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CALIFORNIA STATE ALLOCATION BOARD  
SCHOOL FACILITY PROGRAM REVIEW SUBCOMMITTEE  
PUBLIC MEETING

STATE CAPITOL  
ROOM 126  
SACRAMENTO, CALIFORNIA 95814

DATE: TUESDAY, NOVEMBER 12, 2013  
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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

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

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

ASSEMBLYMEMBER JOAN BUCHANAN

ASSEMBLYMEMBER CURT HAGMAN

ASSEMBLYMEMBER ADRIN NAZARIAN

REPRESENTATIVES OF THE STATE ALLOCATION BOARD PRESENT:

LISA SILVERMAN, Executive Officer  
BILL SAVIDGE, Assistant Executive Officer

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

LISA SILVERMAN, Executive Officer  
JUAN MIRELES, Deputy Executive Officer

P R O C E E D I N G S

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2  
3 CHAIRPERSON BUCHANAN: I'd like to call the  
4 meeting to order and thank you all for your patience. We  
5 were waiting for a flight to arrive from Southern  
6 California.

7 So today we really just have one item on the  
8 agenda other than public comment, and that's to discuss  
9 future school facility needs.

10 MR. WATANABE: Good afternoon. Michael Watanabe,  
11 Chief of Program Services for OPSC. I'll be presenting this  
12 item.

13 So the purpose of this item is kind of to present  
14 historical information on the School Facility Program to  
15 facilitate as background information for this Subcommittee's  
16 discussion on a potential statewide school facilities bond.

17 At this time, staff does not have update  
18 eligibility and inventory for all the school districts in  
19 the State to be able to create a reliable estimate of future  
20 housing needs, and in terms of modernization, we also do not  
21 have a reliable estimate to determine need because many  
22 school districts have not established modernization  
23 eligibility and we also don't know what school districts  
24 have modernized with their own local funding.

25 So what we are doing is providing a lot of

1 historical information on what the program has provided and  
2 additionally some local bond information on the school  
3 districts.

4           On page 2, we've talked -- we have two boxes  
5 there. One is for the new construction and modernization  
6 program. Those two programs have been around since 1998.

7           Cumulatively, we gave out 28.9 billion for those  
8 two programs. That's an annual average of approximately  
9 2 billion a year.

10           The second box there showing some of the other  
11 programs we administer. The reason why those are just shown  
12 as a cumulative approvals is because those are either funded  
13 on cycles or an annual basis.

14           I can keep going to the charts or we can pause  
15 there for questions. Keep going?

16           CHAIRPERSON BUCHANAN: Keep going.

17           MR. WATANABE: On page 3 is a summary of all the  
18 school districts in the State that have established or not  
19 established new construction eligibility.

20           Out of the 1,038 school districts, approximately  
21 65 percent have established eligibility. If you take a look  
22 and compare that to the lower chart, that actually  
23 encompasses 89 percent of the enrollment in the State,  
24 though, but it's still not all the school districts in the  
25 State.

1           On page 4 is a continuation of those districts  
2 that have established eligibility, those 679. What we've  
3 kind of shown on that Figure 3A is how much eligibility is  
4 remaining in each of those categories.

5           Now, this eligibility information only encompasses  
6 school districts that have actually come into our office to  
7 establish eligibility. So we're still not capturing all  
8 enrollment needs or housing in the State.

9           Some things to keep in mind with this data shown  
10 in the bottom chart, this data is anywhere between 1 year to  
11 15 years old, depending on when the district last  
12 established eligibility or when they last updated. They are  
13 only required to update their eligibility when they actually  
14 come in for a funding application. You'll see over half is  
15 over five years old.

16           On page 5, we translate that eligibility in  
17 Figure 3A into a potential value. Now, this chart assumes  
18 that the program for new construction continues the same way  
19 it is now and the per pupil grants are the same as now.

20           If we -- all the same considerations apply in  
21 terms of how old this eligibility is, but what we've done is  
22 shown each grade category, multiply it by today's per pupil  
23 grant and that gave us our potential body of \$8 billion  
24 there in the fourth column.

25           Now, on average, school districts get about a

1 24 percent increase for site acquisition funding for new  
2 construction, which would add potentially another 2 billion  
3 in funding, and then based on what we've presented in  
4 previous Subcommittee items on the supplemental grants that  
5 districts are eligible for, you could be adding an average  
6 of 30 percent to all those projects. In total, it would be  
7 potential value of up 12.7 billion -- 12.6 billion -- excuse  
8 me.

9           For your reference, on page 6, we kind of -- we  
10 put some data out there that's been published by the  
11 Department of Finance and this done by their demographics  
12 unit. Over the next ten years, there's an estimated net  
13 growth of about 60,000 pupils.

14           Also what we've done on Attachment D is shown the  
15 county by county enrollment sorted by largest growth to  
16 negative growth, just to show you the trends across the  
17 State.

18           And then on page 7, we've done the same thing for  
19 modernization. Again, you know, this data only captures  
20 school districts that have come in and established  
21 eligibility and shown us their classrooms. Only 64 percent  
22 of the State has established modernization eligibility and  
23 that's when your permanent buildings are over 25 years old  
24 or your portables are over 20 years old.

25           That eligibility is shown in the chart on Figure 7

1 on the bottom there. Again, just like in new construction,  
2 once we ran out of bond authority last year, we have not  
3 processed eligibility updates since November 1st of last  
4 year. So this data is stale.

5           It is likely if we were to update this for a new  
6 program, it would only go up because the buildings would  
7 only get older or we capture school districts we haven't  
8 previously captured before.

9           What we've done on page 8, same thing as new  
10 construction, translated that into today's per pupil grant  
11 amounts. In addition, the supplemental grants that we've  
12 talked about previously, approximately 26 percent add on for  
13 modernization projects will bring us up to about  
14 4.4 billion.

15           And then for your reference on the various  
16 attachments, Attachment A is a summary of all the new  
17 construction projects where the office has fully processed  
18 those applications completely, checked all the criteria for  
19 their schools.

20           In new construction, we're looking at about  
21 235 million in approved projects by the Board that are on  
22 the lack of authority list for new construction.

23           Continuing on Attachment A to page 13 is a summary  
24 of the modernization projects where we have fully processed  
25 those applications and the Board has approved those. These

1 are also without a lack of authority and we're looking at  
2 233 million there.

3 Attachment B is projects where we've received  
4 application but haven't processed those. Page 15 in new  
5 construction, we have 185 million that we've received but  
6 not processed and on page 17 for modernization, 123 million  
7 in modernization projects.

8 And again on Attachment D, the demographics put  
9 out by the Department of Finance. And Attachment E, our  
10 apologies, we updated this late today. We inadvertently  
11 captured State bond funds in the totals here.

12 In total, just over 80 billion in local school  
13 bonds have been approved since 1998. In addition to having  
14 a eligibility component to our program, there is the  
15 district match components, so these could be potential  
16 projects that may be seeking State funding to match their  
17 local funding sometime in the future if they haven't  
18 already.

19 And that's the data from OPSC.

20 CHAIRPERSON BUCHANAN: Does anyone have any  
21 questions on this data before we have the presentation from  
22 Mr. Savidge. Do you want to go ahead and present the  
23 analysis that you did with respect to what the need is.

24 MR. SAVIDGE: Thank you, Madam Chair, members of  
25 the Subcommittee.

1           CHAIRPERSON BUCHANAN: And I've asked him since  
2 this is the only item on the agenda to actually go through  
3 the report in terms of he -- we're sort of triangulating so  
4 to speak in terms of -- because we don't have a database --  
5 a statewide database, so we don't know exactly -- we don't  
6 have any information on all of our facilities or how old  
7 they are or -- we haven't updated eligibility since some of  
8 it was established based on the housing boom we were  
9 experiencing.

10           We're really trying to come up with as good an  
11 estimate as we can and we're sort of triangulating and so  
12 Bill worked through and it's calculated two different ways,  
13 and I think it will be worthwhile for those who haven't had  
14 the chance to sit down and talk with you, if you'd actually  
15 go through the report and your estimates and how you made  
16 your calculations.

17           MR. SAVIDGE: Thank you, Madam Chair. So on --  
18 there's a summary of the report on page 21 and that gives  
19 you each of the different approaches, but the report itself  
20 begins on page 23 in your packet.

21           And I want to just give the Subcommittee an update  
22 on all of the facility needs that we can assess using the  
23 data that we do have available to try and understand what  
24 the need for new construction is in the State of California  
25 and what the need for modernization is.

1           And again just starting out, I think there -- if  
2 you look on page 25, really assessments of the school  
3 facilities needs vary widely and one of them was included in  
4 a report entitled California's K-12 Infrastructure  
5 Investments Leveraging the State's Role for Quality  
6 Facilities and Sustainable Communities by Dr. Vincent at the  
7 Center for Cities and Schools. And the study was  
8 commissioned by CDE.

9           You'll see that they use data -- sort of big  
10 picture data: 470 million square feet times a dollar figure  
11 to look at, say, modernization or number of students per  
12 year and you can see that Mr. Vincent came up with a figure  
13 of 116 billion total need using some different categories  
14 than what the State currently uses.

15           But part of the approach, for example, was to  
16 develop a category entitled Capital Renewals. So just --  
17 these are different big picture approaches and I want to  
18 paint that as a background to looking at some of the data  
19 that we have in California. It's a little more focused.

20           The next page, if you'll recall, this spring the  
21 U.S. Green Building Council, USGBC, put out an estimate of  
22 the total repair, modernization needs in the nation at  
23 \$542 billion and that's summarized on page 26.

24           So a couple big picture reports as background. So  
25 right now, there's a couple of different approaches that we

1 can look at. Our funding's exhausted.

2           What this study does is look at modernization and  
3 new construction from two different methodologies, but I  
4 think in my professional opinion, it highlights the need for  
5 us to have an inventory of our school facilities that would  
6 allow us to make some calculations.

7           For example, if we knew how many schools that we  
8 had that were -- and what the age of the buildings were, we  
9 could use those numbers to create a better sense of what our  
10 modernization need might be in California.

11           So on page 28, I used -- I did the same study that  
12 the Office of Public School Construction did with -- just  
13 with a slightly different twist in how -- the methodology.  
14 But using the remaining baseline eligibility is probably the  
15 most -- the simplest way to come up with a snapshot of how  
16 we need -- how many unhoused students we have. And I did  
17 that by creating -- taking those numbers and then using an  
18 average per pupil apportionment and, if you look on page 29  
19 there, you can see the remaining eligibility that I  
20 calculated off a report from mid 2013.

21           And then I took the -- on page 30 -- the average  
22 per pupil grant amounts. These are the base grant amounts  
23 in 2012 and then looked at, okay, what are all the  
24 supplemental grants that districts are eligible for.

25           OPSC did this by taking an average percentage for

1 supplemental grants, and I did it by calculating based upon  
2 all of the new construction projects that were approved by  
3 the Board in 2012. And an example of that is on page 31.

4 This looks at the pro-rata share calculation for  
5 each of the different types of pupils and using that number,  
6 on page 32, you can see the average per pupil apportionment  
7 from the 33 new construction projects that were approved by  
8 the Board in 2012. There is the average per pupil grant  
9 amount.

10 Say for K-6, you can see the average per pupil  
11 grant amount for 7-8 is lower than the K-6 per pupil grant  
12 amount and there's -- you know, you can read a lot of  
13 different things into the data, but these are the numbers  
14 that I came up with.

15 I think this is a smaller data set than OPSC used.  
16 So they have a much -- they have a deeper analysis in terms  
17 of the percentage number, but we came up with remarkably  
18 similar numbers in the end when we the calculation.

19 And on page 33, is the -- basically essentially  
20 doing the math, the remaining eligibility times the average  
21 per pupil grant amount, the State share remaining, new  
22 construction eligibility at 12.2 and escalated using the  
23 3.13 percent of the CCI for 2013 gives us a total number of  
24 12.66 billion as the estimated need for new construction.  
25 So that agrees pretty closely with OPSC's number.

1           What I did, I took the same numbers that  
2 Mr. Watanabe introduced you to which is the Department of  
3 Finance's projections for student enrollment increases  
4 across the State.

5           And if you look at page 35, you'll see the similar  
6 draft that he shared with you and a total net increase in  
7 California over the decade of only 87,000 students. But  
8 what this masks is that in 36 out of 58 counties, there's  
9 actually increased enrollment.

10           And so the methodology of this approach says let's  
11 take those students -- and it's explained on page 36. Let's  
12 take all of the counties in which there's increased growth  
13 and assume that we need to as a State house those students  
14 over the next decade.

15           And so the first way that I did it was to do  
16 what's called enrollment projections using the cost to build  
17 schools. And so on page 37, you see the counties which over  
18 the decade are anticipated to have increased students and  
19 you'll notice that for Riverside County, the anticipated  
20 growth in Riverside County alone is equal to the net  
21 increase for the entire State of California, in this case,  
22 86,000. That's a thousand less than the total net, which is  
23 essentially offsetting your growth by decreased enrollment  
24 in some of the major counties in California.

25           So there's the 36 counties. So I said let's house

1 all of these students and let's figure out what does it take  
2 to build a school to house all these students.

3           So on page 38, there is a grade level distribution  
4 summary. And so we took the 6.2 million students in  
5 California schools and said how do they lay out by grade  
6 level from K-6 to 7-8 to 9-12, and that'll help us  
7 determine -- really we're trying to get to how many  
8 elementaries do we have to build, how many middle schools do  
9 we have to build, and how many high schools do we have to  
10 build to houses these students that will be coming over the  
11 next decade.

12           The next page, on page 39, is if I know how many  
13 students are coming and I know the grade level distribution,  
14 how big are the schools that we're building in California.

15           And so I took information that's submitted by  
16 school districts from the Project Information Worksheet and  
17 I analyzed 60 projects, 20 from each grade level, and this  
18 is the median size school built between 2008 and 2013 of  
19 this admittedly small data set, but it's a decent summary  
20 and includes new schools. It includes some additions which  
21 I think is probably the case that as we're housing students  
22 over the next decade, we know there'll be some additions.  
23 We know there'll be some new schools that will be built.

24           This is the median size of schools that we've  
25 built, 663 for elementary, 984 for middle, and 1,916 for

1 high school.

2           Using that information, on page 40, then I can  
3 calculate -- we can calculate the number of schools to be  
4 built. And so in Riverside County, using the median school  
5 size and the grade level distribution, we can anticipate  
6 that we would need to build 59 elementary schools, 20 middle  
7 schools, and 14 high schools in order to meet that growth.

8           And then on page 41, trying to answer the question  
9 how much does it cost to build a school in California and  
10 use the PIW data for the 20 projects per grade level, and at  
11 the bottom of the page, you can see an example calculation.

12           And what I used for the analysis here is the total  
13 facility cost. So this is the cost of construction of the  
14 facility, all of the soft costs or project costs, and the  
15 cost of the land and any of the site development costs that  
16 are associated in it.

17           So it's a calculated number using all the data  
18 that's submitted by school districts to the Office of Public  
19 School Construction on the Project Information Worksheet.  
20 Really, it's incredibly valuable data for the State to have  
21 and for all of us to have who are building schools in  
22 California.

23           So on page 42 is an example calculation and what  
24 is the median facility cost for elementary schools and the  
25 study that I used and the data set that I have here,

1 25.3 million for an elementary school, 41.3 million for a  
2 middle school, and 83.3 million for a high school, total  
3 facility cost.

4 I then escalated those costs to the midpoint of  
5 the ten-year period since half the work in theory would  
6 happen in the early part, half the work would happen later.  
7 So that's a technique of cost modeling that's done pretty  
8 commonly for school bond programs, et cetera, so escalation  
9 of 15.75 percent.

10 And then at the bottom of page 42, you can see the  
11 five largest counties in the State and the cost of building  
12 facilities in those counties as an example calculation using  
13 this data.

14 And for the entire State, the total new  
15 construction using this methodology -- total new  
16 construction cost to house the projected increased student  
17 enrollment would be 13.2 billion and if we assume the 50-50  
18 State share, then the State share to house the students  
19 would be 6.6 billion.

20 And compare that again to the 13.2 -- is that the  
21 right number from the previous calculation. So this is a  
22 much smaller number.

23 MR. MIRELES: 12.8.

24 MR. SAVIDGE: 12.8, yeah. So I wanted to look at  
25 this in one other way not using the -- you take the same

1 data, the same projected increase student enrollment data,  
2 but use the average State apportionment method. A little  
3 bit different approach and so that's what starts on page 45.

4 But again as Assemblymember Buchanan said, trying  
5 to kind of triangulate, doing this from a couple different  
6 approaches.

7 And so if you look on page 45, this says -- we've  
8 calculated already the average State apportionment in the  
9 previous first model, use those numbers and that's 15,127  
10 for an elementary school student, 14,000 for a middle school  
11 student, 20,000 for a high school student.

12 Escalate those out to the midpoint of construction  
13 and using a slightly revised grade level distribution to  
14 include nonsevere/severe students, you can see the  
15 calculation methodology at the bottom of the page for about  
16 eight of the counties with the largest amount of growth.

17 And on the next page, you can see that summarized.  
18 So the State share using the projected student enrollment  
19 and the average State apportionment would be 5.88- or  
20 \$5.9 billion. So a little bit lower than the other  
21 methodology for new construction.

22 And it's possible -- Mr. Mireles and I talk about  
23 this all the time, you know, around the office, but it's  
24 possible that this includes costs -- the first methodology  
25 includes costs that districts may not be eligible for State

1 reimbursement for or from the district standpoint, it  
2 includes costs that they were not able to receive grants for  
3 and that they funded out of their local bond.

4           So this State share piece may -- is slightly lower  
5 than the average to build that the districts are paying that  
6 they record on the PIW. So a little bit lower.

7           For the modernization data that's -- the  
8 modernization summary that starts on page 47 and then on  
9 page 48, I use the modernization eligibility and came with a  
10 similar set of calculations to the new construction  
11 remaining eligibility and calculated the average per pupil  
12 grant amounts of page 49 and 50 and used that.

13           You can see the average per pupil grant  
14 apportionments for 33 modernization projects that were  
15 approved by the Board in 2012 and they're summarized on  
16 page 51, and then the calculation is on page 52. That  
17 multiplies the remaining eligibility times the average per  
18 pupil grant amount and the State share in this model -- it  
19 comes out to be 4.595 and escalated to 2013, 4.7 billion.

20           And you'll recall at OPSC when -- they did the  
21 calculation slightly differently, but came up with  
22 4.3 billion. So we're very close using the same data set of  
23 figures.

24           So I think I'm in agreement with -- really with  
25 OPSC's analysis that the 12.6 billion is -- the first figure

1 is a little bit high and it's based upon the fact that we've  
2 been through the ups and the downs in California of the boom  
3 and the bust and we need to go through a process of  
4 reestablishing our eligibility.

5 But if you look at the last page, that's page 54,  
6 you can see all of the various calculations and the  
7 12.6 billion is pretty comparable to the OPSC projection.  
8 The two projected enrollment numbers are shown there,  
9 6.6 billion or 5.9 billion, and the modernization at 4.7.

10 We also need to consider the pipeline and OPSC  
11 provided those attachments -- the staff provided those  
12 attachments in reports that are in this handout, but it  
13 totals about \$7.75 million worth of projects. Some  
14 percentage of those projects are going to -- we assume are  
15 going to rise up and be funded once we go through the  
16 nonparticipation project, but we don't have any way of  
17 determining what that amount is at this point.

18 So that's a rapid run through of this study and  
19 just to give you a summary of school facilities funding  
20 needs in the State. Thank you.

21 CHAIRPERSON BUCHANAN: So is there any -- before  
22 the Board starts asking questions or we have discussion, are  
23 there any comments from the public on this? No comments?

24 ASSEMBLYMEMBER HAGMAN: I've got some questions.

25 CHAIRPERSON BUCHANAN: Okay. Go ahead,

1 Mr. Hagman. Ask away.

2 ASSEMBLYMEMBER HAGMAN: Well, I'm just looking at  
3 some of the other numbers too. I know we have migration.  
4 That's basically what we're causing for this as we talk  
5 about the State growth and stuff, but the last several  
6 years, we've been having this smaller population of students  
7 here.

8 So understanding that a lot of this is done this  
9 way, we have to also factor in the different school  
10 eligibility for bonds. You know, have you calculated -- you  
11 know, even if they do have the need, are they going to be  
12 able to qualify to get not just students, but can they also  
13 get that -- so when they have those different factors -- and  
14 I'm trying to think about what the process was, what, 12  
15 years ago when all the bonds went out or whatever it was, to  
16 go out and how long that was supposed to last because that  
17 was a big chunk of money. Do we stay with those projections  
18 as well.

19 So I think you do the best you can because we have  
20 no data and I'm one advocating that with Joan, that get some  
21 kind of bond out there, get some more construction, but  
22 definitely start getting a database.

23 But it's hard for me to even comprehend going out  
24 20 years' projection when we have this migration moving  
25 around, we have declining enrollment going around. We don't

1 know what's left as far as eligibility. If we change the  
2 rules, you know, are schools going to be jumping at it as  
3 quickly as they did the last decade.

4           And I also don't see -- I guess I'm just rambling  
5 here, but I also don't see joint use as well as charter  
6 schools in here as well. So all those things put  
7 together --

8           MR. SAVIDGE: I think one thing they could look at  
9 is -- and obviously I'll defer to them -- to OPSC staff to  
10 discuss some of the other issues.

11           If you look at the -- just as an example, if you  
12 take Prop. 1D, we had \$1.9 billion for new construction in  
13 Prop. 1D and that was starting in 2006, but we also had --  
14 that's lasted until now. But we also had quite a bit of  
15 funding still left in the new construction from Props. 47  
16 and 55.

17           So I'm not sure we can really say what the -- you  
18 know, what amount would be enough to get us where we need to  
19 be and to really cover that and maybe part of that analysis  
20 is looking at how much funding went out for new  
21 construction, for example, on an annual basis. Isn't that  
22 one of your charts?

23           ASSEMBLYMEMBER HAGMAN: Yeah. Well, you also have  
24 the fact that we could turn on the faucet wider or closer  
25 too depending on how much -- you know, how many projects we

1 take each quarter. We could slow down the rate of funding  
2 or speed it up depending on what the direction of the  
3 administration is as well.

4 Or -- so I'm not really looking at the funding  
5 part. It's more the need, you know, and it's hard to even  
6 grasp these numbers as far as either methodology or using it  
7 because all the situations keep changing.

8 I think if we would have asked this question seven  
9 years ago while the building boom was going on, we would  
10 have had a lot different projections at that point.

11 MR. SAVIDGE: And we did. We had much different  
12 growth projections at that point. That's for sure.

13 You asked a question about the need say for  
14 charter schools or some of the other programs, and it's  
15 extremely hard to come up with an appropriate number  
16 because -- and I think that the charter school community is  
17 also struggling some with their lack of data. I know  
18 they're engaged in a process surveying their members about  
19 their facility -- their current facility situations and  
20 their facility needs.

21 So we've been talking with them and there's sort  
22 of a range. I mean you could say charter school students  
23 make up 10 percent of the students in California. Does that  
24 mean -- or 11 percent. Do we set aside 11 percent of funds  
25 for them? I mean that's -- I'm not saying -- I'm not

1 advocating that, but you could say -- you could make a case  
2 for that I guess.

3           So there's some big picture ways you could do it,  
4 but we have some struggles to come up with the right number  
5 of the charter schools.

6           And also if as a State we want to continue to  
7 incentivize charter schools and school districts to work  
8 together and utilize under-utilized district facilities for  
9 charter schools, what can we do to incentivize that. That's  
10 another piece that we -- you could -- the Board can  
11 consider -- the Legislature could consider in terms of, you  
12 know, coming up with a number that worked for that program.

13           MS. MOORE: I have a --

14           CHAIRPERSON BUCHANAN: Okay. Go ahead.

15           MS. MOORE: This might roll back to our program  
16 discussions, but two things for me particularly stand out  
17 and that is in modernization, it is -- and I think both --  
18 all parties have done an excellent job in projecting based  
19 on what we've always done what it would look like in the  
20 future.

21           My interest is in modernization, is what we've  
22 always done a good program and I do believe at some level  
23 that we have not truly funded modernization in California.

24           And so there's a policy decision in my mind still  
25 of -- given we're probably going to have limited funds, do

1 we go deep with fewer projects? Do we go wide with many  
2 projects and not deep and what is it that we want to  
3 accomplish in our modernization funding.

4           So again lack of data doesn't assist that and also  
5 program policy and concept was, you know, we would match  
6 funds to -- we had a certain level of funds we would  
7 provide. Districts either had to match that and if they  
8 went further, they went further.

9           But what is it in modernization we're trying to  
10 accomplish and are we doing it such that we don't have to  
11 come back five years later or such that we really haven't  
12 dealt with some deep-seeded issues with our school system.  
13 One point.

14           Second point is another assumption in our funding  
15 scenario that we talked a little bit about today and that is  
16 the district contribution. And one discussion we haven't  
17 had is the ability and level of local contribution.

18           Our assumption is 50 percent for new construction,  
19 60 percent -- 40 percent -- excuse me -- for modernization,  
20 but we've never tied that to ability and assessed value to  
21 raise those funds appropriately per student.

22           And I think that that also should be part of the  
23 discussion. How are the locals -- is it an unequal  
24 situation at the local level as to how much they can raise  
25 and how much their per student amount is when we ultimately

1 are providing a component of that at the State level.

2           So I hope that we can include these kinds of  
3 issues in the discussion. I think it was excellent data of  
4 moving forward a program -- the assumptions of the program  
5 as we have it today but would love to investigate a little  
6 further that aspect.

7           CHAIRPERSON BUCHANAN: Cesar.

8           MR. DIAZ: Excellent presentation as well, I must  
9 agree, and I also like the points that Ms. Moore just laid  
10 out. And I just want to also -- just ask about career  
11 technical education in the modernization grants and how the  
12 school districts are incorporating those and if you're  
13 looking at this as well in addition to like the charter  
14 schools.

15           MR. SAVIDGE: You know, it's -- we've been  
16 discussing how to -- I mean from my perspective -- and I'll  
17 let the Chair speak to it. It's important to consider what  
18 it is we're trying to incentivize and what the real costs  
19 are for career tech facilities and how we want to -- as a  
20 State, we have a focus on linked learning and one the kind  
21 of career tech programs that I don't think we've ever had  
22 that have really evolved over time.

23           How do we incentivize the facilities component of  
24 that so we can support that push. How do we do in terms of  
25 the modernization of the facilities we have because that

1 would be a really cost-effective way to do it as a State.  
2 How do we look at what it truly costs to build a career tech  
3 facility. That's really important too because there -- it  
4 may be the case that building a science lab is just as  
5 complex or potentially even more complex than building a  
6 career pathway classroom that's well equipped.

7 I mean we've got some comparable models in the  
8 facilities we provide already. Whether -- and how do you  
9 incorporate that and understand what the real cost is. So  
10 that's one of the things we want to look at as we go  
11 forward. Did you want to comment any more on that?

12 CHAIRPERSON BUCHANAN: We were talking about this  
13 today because we haven't had the in-depth conversation  
14 really here at the Subcommittee level and I'm not sure we've  
15 still really defined what we mean by career tech, other than  
16 the fact we all agree it should be part of a school's, you  
17 know, academic program.

18 I visited schools recently and seen their Project  
19 Lead the Way programs. I was at De Anza last week with  
20 Senator Steinberg looking at the linked learning programs.  
21 Every classroom we visited, by the way, was a standard  
22 classroom.

23 I was down -- I did gave a speech over in San  
24 Mateo County a couple weeks ago and was at Metro Ed, you  
25 know, the ROP JPA, fabulous school and facility, and when I

1 looked at their, you know, TV type productions, it was no  
2 different than the TV productions I see at regular high  
3 schools.

4           So there -- I think the question is -- and I don't  
5 know exactly ultimately how it gets integrated into the  
6 bond. The question is, should it be part of the planning  
7 that you do for any new facility.

8           I mean if you take a look, when we used to do  
9 planning for our schools, I was putting on my white board,  
10 we actually broke it down. We were trying to plan for our  
11 high schools and say okay, every kid takes English every  
12 year -- every student; right? So you need -- if you take  
13 your population -- if you have 1,800 kids and you have on  
14 average 30 kids per classroom, you know, you divide 30 into  
15 1,800, you need 60 sections of English.

16           If you each -- if on average, a teacher teaches  
17 five sections of English, then you need, what, 12 classrooms  
18 for English teachers; right? And you figure out on average  
19 they take three and a half years of history and they take  
20 three or three and a half years of math and -- you know, you  
21 figure out how many standard classrooms do I need and then  
22 you've PE that they have to take two years of and then you  
23 have -- they're taking on average six and a half classes a  
24 day or seven. Then the rest get filled with electives and  
25 some of that's drama. Some of that's -- you know, could be,

1 you know, career tech or whatever.

2           And schools have had those elective classrooms  
3 forever. I mean it's not something that's new.

4           And so what we want to do I believe is when you're  
5 planning for a comprehensive high school, we want to be sure  
6 that is part of the planning, and what we've learned from  
7 all the work that has been done in the linked learning and  
8 these programs is that if it's not integrated into  
9 curriculum, it's just a standalone class that's offered. It  
10 doesn't work.

11           And so, you know, whether you have a separate pot  
12 of money or you make sure it's part of the new construction  
13 and the planning that you're doing, I'm not sure what the  
14 answer is there, but it certainly is critically important.

15           Then the other issue becomes what happens when I  
16 am modernizing. You know, how do I make sure -- because  
17 there I may have to build a career tech building or I may  
18 have to convert a classroom that used to be woodshop because  
19 no one takes woodshop anymore and make it a -- use it for a  
20 different purpose.

21           And so how do we fund that. So this analysis that  
22 they did really didn't tackle that issue, but it is  
23 critically important that when districts do their master  
24 planning for the facilities that that is included and is  
25 part of it. And whether it's -- you know, it really

1 shouldn't be an afterthought of, okay, we're only doing this  
2 because we get a career tech grant. It should be part of  
3 your standard planning that you're doing, like I said. But  
4 I do think in modernization, you know, oftentimes you have  
5 different sort of restrictions than you do with new  
6 construction.

7           And the modernization, this Board doesn't include,  
8 okay, we're going to tear down the school. I mean we did  
9 that in our district. Bill did that in his district. I've  
10 visited some of your schools where you've torn them down,  
11 but we've let school districts decide that on their own.

12           And there you get into do you take a school that's  
13 25 or 30 years old and say, you know, I don't know what the  
14 board was thinking 25 years ago. We want to tear it down  
15 and build it over. How do you decide what you're going to  
16 do because once you open the doors there, you know,  
17 there's -- you're potentially creating huge financial  
18 incentives or disincentives to modernize or to build new.

19           So I don't -- this analysis is really saying,  
20 okay, based on having a basic program which is what -- how  
21 the program was envisioned from the very beginning, you  
22 know, we're going to provide certain per pupil grant amounts  
23 and we're going to let the local communities decide, you  
24 know, what they want to build in terms of the schools.

25           And unfortunately, we've talked many times, we

1 don't have any definition in terms of what we think a  
2 standard school is or should be or shouldn't. Whatever, I  
3 mean should be in California.

4           These are my take-aways from the analysis that  
5 we've done. If you go to Jeff Frances's report, a hundred  
6 and something billion dollars, I don't think we're there in  
7 terms of where our needs are over the next 20 years nor do I  
8 think the voters are probably inclined to pass that level of  
9 bonds.

10           So then if you to the two different analyses of  
11 staff, if you take a look at remaining eligibility where  
12 you're in the neighborhood of \$12 and a half billion for new  
13 construction, that reinforces to me that our decision to  
14 require districts to reestablish eligibility is probably the  
15 correct decision because, you know, we have eligibility that  
16 was established, you know, well over a decade ago. Much of  
17 it that's still on the books is when we were in the middle  
18 of the huge construction boom and some of the projects with  
19 a tentative maps are active and they're going to build them.  
20 Some of them may not get built in the near future, but  
21 requiring districts to come in and reestablish eligibility  
22 and particularly with what we've gone through with the  
23 economy and everything, I think from my perspective makes  
24 sense.

25           So then you get into your new construction versus

1 modernization and both of Bill's numbers whether, you know,  
2 5., what, 8 or 9 versus 6. Something, you're right in that 6  
3 to 6 and a half billion dollars of new construction based on  
4 our current new construction grants which are adjusted for  
5 all the little add-ons that we have.

6           And then when you take a look at the modernization  
7 at the roughly \$5 billion, if you think about the fact that  
8 a modernization grant is about a third of your new  
9 construction grant, that really tells you you have about  
10 15 billion probably in -- if you're going to try and do an  
11 apples to oranges -- or apples to apples comparison, I mean  
12 new construction includes site acquisition grants and other  
13 things that modernization doesn't include.

14           So that tells you overall you've got greater  
15 modernization need about 10 or 20 percent greater than new  
16 construction need and it ties directly to what the  
17 Department of Finance's projections are for student growth.

18           So what I take away from this is that, one, we  
19 probably should, as I think we've all agreed, reestablish  
20 eligibility. Two, all the information we have -- because  
21 again we're triangulating -- tells me that, you know, we do  
22 need some kind of a statewide database because until we get  
23 that, we're going to continue to estimate needs along the  
24 way we've been doing it, and that, you know, if you figure,  
25 you know, 6 to 7 billion in new construction and 5 billion

1 in modernization, that puts you with a bonding need over the  
2 next decade of probably in the neighborhood of \$12 billion.

3 Now, whether or not -- you know, I think we all  
4 came to the conclusion that charter schools should be  
5 separate. Whether or not -- I mean I don't know where the  
6 administration's going be until this works with the  
7 legislative process in terms of do we try and streamline and  
8 do new construction, modernization, and financial hardship.  
9 Do we have other, you know, programs that we add on and  
10 carve out. I don't know.

11 I do believe, though, that to the extent we have  
12 some flexibility, if modernization's a big more and new  
13 construction less or whatever -- you know, I won't be on the  
14 State Allocation Board probably five years from now, but to  
15 the extent there is some flexibility as the numbers evolve,  
16 if the Board -- yeah -- if the Board has flexibility to move  
17 it where the greatest need is, I think that probably makes  
18 sense. So that's sort of --

19 ASSEMBLYMEMBER HAGMAN: I still -- a couple of  
20 quick questions. Bill, when you looked at -- and I don't  
21 know if we have any data on this at all.

22 One of the things we have mandated is supposedly  
23 next year start our common core testing and one of the  
24 things I always try to figure out is where our school sites  
25 with the backbone -- not the tablets, computers, and stuff,

1 but the Internet to the school with the pipelines needed to  
2 actually do that.

3           That's kind of like a mandate from us to do this  
4 next year, and I'm just wondering, do we have any assessment  
5 where these schools are and what the need is for that  
6 because I think it almost takes somewhat of a priority and  
7 some of these things right now where we're going to have to  
8 look at in order to get them compliant with the rules and  
9 laws, how to get that out there pretty quick. So, yeah, we  
10 need a clue.

11           CHAIRPERSON BUCHANAN: We had a hearing in  
12 Education Committee on that and the Department of Education  
13 has a preliminary survey that they're redoing to try and get  
14 more comprehensive information, so -- and my understanding  
15 is we do not have that information yet.

16           ASSEMBLYMEMBER HAGMAN: No information yet?

17           CHAIRPERSON BUCHANAN: And so you probably have  
18 varying degrees of readiness and then you've got to  
19 define -- I mean obviously bonds have never been used for  
20 instructional type materials.

21           But in terms of the -- having the broadband  
22 access, you know, at some point in time, I would hope when  
23 the report comes out, you're defining does that -- exactly  
24 what you mean -- what we mean by that.

25           MS. MOORE: It is ongoing and I do think that the

1 technology component of it should be part of our discussion.

2 CHAIRPERSON BUCHANAN: Right.

3 MS. MOORE: There's been -- there has been some --  
4 there was a preliminary survey and there have been some  
5 numbers generated, but I think they're not fully cooked or  
6 fully done at this point and --

7 ASSEMBLYMEMBER HAGMAN: Do we have any information  
8 whether or not the administration plans to try to fund that  
9 through general funds or -- and I'm not talking again the  
10 instructional material part.

11 MS. MOORE: No. The backbone.

12 ASSEMBLYMEMBER HAGMAN: But for me to think about  
13 building a new school eight years from now or nine years  
14 from now versus giving these -- every classroom or every  
15 school site at least somewhat compliant and to me a  
16 different definition of what's compliant is like having it  
17 in each classroom.

18 Most of these school districts that say they're  
19 ready to go, they have like one little area of the campus  
20 that works with Wi-Fi and two carts full of tablets, you  
21 know, for, you know, 60 classrooms. That's not what I'm  
22 considering compliant because again you're going to take  
23 three weeks to do testing on that and that's not going to  
24 go --

25 CHAIRPERSON BUCHANAN: But you're going to take --

1 if you don't have the right number of computers, regardless  
2 of your broadband width, you're going to take that time -- I  
3 don't --

4 ASSEMBLYMEMBER HAGMAN: Exactly.

5 CHAIRPERSON BUCHANAN: Well, they don't --

6 ASSEMBLYMEMBER HAGMAN: So I don't know.

7 CHAIRPERSON BUCHANAN: We don't have that  
8 information yet, I think is the --

9 ASSEMBLYMEMBER HAGMAN: You guys going to fix --

10 MR. ALMANZA: That's right.

11 ASSEMBLYMEMBER HAGMAN: -- trackings get done.

12 MR. ALMANZA: Anyway, I do want to thank all the  
13 staff for the presentation. Clearly, there is a need.  
14 There's going to be a need for construction and  
15 modernization, but the administration doesn't have a  
16 position on how that need is going to be met and whether it  
17 will be met with a bond or not, so -- you don't have a  
18 consensus at least from my part as to what a -- how much a  
19 bond ought to be, where there ought to be bond and what the  
20 future program ought to look like.

21 CHAIRPERSON BUCHANAN: I think the ultimate size  
22 of the bond and whether or not it's very narrow or includes  
23 more programs probably will be negotiated as we move through  
24 the Legislature, but I think in terms of the numbers we have  
25 here, it's clear to me that while we've had the greatest

1 probably 12 to 15 years in school construction that we've  
2 had in decades and schools are making considerable progress  
3 in upgrading their facilities and creating safe and adequate  
4 environments for children to learn, we still haven't fully  
5 caught up and we still are going to have growth that we're  
6 going to have to deal with because when you look at the net  
7 number, which is almost flat, and you dissect it as Bill has  
8 done, it's clear that a student in Riverside County can't go  
9 to a city on the coast where you might have declining  
10 enrollment to school. They need to be able to go to a  
11 neighborhood in their community.

12           So we still have that demand for new construction  
13 and we still are -- I mean schools are still going to  
14 become, you know, 25 years old and have the need for  
15 upgrading if we're going to, you know, protect the  
16 taxpayers' investment.

17           ASSEMBLYMEMBER HAGMAN: And I was wondering if  
18 Bill or OPSC would have -- if you did this for another ten  
19 years, does it look the same ten years from now. I mean is  
20 this an ongoing type of -- I mean are we trying to play  
21 catch-up or this kind of maintenance in the levels here and  
22 kind of -- the second thought was what we saw in the Federal  
23 Government. When they shut down bases, they sell the bases,  
24 and if they need a new one, they buy a new base.

25           We don't do that. We build schools and then we

1 lease them out or basically shut them down versus using  
2 those assets to go back into the pot. And since we've  
3 switched from a local program to a statewide, makes it very  
4 difficult to do -- you know, balance those assets out, but  
5 as we go -- if the State takes a role and continues to take  
6 a role as a partner on that, then at least I think those  
7 assets should be on the table to be used in the mix too.

8 MS. MOORE: I just would reiterate as we look  
9 at -- if we're looking at the numbers of 6 billion in new  
10 and 5 billion in modernization that we really look at the  
11 depth of what that modernization does and that there is some  
12 policy discussion of that or expectation is -- and again is  
13 it deep or is it wide.

14 I think we've had a wide program and I -- and we  
15 have, you know, many, many assets in California as you  
16 mentioned that really need that modernization funding to  
17 complement I think all the work that's going on concerning,  
18 you know, the local control funding formula, the common  
19 core, link learning, all of these pieces that we're talking  
20 about, the buildings are supporting and the main support is  
21 happening in existing buildings.

22 And so that to me also where you tie in that  
23 career technical education as you brought up, Cesar, and we  
24 talked about, you know, we invested 500 million in career  
25 technical education. I actually thought it was an excellent

1 program because it was matched -- the building and the  
2 program were matched to be funded and I hope we can look at  
3 ways as we modernize to provide incentive, whether it be  
4 planning as you discussed, Assemblymember, or whether it's  
5 actual funding of that component within the modernization.  
6 Because again that is where the majority of this work is  
7 going to be occurring.

8 CHAIRPERSON BUCHANAN: So I have a question.  
9 We're trying now I mean to quantify.

10 MS. MOORE: Um-hmm.

11 CHAIRPERSON BUCHANAN: And we're trying to balance  
12 I think incentives to make sure when you do new  
13 construction, you do it to a sufficient standard, that you  
14 have buildings that last. I mean that's one of the reasons  
15 we've talked so much about not incentivizing -- not paying  
16 for portables with new construction anymore. Okay.

17 And I agree with modernization. You need to do it  
18 right, but we don't have a definition of what right is and  
19 we don't have data and we also don't want to reward  
20 districts for not having built quality construction or not  
21 having maintained them over time. But we also recognize  
22 that every child needs to go to a safe and adequate school.

23 So I -- I mean they obviously are decisions that  
24 future State Allocation Boards will make over time and have  
25 to decide about grants and all of that, but without having

1 any kind of definition of what an adequate school is,  
2 without having any data on the other, how do you go about  
3 quantifying any of that? I mean what do you suggest --

4 MS. MOORE: Well, yes, I do think that you can  
5 have a better data-driven decision, but there are other  
6 examples of how they've addressed modernization and I've  
7 talked a little bit about them before.

8 There are different approaches to how you  
9 modernize a school. We have chosen in our State to provide  
10 a per ADA amount and say -- and indicate to the local  
11 districts, modernize your school. We didn't -- we don't  
12 have a hierarchy of what must be first. We do have a -- you  
13 know, we do have accessibility requirements that come into  
14 play.

15 But there are other states -- there are other  
16 entities that say when modernizing, you know, these are the  
17 things that are done first.

18 CHAIRPERSON BUCHANAN: Right. But if --

19 MS. MOORE: Or in assessing of a building, there  
20 are many -- you know, there's a standard assessment  
21 technique to look at buildings and determine, you know, what  
22 is needed most.

23 CHAIRPERSON BUCHANAN: So are you assuming school  
24 districts and boards don't do any kind of assessment of  
25 their facilities when they decide what they're going to do?

1 MS. MOORE: No, I'm not saying that. But I think  
2 at a certain point, what happens at the local level is the  
3 dollar only goes so far. And so different things hit  
4 different priorities.

5 Now, we as a State made a priority of career  
6 technical education. We funded it. We put it in a separate  
7 spot -- or separate pot and we did it.

8 CHAIRPERSON BUCHANAN: Right.

9 MS. MOORE: Why did we do that? I think because  
10 there was a lot of pressure from career technical education  
11 folks that were not getting funding at the local level for  
12 whatever reason.

13 I think there's -- you know, do I think that  
14 locals can prioritize their issues? Yes. On the other  
15 hand, we have never said what our outcome is that we want  
16 from those schools and, you know, I've given examples --

17 CHAIRPERSON BUCHANAN: So I just want to get back.  
18 The whole intent of the program was to say we -- you elect  
19 local school boards. School facilities have been the  
20 responsibility of local communities.

21 I mean you go several decades ago, there was no  
22 State program. So we elect the school boards. The  
23 facilities in terms of the design and, you know, whether  
24 they choose metal roofs or, you know, composite or whatever,  
25 that's their decision.

1           And -- so that's there -- and the program was  
2 designed to say, okay, we'll provide a grant amount, but  
3 we're not going to tell you anymore that your overhangs can  
4 only be three feet or that you have to build 30 percent of  
5 your buildings that are relocatable or whatever. You can  
6 make those decisions locally.

7           So my -- I'm not going to argue whether or not we  
8 should have career tech because I think particularly at the  
9 high school level -- secondary level in the future, we're  
10 shifting in how we teach and I've seen enough linked  
11 learning programs. So we can -- you know, it can be decided  
12 whether it should be incorporated in current grants or --  
13 and how we do it in planning or whether they should be  
14 standalone.

15           But in terms of modernization and having to  
16 quantify depth over breadth and telling local schools --

17           MS. MOORE: Well, the State quantifies depth over  
18 breadth because we only give a certain amount. So -- and we  
19 give it out --

20           CHAIRPERSON BUCHANAN: When you say -- quantifies  
21 breadth over depth is what you're saying, yeah.

22           MS. MOORE: I -- did I misstate it? Yes. So I  
23 think we do quantify that.

24           I guess what I wouldn't like to see is what we've  
25 experienced a little bit with the Department of Defense

1 schools. We modernized those schools and ten years later,  
2 the Department of Defense has said we're replacing them.

3 CHAIRPERSON BUCHANAN: Right.

4 MS. MOORE: So --

5 CHAIRPERSON BUCHANAN: And some of that when they  
6 testified was the fact that they don't allow portable  
7 classrooms and a lot of those classrooms were portable  
8 classrooms and that was a big part of the replacement cost.

9 MS. MOORE: That's a part of it --

10 CHAIRPERSON BUCHANAN: You know, and so they're --

11 MS. MOORE: -- and a part of it was that those  
12 buildings were beyond their useful life.

13 CHAIRPERSON BUCHANAN: Right.

14 MS. MOORE: And perhaps the modernization funds  
15 got them a few more years of useful life.

16 CHAIRPERSON BUCHANAN: Right.

17 MS. MOORE: But I think that we as a State have  
18 not really looked at that -- we have not looked deeply at  
19 that issue of replacement.

20 CHAIRPERSON BUCHANAN: Okay.

21 ASSEMBLYMEMBER HAGMAN: Well, I'm not going to  
22 take us back to 30,000 -- but I see a lot of conflicts here.  
23 One, you talked about career education and how we fund the  
24 facilities for that and how we want to be partners and make  
25 sure we have set certain standards, whatever it is.

1           And then operationally now, we shifted all that  
2 funding to basically here's a check, have a nice life. We  
3 don't have any standards.

4           So now we're talking about putting bond money up  
5 for a 30-year building with no maintenance money, no  
6 requirements for maintenance money or anything like that.  
7 We built all these career tech funding with no funding for  
8 career tech operations. It's -- you can't both. We're like  
9 partially pregnant here.

10           Either you jump in and you're a partner and you  
11 control a lot of things or you don't and right now, this  
12 administration's going toward you don't.

13           And so that's what I'm trying to balance out is,  
14 you know, when we sign off on a bond, that's a long-time  
15 payment for the citizens of California here and do we have  
16 any guarantees that our investment's going to be taken care  
17 of.

18           I know some of my -- in my local counties, I've  
19 heard from the career tech and they don't know they're going  
20 to be funded. They may shut those down, yet we just put a  
21 lot of money to build them up because it may not be the  
22 priority of the school boards.

23           So I think that also may be coming with some kind  
24 of -- when we think about a bond, do we have some kind of  
25 minimum requirement for maintenance. Do we have some

1 minimum requirement for, you know, standards. Otherwise,  
2 I've -- it's hard to investor in that and know that you're  
3 going to get your longevity out of your investment.

4 MS. MOORE: I completely agree that complementary  
5 to this discussion is the how are we going to maintain these  
6 facilities over time. So I hope that we have the  
7 opportunity to do that. You know, that's been a general  
8 fund funding component match program, but you're absolutely  
9 right. How are we -- or what incentives are we providing to  
10 maintain these buildings over time.

11 ASSEMBLYMEMBER HAGMAN: But I think it goes back  
12 to the argument what is a school, what's minimum facilities.  
13 If we're going to state what those are but not have direct  
14 what the funding's going to be supporting a program for  
15 those facilities, then it doesn't match up to me.

16 If we're going to be letting the local districts  
17 use their ADA any way they want and support whatever  
18 programs they want, as long as they get even now a smaller  
19 set of subjects with common core, then I don't want to tell  
20 them what buildings they have anymore either because  
21 they're -- I mean I'm -- you know, provide funding of their  
22 program in those buildings. So I don't know. Just a little  
23 dichotomy there.

24 CHAIRPERSON BUCHANAN: Well, let me try and bring  
25 this together. I think -- hopefully, there is consensus

1 around the fact that we believe that our need going forward  
2 as best we can estimate -- and I don't know what size bond,  
3 if a bond, but hopefully the Governor and administration  
4 will agree -- okay.

5           But I would say that probably we can -- we've seen  
6 estimates from, you know, roughly 11 to 12 billion to a  
7 hundred and something billion dollars, but I think probably  
8 the estimates of around the \$12 billion range I think are  
9 probably solid numbers.

10           They -- you know, there are things that aren't  
11 considered in terms of the issues you brought up in terms of  
12 depth and whether or not some modernization will cost more,  
13 but I think we have consensus around the fact that we do  
14 believe over the ten years that our needs are going to be in  
15 that area.

16           And I think there's consensus that we want career  
17 tech to be part of whatever planning. Now whether that  
18 ultimately gets negotiated and is part of the base grants or  
19 whether it's an add-on, however we do it, we have to  
20 recognize that that should be part of the planning that we  
21 do particularly at the secondary level and reflected in the  
22 State grants whether they're, you know, added to the base or  
23 supplemental.

24           The student -- obviously didn't go into all of the  
25 different grant categories. We -- you know, you can talk

1 about high performance and we know we're going to have half  
2 a billion dollars a year coming from Prop. 39. So I don't  
3 know as we get into discussions on this in the Legislature  
4 and with the Governor's office where we're going to be, but  
5 I think we can summarize in the report -- I assume there is  
6 consensus that the need is --

7 ASSEMBLYMEMBER HAGMAN: The need's there.

8 CHAIRPERSON BUCHANAN: Yeah, the need's there.

9 MR. ALMANZA: There's consensus that there's a  
10 need for, you know, constructing and modernizing. There's a  
11 total need and I accept the staff's report on what that  
12 estimated total need is, but not a consensus on that there's  
13 a certain amount of that need that's the State's obligation  
14 for a bond.

15 CHAIRPERSON BUCHANAN: Well, I -- okay. Well,  
16 obviously we're going -- as we're trying to draft a report,  
17 we're going to know where you have to abstain. I don't see  
18 this as necessarily recommending a bond of this amount. I  
19 think maybe the recognition is, is that going forward over  
20 the next decade that we expect there to be need for  
21 facilities and if we were to continue the current program,  
22 this would be the cost of the State's share.

23 Ultimately, the Governor and the others are going  
24 to have to decide what that amount is, but people have asked  
25 the question have you caught up, do you still need money, is

1 it -- you know, is it -- you know, is there still a need  
2 there. Do we need a bond? Are we going to need a bond at  
3 all or are we going -- you know, what size are we going to  
4 need.

5           And when I take a look at estimating from these  
6 couple of different perspectives, it's clear to me that  
7 there is going to be a need.

8           ASSEMBLYMEMBER HAGMAN: I'm not an attorney and I  
9 don't know the case law behind what started this, but I  
10 remember in my briefings way back when, there was a case law  
11 that started -- why the State got involved in the first  
12 place, the equality -- to make sure each student has the  
13 right to education on this.

14           And I'm wondering if we're hearing from Governor's  
15 administration that necessarily support for a State position  
16 on this, maybe we should have the staff or ask the  
17 Governor's what would alternatives to that be. Because if  
18 we're still under the court case that says we have to do  
19 something --

20           CHAIRPERSON BUCHANAN: Are you thinking about the  
21 Williams Act?

22           ASSEMBLYMEMBER HAGMAN: I'm not sure --

23           CHAIRPERSON BUCHANAN: Because that was -- the  
24 Williams settlement was after we had passed the number of  
25 bonds and after we started the current program.

1 ASSEMBLYMEMBER HAGMAN: So we don't have that  
2 obligation anymore?

3 MS. MOORE: It was both Williams, but early on  
4 there was the Serrano decision.

5 SENATOR HANCOCK: Serrano, that's what I was  
6 thinking of, yes.

7 CHAIRPERSON BUCHANAN: Well, Serrano dealt  
8 primarily, though, with general fund funding not facilities  
9 funding.

10 ASSEMBLYMEMBER HAGMAN: Okay. Is there an  
11 argument -- legal argument that says that each student has  
12 to have a minimum type of building to educate in there too.  
13 I've heard that argument -- given to me a couple times too.  
14 So I'm just wondering if --

15 CHAIRPERSON BUCHANAN: That was part of the  
16 Williams. You know, it's also why we have programs like  
17 critically overcrowded schools and the organization --

18 ASSEMBLYMEMBER HAGMAN: So there was a push for  
19 that at the beginning of this and if we do take it away,  
20 what is the alternative basically.

21 CHAIRPERSON BUCHANAN: Well, if you think about  
22 the two programs that were really designed to target -- I  
23 thought we had consensus around the fact that the critically  
24 overcrowded schools and the ORG grants that if we dealt with  
25 portables separately, that that would -- I mean the COS

1 money wasn't in the last bond and if -- but if we dealt with  
2 replacement of portables so that we're not -- you know,  
3 we're not modernizing and we're replacing them, if we're not  
4 funding -- using new construction dollars to fund portables  
5 but funding actual permanent built classrooms that that  
6 would then allow for us to deal with those -- you know,  
7 primarily, you know, inner city campuses and others where  
8 all -- you know, the whole campus is portables and there's  
9 no places for kids to play or anything.

10 MS. MOORE: I think you can take from us that  
11 there is a need. We agree with you. I think that is  
12 consensus.

13 I think we're probably at a higher place in that  
14 need, but I think based upon the presentations today and  
15 what -- based upon the information that we have, I think it  
16 also emphasizes that it would be great to have an inventory  
17 to have some of that more quantified.

18 I do believe we're a little under-estimated in the  
19 terms of how many buildings out there need to -- are past  
20 their useful life and need to be replaced. I think that's a  
21 component of our work that we have not gone deep into.

22 But absent the information -- and you've pointed  
23 that out -- and as we move forward, perhaps too we look  
24 at -- you know, we talked a lot about the collapsing of the  
25 other programs into the numbers and maybe we can flip it in

1 a different way and look at the incentives for those  
2 programs or incentive for additional dollars in our program  
3 elements, particularly, as you know, we're strong supporters  
4 of joint use. We believe that's a -- it's a good community  
5 use of funds and it's also a good taxpayer use of funds when  
6 we can consolidate uses on campus and provide those  
7 incentives.

8           So perhaps we can look at that in terms of our two  
9 major categories. We've talked about that previously.

10           And we support moving forward on the needs  
11 analysis.

12           CHAIRPERSON BUCHANAN: Well, we're going to try  
13 and come up with a draft of all the stuff we've discussed  
14 and where we think we have some consensus that all of us can  
15 review and look at at the next meeting and jointly edit and,  
16 you know, like I said, ultimately the bond is going to be a  
17 product of all stakeholders and education family, the  
18 Governor, and the Legislature.

19           But I think we've come close to doing our job in  
20 terms of identifying what we think works, what doesn't work,  
21 what the need is, you know, what some overarching  
22 recommendations are that we have. And so we'll work on  
23 that.

24           Before we adjourn because -- is there any -- are  
25 there any comments at all from anybody?

1 Any closing comments from any of the members?

2 MS. MOORE: Just a question. So we have another  
3 meeting November 25th.

4 CHAIRPERSON BUCHANAN: 25th; right.

5 MS. MOORE: And what's our intent with that?

6 CHAIRPERSON BUCHANAN: Well, we were talking about  
7 that agenda today and my thought would be to probably have  
8 two items: one, just an open item if there are any areas  
9 that have come up that you want to discuss a little bit  
10 more; and two, to take a look at a draft report that we can  
11 hopefully give to the full State Allocation Board in January  
12 on, you know, sort of the -- I'm thinking of a summary  
13 report, the work we've done, and where we have consensus on  
14 recommendations moving forward.

15 All the members have been given copies of all the  
16 materials we've had. I don't know if they've all read them  
17 or not, but, you know, they certainly -- if we have that  
18 summary, they certainly all have the background information  
19 and if we needed to, we could put another binder together if  
20 they wanted to dig into that more deeply.

21 MS. MOORE: I think that's great and just letting  
22 everybody know that's the intent there and also I like your  
23 idea about kind of catch-all, if you feel you want to have  
24 your one last discussion of an issue, it's an opportunity  
25 for that.

1                   CHAIRPERSON BUCHANAN: Well, and we have not  
2 solved every facilities issue out there, but we've had some  
3 good discussions. You know, and I'm not sure we ever will  
4 exactly. So -- all right.

5                   We are adjourned.

6                   (Whereupon, at 3:39 p.m. the proceedings were recessed.)

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IN WITNESS WHEREOF, I have subscribed my name on November 20, 2013.

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