction ready, all the necessary plan
21 approvals are in place, and we have the certifications from
22 each of the agencies that they have completed those reviews.

23 Then once we get that information, then we review
24 the program criteria for the specific funding requests.
25 There's numerous programs that have various eligibility

1 criteria that we check and then we award the grants
2 accordingly because again different criteria for different
3 programs and different funding levels depending on the
4 program type.

5 Now, the current School Facility Program was
6 designed to be a little bit more simpler than the old
7 Lease-Purchase Program which had a lot of State oversight.

8 This program does have a lot of certifications
9 that districts can make. In fact there could be as much as
10 about 60 -- over 60 that they have to certify to when they
11 apply for funding. And we have an attachment to list all
12 the certifications.

13 Now, they may not necessarily have to certify to
14 all of them. It's just only as appropriate for the project.

15 So a combination of the OPSC review and the
16 district certification make the project eligible for funding
17 under the current program, which right now they get an
18 unfunded approval, then an apportionment, and eventually a
19 fund release.

20 Once we take a look at the application, review it,
21 then we present it to the Board again for an unfunded
22 approval.

23 We now have this semi-annual priority in funding
24 rounds where districts can submit certifications. They have
25 to certify that they can submit a fund release within

1 90 days if they receive an apportionment to be able to
2 participate.

3 And then if they do get an apportionment, they
4 have to qualify for an actual fund release. They have to
5 submit a certification that they've entered into a contract
6 for at least 50 percent of the work in the DSA approved
7 plans and that they have issued notice to proceed.

8 Then again at this stage is when we also review
9 the prevailing wage monitoring requirements, whether it be
10 through an LCP or DIR's involvement.

11 We have a diagram that basically gets into the
12 detail. I'm not going to walk through each step, but
13 this -- basically it sets the milestones for each of the
14 processes that we go through in-house which generally starts
15 with eligibility determination, then funding request,
16 submittal, review and approval.

17 But once a project is approved and the district
18 release funds, they -- the school districts do have to
19 provide annual expenditure reports as well as one progress
20 report 18 months after the funding release basically to show
21 that they've been moving towards completion of the project.

22 Elementary school districts have to do this within
23 three years, while middle and high schools have to be
24 completed within four years.

25 And then at the end, there is a final expenditure

1 report basically showing the project is complete. We review
2 these expenditure reports to make sure that they're in
3 compliance with the specifications and that all expenditures
4 are eligible under the program.

5 Some projects do have savings and depending on the
6 project type, they may be able to keep the savings and use
7 in a future project, while the programs don't savings to be
8 kept.

9 Those programs are basically the Charter School
10 Facility Program, Career Technical Education Program, the
11 Overcrowded Relief Grant Program, Facility Hardship, and
12 Seismic Mitigation Programs.

13 Now districts that are financial hardship
14 districts, they must either return the savings to the State
15 or use the savings to offset the financial hardship
16 apportionment of a future project within three years. After
17 the three years, any unused savings plus interest must be
18 returned to the State.

19 So that's a very high level overview of how we get
20 involved at the tail end and again a high level overview of
21 all the other agencies involved in the process. So that
22 concludes our presentation.

23 CHAIRPERSON BUCHANAN: Any questions? Are there
24 any comments from anybody on the process?

25 MR. DUFFY: And I won't sit down. I'll just take

1 a minute.

2 CHAIRPERSON BUCHANAN: Sit down at the mic.

3 That's the only way we can record your comments.

4 MR. DUFFY: Again Tom Duffy for CASH. The
5 complexity of the program that has been outlined for you and
6 the fact that districts apply for this program even though
7 there is not bond authority and that is happening is an
8 indicator of need, the point being that the arduous tasks
9 that are before a district that is seeking to apply for the
10 program, going through the approval process with each of the
11 agencies, as well as going through the CEQA process at the
12 local level and applying as Juan said accurately that
13 they've complied with everything before they come in and
14 submit an application.

15 CHAIRPERSON BUCHANAN: Right. But some of this
16 they have to comply with whether they're participating in
17 the program or not, correct?

18 MR. DUFFY: That's correct. But if they show up
19 at the door of OPSC with an application, it's an indication
20 of need. My point is that you've discussed earlier when you
21 were talking about the PIW and how do we demonstrate need
22 for a future bond, the fact that districts are doing that is
23 an indication of need because it's a lot of work to be done
24 and you're spending local dollars.

25 That's my comment. Thank you.

1 CHAIRPERSON BUCHANAN: Any other comments or
2 questions?

3 MS. LOW: Michelle Low with the Charter School
4 Association. Not that I want to draw any more attention
5 back to that Superfund thing, but I just want to highlight
6 the hardships that charter schools face in finding
7 facilities and they have found this program to be
8 particularly hard to navigate due to a lot of the same
9 things as other school districts face.

10 One thing we would suggest is maybe creating more
11 guidance for small school districts and charter schools at
12 the State level who are going through this process. We also
13 have gone through agency and agency and all the different
14 steps.

15 Other than that, they face just the same
16 complexities and the need is there as well obviously.

17 CHAIRPERSON BUCHANAN: So do you have any comments
18 on whether or not particularly -- I'm just -- I'm going to
19 focus just right now on DTSC in terms of having that level
20 of sign-off?

21 I mean certainly you can't speak for traditional
22 schools, whether they participate in the program or they
23 don't, but do you -- where do you stand on charter schools
24 in terms of that particular point ensuring that the site's
25 toxic.

1 It seems to me if you don't have that assurance
2 and my kid develops cancer down the road, I'm going to come
3 back and sue you for -- so it seems to me that it's a safety
4 provision that should apply to all kids, but I'm just
5 curious as to --

6 MS. LOW: As an association, we actually did work
7 with that number and encourage them not to have on that
8 site. Due to the community that gets involved in it and
9 just the PR that we create for them, we just kind of
10 encourage them that they might lose enrollment being on a
11 Superfund site.

12 And, you know, there's the idea of school safety
13 and obviously we want the schools to be safer for the kids.
14 Charter schools face so many issues in finding facilities
15 that are educationally appropriate, that they can afford
16 because they don't necessarily get public dollars depending
17 on what type of facility they're in.

18 And so some are forced to do things like maybe get
19 a facility that's not meant for a school. Now, in those
20 cases that are leasing, it won't actually go to the
21 district. The lease would just end and --

22 CHAIRPERSON BUCHANAN: Right.

23 MS. LOW: -- if the agencies still exist and we
24 are trying as an association to get them to find more
25 long-term, educationally appropriate, and safe facilities

1 for students.

2 CHAIRPERSON BUCHANAN: So would you support
3 requiring if you are acquiring land or a new building that
4 there be some DTSC sign-off on the application before you
5 build?

6 MS. LOW: Before you build? Yes. If you're
7 getting -- if you're acquiring land and building, yes.

8 CHAIRPERSON BUCHANAN: Okay.

9 MS. MOORE: It's interesting that every agency
10 touched on this particular project and it started with a
11 local advocate that found out about the issue and they
12 brought it to every agency's attention. And every agency
13 said we don't have jurisdiction, but we'll talk to them.

14 And I think it was ultimately Department of Toxic
15 Substance Control talking to them, the Association talking
16 to them, the Department of Ed talking to them that they
17 voluntarily went away from a decision that they seemed
18 imminent to make.

19 But it was not because they had to come to any of
20 the entities. And it does highlight that, you know, for
21 those that are State funded, we do a certain thing, and for
22 those that aren't, it's local requirements only. And
23 it's --

24 MS. LOW: And they are a public school student.
25 And so --

1 MS. MOORE: And it was odd --

2 CHAIRPERSON BUCHANAN: Yeah. I --

3 MS. MOORE: -- that the local entity didn't pick
4 it up either. I mean it was well on its way.

5 CHAIRPERSON BUCHANAN: But there was no legal
6 requirement. I mean --

7 MS. MOORE: Well, they are legally required to
8 have -- charters that are not State funded have a choice
9 between going to the Division of State Architect or their
10 local planning authority. So they had to have had a local
11 planning authority sign-off.

12 CHAIRPERSON BUCHANAN: If I picked up correctly
13 from the discussion today, there is no requirement that they
14 have -- that they approach DTSC --

15 MS. MOORE: Correct.

16 CHAIRPERSON BUCHANAN: -- and have a clearance
17 letter. If they had, then I think that issue would have
18 been raised.

19 And so my question there is particularly when
20 we're talking about an environmental issue like that, should
21 there be a sign-off, you know, somewhere by DTSC.

22 MS. LOW: And I would also add that we think it's
23 a problem that a charter school would have to pay to go
24 through that review. If they're voluntarily going through
25 that review, I think that it's not an extra expense that

1 they should have to take on since they are public school
2 students that they're housing on site.

3 CHAIRPERSON BUCHANAN: And do regular schools have
4 to pay for that?

5 MR. SAVIDGE: Yes. Yes. You sign an agreement
6 and they bill you hourly basically.

7 CHAIRPERSON BUCHANAN: Okay. Thank you. Are
8 there any other comments?

9 All righty. Well, we have -- thank you very much
10 for all the time and work and more than anything I think
11 we're building a wealth of information. So as we start to
12 take all the items that we have on our list and start to
13 condense them down into some -- maybe some coherent package
14 for the next program, we'll have a good base of knowledge
15 here to make decisions.

16 MS. MOORE: So what's next? What's our next
17 meeting?

18 MS. SILVERMAN: Well, we're working on that. I
19 think we're trying to clarify whether or not it's the 10th
20 or the 11th. I think the 10th may create some logistical
21 issues for some of our members coming in on Monday morning,
22 so --

23 MS. MOORE: So in June?

24 MS. SILVERMAN: We're -- yes, in a couple weeks.

25 MS. MOORE: And do we have what we'll be talking

1 about at that meeting yet?

2 MS. SILVERMAN: I think some of the topics we were
3 just discussing yesterday, so -- we'll be indexing that
4 soon. Probably just some of the parking lot issues is our
5 focus.

6 MS. MOORE: Someone wanted that repeated in the
7 audience. So the meeting is scheduled for June 8th or 10th?
8 We don't know yet?

9 MR. SAVIDGE: 10th or 11th.

10 MS. SILVERMAN: 10th or 11th.

11 MS. MOORE: 10th or 11th and the topics have not
12 been determined yet, but Lisa said it probably would be
13 addressing some of the parking lot issues.

14 MS. SILVERMAN: Correct. And we'll be indexing
15 that in a few weeks.

16 CHAIRPERSON BUCHANAN: Should we -- if you -- we
17 give you money to buy land and you sell it and you don't
18 build a school, those kinds of issues that we -- well, we
19 all have issues like that that we've brought out pages and
20 pages of them in terms of what it should cost to financial
21 hardship, what should --

22 ASSEMBLYMEMBER HAGMAN: Well, can I make a
23 suggestion then. Obviously there's interested parties in
24 this room that may have additional questions we haven't
25 brought up.

1 CHAIRPERSON BUCHANAN: Right.

2 ASSEMBLYMEMBER HAGMAN: Can they email them to us
3 or --

4 CHAIRPERSON BUCHANAN: Absolutely and some of
5 those that they have brought up are on there as well.

6 ASSEMBLYMEMBER HAGMAN: Yes.

7 MS. MOORE: Do we have a parking lot issue
8 document so we know what's on it?

9 CHAIRPERSON BUCHANAN: We're in the process of
10 creating and condensing because it was many, many pages, but
11 when you started to go over it, you realized some of these
12 issues that came up at --

13 MS. MOORE: Overlap.

14 CHAIRPERSON BUCHANAN: -- yeah -- at multiple
15 meetings overlapped and so we've been working on creating a
16 parking lot list which you'll see that it's by topic area so
17 that if it deals with eligibility, if it deals with funding,
18 whatever, we're trying to condense them so we can have
19 some -- hopefully, like I say, some coherent discussions
20 around all the areas that fall into -- or all the topics
21 that fall into specific areas.

22 MS. MOORE: Okay.

23 MS. SILVERMAN: And move forward with some
24 recommendations.

25 CHAIRPERSON BUCHANAN: Obviously, we'll share

1 those with you.

2 MS. MOORE: Okay.

3 CHAIRPERSON BUCHANAN: Okay. Thank you very much.

4 (Whereupon, at 11:21 a.m. the proceedings were
5 recessed.)

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) 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 School Facility Program Review Subcommittee were duly reported and transcribed by me;

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That I am a disinterested person to said action.

IN WITNESS WHEREOF, I have subscribed my name on June 5, 2013.

Mary C. Clark
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