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CALIFORNIA STATE ALLOCATION BOARD
SCHOOL FACILITY PROGRAM REVIEW SUBCOMMITTEE
PUBLIC MEETING

STATE CAPITOL
ROOM 447
SACRAMENTO, CALIFORNIA 95814

DATE: MONDAY, NOVEMBER 25, 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

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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CHAIRPERSON BUCHANAN: Call the meeting to order and could we just take roll just for -- so we know who's here or not.

MS. JONES: Do you all have hard copies, by the way?

CHAIRPERSON BUCHANAN: I think we all do.

MS. JONES: Okay. Assemblymember Buchanan.

ASSEMBLYMEMBER BUCHANAN: Here.

MS. JONES: Assemblymember Hagman.

ASSEMBLYMEMBER HAGMAN: Here.

MS. JONES: Esteban Almanza.

MR. ALMANZA: Here.

MS. JONES: Kathleen Moore.

MS. MOORE: Here.

MS. JONES: Cesar Diaz.

MR. DIAZ: Here.

CHAIRPERSON BUCHANAN: Okay. Well, the agenda is pretty straightforward. We want to -- first item is to discuss future facility meetings and then take any public comment. Well, actually -- I guess I don't have the new one because I was looking it up thinking I didn't remember that.

First we're going to take is additional member and public comments on topics that we've discussed to date or

1 any that we would like to include and then, secondly, we're
2 going to discuss a draft report to give to the State
3 Allocation Board.

4 So with that, I'm going to open it up to -- have
5 all you had a chance to read the draft report?

6 So I'm going to -- I guess I'll open it up to
7 public comment first. Is there any comment from the public
8 on any items that -- where you'd like to see additional
9 comment or concern? Any comments or questions from Board
10 members?

11 ASSEMBLYMEMBER HAGMAN: We're going to go through
12 each section. We've gone through all this quite a bit.

13 CHAIRPERSON BUCHANAN: I know. We just -- if
14 there was something we missed, we just wanted to be sure
15 that we gave people one last opportunity to bring it up.

16 So if there's not, then, okay, we'll move into the
17 second part and that is actually review a proposed report.

18 MS. KAMPMEINERT: And if you'd like, I can provide
19 an overview of the document.

20 The way the report was structured is we took
21 basically the areas of concern that the Committee members
22 discussed and then outlined both the discussions and then
23 the proposed solutions that the Subcommittee came up with.

24 And we broke it into the different areas of the
25 program starting with New Construction on page 2 and then

1 brought it down to the level of New Construction
2 Eligibility.

3 And what we heard from the Subcommittee in that
4 particular area were two areas of concern, the first being
5 that based on eligibility, information needs to be
6 reestablished because it's outdated.

7 And the Subcommittee recommended that all
8 districts require -- that all districts be required to
9 reestablish new construction based on eligibility in order
10 to participate in a new bond funding program.

11 And then the second eligibility-related issue that
12 came up was that the current program model didn't allow for
13 flexibility in designing certain types of learning areas and
14 that could be the traditional 960 square foot classroom
15 drove the funding and maybe a school district wanted to
16 build a larger area and carve out into different sections.

17 And what we heard the solution for that was that
18 the definition of a classroom be consistent across both the
19 SFP regulations and the California Code of Regulations
20 Title 5, but that it also be flexible so that there could be
21 some different types of classroom configurations designed.

22 However, in that flexibility, the districts would
23 need to be accountable for local decisions for the purpose
24 of the future funding requests and that if something didn't
25 work out, then the State would not need to come back in

1 future years and pay to fix it.

2 So those were the two areas of concern and
3 solutions that we heard on the New Construction Eligibility
4 section.

5 Would you like me to stop at each section or --

6 CHAIRPERSON BUCHANAN: Actually, why don't we
7 finish up going through all of New Construction including
8 Portable Classrooms and Supplemental Grants.

9 MS. KAMPMEINERT: Okay.

10 CHAIRPERSON BUCHANAN: And then we could maybe
11 talk --

12 MS. KAMPMEINERT: So the next section relates to
13 New Construction Funding and it's on page 4 and it relates
14 to the funding of portable classrooms. And let me note that
15 there is a typo in the second line there.

16 The area of concern is that new construction funds
17 are being used to pay for portable classrooms that become
18 eligible for modernization funding at 20 years versus 25
19 years, not 30, for stick built construction and that these
20 classrooms often require replacement rather than
21 modernization.

22 And there was a lot of discussion on portable
23 classrooms over the past meetings, but the -- we heard
24 several options for solving this problem, but the proposed
25 solution that we heard was that the use of new construction

1 grants for the purpose of constructing portable classrooms
2 should be disallowed in the future program.

3 And then also there was a definition of portable
4 classrooms in the Education Code that did not include
5 modular facilities, but the portable classrooms that are
6 defined in the second paragraph on page 4 there.

7 And then the next area of concern related to
8 Supplemental Grants in the New Construction Program. And
9 one of the things that came up -- the topic was that the
10 program was complex and one of the reasons that it is
11 complex is that in addition to a base pupil grant formula,
12 there are supplemental or add-on grants that are added to
13 new construction funding applications.

14 So the Subcommittee did review the supplemental
15 grants that were out there and in an effort to streamline,
16 looked at ways to try to combine some of these grants into
17 the base grant amount.

18 However, a lot of these grants didn't seem to fit
19 into the base grant because they were specific to individual
20 project or district circumstances.

21 There was one category or -- excuse me -- two
22 categories that did seem to align and that's related to fire
23 alarms and sprinklers because those grants are required by
24 law for most projects and they also provided in the majority
25 of projects.

1 So the Subcommittee did recommend that those
2 particular supplemental grants be included as part of the
3 new construction base grant in the future.

4 CHAIRPERSON BUCHANAN: So let me just quickly sort
5 of clarify and thank staff for I think overall doing a very
6 good job of trying to take months and months of discussion
7 and information and consolidate it into a report that's
8 fairly concise and I think readable.

9 What we tried to do with the report was staff --
10 we talked about it, was really highlight those areas where
11 we had clear consensus.

12 You know, I'll give you an example using myself
13 as -- you know, when we talked about new construction
14 eligibility, I pushed for having some type of bifurcation
15 when you're building a whole new development and clearly
16 there was not consensus, you know, and so that's not
17 included.

18 And so we're trying to come up with those areas
19 where we think that there is consensus and if people want to
20 talk about them more later -- other areas, I mean, we're
21 always going to have discussions in this Committee, but --
22 so that's what we're trying to highlight in terms of --

23 And then secondly, my own vision -- and we can
24 talk about this at the very end -- is that when we update
25 the State Allocation Board on the work we've done over the

1 last year, that what we're really going to be asking them to
2 do is accept the report.

3 I mean, ultimately, the bond is going to be the
4 product of the Legislature and the Executive Branch and
5 we're not really writing the bond. But hopefully the
6 collective wisdom -- and certainly we've had no
7 participation on the part of the Senate and the -- however
8 the bond gets written, it's going to take the cooperation of
9 both Houses to do that.

10 But, you know, hopefully, that with the collective
11 wisdom and all we've done here, it will help provide
12 direction and information for those who do work on the bond.

13 So that's sort of where I see this and, of course,
14 we can talk more about it in terms of how we present it to
15 the State Allocation Board after, but -- and we have a
16 letter from Senator Wyland on some of his recommendations
17 which we can include the report that goes to -- I think
18 we're pretty consistent with it overall -- the report that
19 goes to the entire Board.

20 So with that, maybe we -- well, in each area here,
21 we'll just have staff as they did in New Construction
22 present it --

23 MS. MOORE: Can we comment?

24 CHAIRPERSON BUCHANAN: We comment and changes,
25 whatever, so then hopefully, you know, the final report does

1 reflect a consensus of all of us. Go for it.

2 MS. MOORE: I agree with the consensus items. I
3 just was -- would offer that when we talk about portables
4 and the SFP currently provides new construction funding for
5 the purchase and installation of portable classrooms,
6 technically we provide funding and districts may use new
7 construction funds for portables.

8 So you don't really see portables and provide
9 money for them. We provide money and some districts choose
10 to use that on portables. And I think it is a distinction,
11 so maybe offer that when we write up the final version.

12 CHAIRPERSON BUCHANAN: I think that's well taken.

13 Okay. Are there any other comments on the New
14 Construction?

15 ASSEMBLYMEMBER HAGMAN: Madam Chair, just to
16 follow up on the Wyland letter.

17 I think all of us were on the same -- pretty much
18 the same path. The --

19 CHAIRPERSON BUCHANAN: Right.

20 ASSEMBLYMEMBER HAGMAN: -- CEQA streamlining, we
21 haven't really talked much here. You know, I've been --

22 CHAIRPERSON BUCHANAN: Right.

23 ASSEMBLYMEMBER HAGMAN: -- trying for the last
24 couple years trying to figure out how to bring some of the
25 costs down. Is that something you would see the report

1 going out or you see that as separate or what would you
2 think that would be --

3 CHAIRPERSON BUCHANAN: Well, we never got into a
4 discussion on CEQA streamlining and I -- discussions with
5 that back in 2010, my second year in the Legislature.

6 The Governor and the Legislature have been working
7 on it for two years and I think it's okay to provide his
8 input to the full Board, but since that wasn't part of our
9 discussions, I think it's -- it would be difficult to
10 include that and --

11 ASSEMBLYMEMBER HAGMAN: In a bond but maybe what
12 we could say is -- maybe you and I and Senator Wyland can
13 work on a bipartisan measure strictly focused on schools and
14 see if it floats through the Legislature as a separate
15 track.

16 CHAIRPERSON BUCHANAN: Well, yeah, and I think
17 we'll include that as comments just like we have a whole
18 binder full of information that we've talked about. You
19 know, we've got to decide in the bond what is part of it and
20 what's not, so -- that's why I said there's agreement on
21 most of what he had in his letter, but since the letter has
22 not been made -- you know, it came to us and we haven't put
23 it in any kind of public agenda, not that it's not a public
24 letter, I hesitated to include it here.

25 Are there any other comments on the New

1 Construction? Are there any comments from the public on
2 what we have here for New Construction?

3 Okay. Then let's move onto Modernization.

4 MS. KAMPMEINERT: Okay. Page 6, the first area of
5 concern for Modernization was to do with Modernization
6 Eligibility and it related to how the eligibility is
7 determined.

8 Right now in the program, eligibility is
9 determined by the age of the building and the current
10 enrollment of the site as opposed to the capacity of the
11 classrooms.

12 And the Subcommittee had some discussions on many
13 topics of modernization eligibility, but one of the areas
14 that there was concern about was that if you're modernizing
15 classrooms based on the enrollment as opposed to the
16 capacity, then there may be a problem because it's not
17 efficient to modernize a portion of the campus when the
18 entire site may be of age.

19 So there are fluctuations in enrollment such as --
20 the example we have here is special day classes could have
21 10 students one year and 15 students the next.

22 And depending on what year a school district pins
23 down that eligibility, you may not have as many students
24 that the classroom was built for.

25 So the concern was that the facilities still need

1 modernization despite the number of students that are in
2 there. However, the discussion also covered the point that
3 there may be school districts that are operating multiple
4 facilities at less than full capacity that should be looking
5 at consolidating the school sites.

6 So as a result of this discussion, the
7 Subcommittee members suggested that modernization
8 eligibility should generally be calculated based on the
9 capacity of the facilities that are of modernization age,
10 but that there should be some threshold amount that these
11 sites have to reach as far as the enrollment level.

12 And there wasn't an exact percentage that was
13 thrown out there, but the ideas that came up were that that
14 threshold should be somewhere around 80 to 90 percent of the
15 eligible capacity.

16 And then the second topic that came up in
17 Modernization Eligibility is on page 7 and it is similar to
18 the concept under New Construction, but it's that the
19 eligibility information -- the baseline eligibility
20 information for modernization may be outdated or not
21 available and that the Subcommittee wanted to consider
22 looking at whether or not that should be updated.

23 And the proposed solution was that all districts
24 should be required to reestablish modernization eligibility
25 baseline at each site in order to be eligible for funding

1 under a new bond.

2 Under Modernization Funding, page 8, this relates
3 to portable classrooms and it was -- the area of concern is
4 that we are using long-term money -- 30-year money to
5 modernize portable classrooms that become eligibility for
6 modernization at 20 years of age and they may not even have
7 a 20 to 25 year life span.

8 So under the current program, districts can use
9 modernization funds to do that.

10 The Subcommittee members discussed whether or not
11 these funds were appropriate for using to modernize
12 portables and there were concerns that whether or not a
13 portable can even truly be modernized; also the concern that
14 the funds were being spent and that it wasn't going to --
15 the useful life of the building wasn't going to last the
16 time that we pay be the debt service on it.

17 So as a result, the Subcommittee members wanted to
18 incentive the replacement of the existing portable classroom
19 inventory by limiting modernization grant funding that's
20 generated by portable buildings to be used solely for the
21 replacement of portable classrooms with permanent
22 construction.

23 And in doing this, the Subcommittee also wanted to
24 make sure that if that was the approach that the funding
25 provided for this purpose would be equal to that of new

1 construction dollars.

2 And then the final area of concern under
3 Modernization was Funding Related to Supplemental Grants and
4 this topic was similar to that of new construction in that
5 the program is complex because modernization also has the
6 add-on grant.

7 However, like New Construction, there was an issue
8 that many of these grants are project or district specific,
9 so they don't neatly collapse into the base grant, but there
10 is a fire alarm grant that's provider to modernization
11 projects and similar with New Construction, most projects
12 receive this grant and it is required by law. So
13 Subcommittee members recommended combining this grant into
14 the base grant amount.

15 CHAIRPERSON BUCHANAN: Any questions or comments?

16 ASSEMBLYMEMBER HAGMAN: I have one. Madam Chair,
17 we discussed a little bit -- and I'm not sure how to put
18 this in there, but with the new local control funding and we
19 don't have any kind of -- from the legislative budgetary
20 standpoint, say in what kind of maintenance levels, but we
21 did talk about having some criteria to keep certain kind of
22 efforts ability.

23 And I think as we go forward, especially with
24 modernization, there should be some kind of effort level
25 criteria in there to -- part of the qualification process.

1 I don't know how to refine that, but those who take care of
2 their buildings, for instance -- not just age. We'll look
3 at the quality of buildings when it has all the right things
4 in there and all the rest of it.

5 But I think there has to be some kind of minimum
6 level of upkeep needed as well. That -- how to define that.

7 CHAIRPERSON BUCHANAN: So would that be a
8 requirement to participate in the program or just to have
9 modernization dollars?

10 ASSEMBLYMEMBER HAGMAN: Well, new construction,
11 you don't have that issue because you're brand new. So it
12 would strictly be modernization I would think.

13 I don't know if you would disqualify yourself from
14 not maintaining your buildings to build a new building under
15 new construction, new site, but under modernization, that is
16 taking your old inventory and upgrading it and those who
17 take care of their stuff should be awarded for those who
18 haven't over the years too.

19 I don't see much as an issue the next five years,
20 but from ten years down the line or something like that, if
21 our bond lasts that long.

22 MS. MOORE: I had it on my list of issues as well.
23 I didn't know if it was -- I guess we had discussed it. I
24 had put it on that we -- it's still an additional issue and
25 it was just maintenance of facilities -- the whole issue of

1 maintenance and I think there's a global piece that needs to
2 coincide.

3 ASSEMBLYMEMBER HAGMAN: And I don't know how you
4 define it because you can't really go by percentage of
5 operations or anything like that because, you know, a brick
6 building may not take as much as something else to maintain,
7 you know, those type of things. But there should be some
8 kind of effort.

9 CHAIRPERSON BUCHANAN: So I actually would list it
10 as a separate category, not modernization. I would list it
11 under maintenance.

12 And wasn't there a requirement in the past to
13 spend a certain percentage to be able to participate in the
14 program?

15 MR. MIRELES: Correct. There has been, Madam
16 Chair.

17 CHAIRPERSON BUCHANAN: Right.

18 MR. MIRELES: Over the years, it's been reduced.
19 In fact, I think that there is -- it's not a requirement
20 anymore, if I recall correctly.

21 CHAIRPERSON BUCHANAN: Right. So we could add
22 another category of maintenance with -- considering -- I
23 don't know what the right dollar number is, but we could
24 consider -- not under modernization. I would list it as a
25 separate item in terms of --

1 ASSEMBLYMEMBER HAGMAN: But would that be for
2 qualifying under any program of the SAB or strictly for
3 modernization?

4 CHAIRPERSON BUCHANAN: Well, it was to participate
5 in the program before. You had to commit a certain
6 percentage of the budget to maintenance.

7 Now, I don't know what -- well, actually we don't
8 know what the right numbers are for some of these, but it's
9 something that, you know --

10 ASSEMBLYMEMBER HAGMAN: But just my thoughts are
11 if I'm a school district that has not maintained -- maybe,
12 for example, I shut down a school and it hasn't been used
13 for 10, 15 years, and my population is migrating to --

14 CHAIRPERSON BUCHANAN: Right.

15 ASSEMBLYMEMBER HAGMAN: -- one of my other cities.
16 I may have a need to build a new facility but not utilize or
17 maintenance the one that I shut down five years ago and
18 another one that shut down five years before that.

19 So I don't want to disqualify, you know,
20 necessarily someone from a new construction program. You
21 know, I don't know what the right answer is, but you know
22 what I'm saying.

23 CHAIRPERSON BUCHANAN: Well, the prior
24 requirements is what percentage of the budget had --

25 MR. SAVIDGE: 3 percent of it.

1 CHAIRPERSON BUCHANAN: 3 percent of the budget had
2 to go to maintenance. And it --

3 MR. SAVIDGE: Originally. It's now down to
4 1 percent or zero percent for maintenance and repair.

5 CHAIRPERSON BUCHANAN: Right. And it was not --
6 even the 3 percent, I don't think was terribly high
7 threshold.

8 So it was 3 percent of your budget. If you're
9 growing and you need to build a new school, then you've got
10 new students and your -- you know, your revenue limit or
11 whatever dollars you're going to increase, so it's 3 percent
12 of whatever your budget is.

13 The question I would ask you, just kind of being
14 devil's advocate, is that if you're not providing 1 percent,
15 3 percent, whatever it is you agreed to now, why are you
16 going to get dollars to build new if you're not going to
17 maintain those -- that facility.

18 ASSEMBLYMEMBER HAGMAN: No, no. The only thing I
19 can think of if you have a large district -- large
20 geographical area --

21 CHAIRPERSON BUCHANAN: Right.

22 ASSEMBLYMEMBER HAGMAN: -- is the population shift
23 where my inner area -- you know, it's aged out. I don't
24 have the capacity.

25 CHAIRPERSON BUCHANAN: But even if you have a

1 school that you're not using -- okay -- you're still only --
2 it's not requiring you to spend 3 percent on each school.
3 It's requiring you to spend the percentage of your budget on
4 all --

5 ASSEMBLYMEMBER HAGMAN: Okay. And since we took
6 that out of the budget -- this is not a categorical no
7 more --

8 CHAIRPERSON BUCHANAN: Right.

9 ASSEMBLYMEMBER HAGMAN: -- how do we -- I mean
10 basically by us putting that in there, they have to spend it
11 annually, it becomes a categorical again. And --

12 CHAIRPERSON BUCHANAN: No, it's not a categorical.

13 ASSEMBLYMEMBER HAGMAN: Well, it doesn't mean you
14 have to spend it by definition --

15 CHAIRPERSON BUCHANAN: It wasn't a categorical
16 before.

17 ASSEMBLYMEMBER HAGMAN: Oh, it wasn't? It was
18 just a level of maintenance. Okay.

19 CHAIRPERSON BUCHANAN: Just line items.

20 ASSEMBLYMEMBER HAGMAN: And this had to be every
21 year. So if you missed one out of ten years, you spent two
22 and a half -- 2.5 percent and now you're --

23 CHAIRPERSON BUCHANAN: It was every year and I
24 don't know if the Governor signs it or whatever, but it was
25 a requirement that you spend a percent on maintenance --

1 3 percent on maintenance.

2 MR. ALMANZA: So what was happening in the school
3 districts over all these years that this requirement was
4 reduced from 3 percent to what, zero now?

5 ASSEMBLYMEMBER HAGMAN: Yeah, because of our
6 budget cuts to the operations, we gave them a few years of
7 pass.

8 CHAIRPERSON BUCHANAN: But that was only done when
9 we hit the financial crisis; right? 2008 or whenever it
10 was. So it hasn't been happening for -- over a long period
11 of time. It was happening when we cut schools 22 percent
12 and we were trying to help them just maintain their basic
13 program and give them more flexibility.

14 That's when the requirement changed.

15 ASSEMBLYMEMBER HAGMAN: I'm not sure of the right
16 answer. I think there should be something in there. I just
17 hate spending 30-year bond money if no one's going to
18 maintain it.

19 MR. SAVIDGE: Maybe we can get back to you with
20 something for the January meeting and work with the staff
21 and take a look at what -- it's a pretty complicated now
22 with the LCFF requirements phasing out the maintenance
23 requirement and work that staff --

24 CHAIRPERSON BUCHANAN: Well, maybe we could have
25 something kind of general that just says that we believe

1 that there -- you know, we need to consider --

2 ASSEMBLYMEMBER HAGMAN: And if you --

3 CHAIRPERSON BUCHANAN: -- including some type of
4 maintenance requirement to participate in the program. You
5 can give a little history of, you know, before what the
6 requirements are and indicate just like you did on the
7 eligibility issue with students versus capacity or whatever
8 that the Board does not have. There's not consensus on
9 exactly what the right percentage should be.

10 ASSEMBLYMEMBER HAGMAN: But I'm also thinking is
11 you said that even if we went to like 3 percent of the
12 budget, what happens if I spend all the 3 percent on one
13 campus and let the other three campuses go to complete
14 disarray and I'm at bonding capacity, so I can't bond --
15 build a new campus.

16 CHAIRPERSON BUCHANAN: Well --

17 ASSEMBLYMEMBER HAGMAN: Is it on each building,
18 each site, each budget?

19 CHAIRPERSON BUCHANAN: Well, before it was a
20 budget requirement and it's -- 3 percent's probably not
21 enough, but at the same time when you're 49th in the nation,
22 \$3,500 below the national average, it's hard to say cut
23 programs beyond that.

24 But I would kind of again be devil's advocate with
25 you. If one School A is 15 years old and School B is brand

1 new, it may make sense to spend, you know, more money
2 percentage-wise on School A than on School B because it
3 needs more maintenance.

4 So you've got to trust boards and superintendents
5 to make some kind decision.

6 ASSEMBLYMEMBER HAGMAN: Yeah. For me -- and I'm
7 not looking for -- the more black and white we make it in
8 law, the harder it is to be pragmatic.

9 CHAIRPERSON BUCHANAN: Right.

10 ASSEMBLYMEMBER HAGMAN: I just -- hopefully
11 there's some kind of regulation or something that the staff
12 can review and say, look, you didn't -- purposely neglect
13 this building and you needed to come in -- you know, play
14 the system, that they did a reasonable amount of effort to
15 try to do what they could in their budget realm and that
16 should be fairly standardized, you know, as far as one
17 school district versus other.

18 They should have some effort put in there,
19 especially -- and I'm more interested in the building's
20 we're spending money on more than their assets that we're
21 not spending money on because we have a fiscal duty to the
22 taxpayers in the State to spend their money wisely and
23 hopefully we're getting 30 years of use out of the money
24 we're spending on bonds.

25 If we don't -- if they're not asking for money on

1 Building A for rehabilitation or modernization or for new
2 construction, if they want to let Building A go down, okay.
3 Just don't come back to Building A later.

4 You see what I'm saying? It's more the fiscal
5 side for me.

6 CHAIRPERSON BUCHANAN: So maybe you can work with
7 staff and -- I think what -- the consensus we have here is
8 we want to add --

9 ASSEMBLYMEMBER HAGMAN: Something there.

10 CHAIRPERSON BUCHANAN: -- something on maintenance
11 and we want it to be not part of this specific area we've
12 talked about here, but as another item.

13 And I think there's consensus that there should be
14 some requirement that we don't know what the percentages are
15 and maybe in your -- in the verbal description part, you can
16 highlight some of the main points here, and, Curt, maybe you
17 can work with them on that.

18 ASSEMBLYMEMBER HAGMAN: Be happy to.

19 CHAIRPERSON BUCHANAN: Does that work? And I just
20 have one small area -- and I know I looked at this before,
21 but I want to be sure on the modernization with the
22 portables that we're clear that we're not giving
23 modernization grants and new construction grants that -- you
24 know, that we're not providing modernization dollars, but
25 that we are giving them the ability to apply for new

1 construction dollars to replace the portables.

2 So I think we all understand that, but -- and I
3 didn't catch it the first time so -- are there any other
4 comments?

5 MS. MOORE: I did -- I had a couple.

6 CHAIRPERSON BUCHANAN: Okay.

7 MS. MOORE: And just most clarity. On the
8 proposed solution for modernization baseline eligibility, I
9 just wanted to clarify, that's baseline eligibility for
10 modernization projects, not all schools; right?

11 Like we normally -- you submit it on a
12 site-by-site basis or are you talking about a baseline on
13 all schools around modernization. That's my question.

14 MS. KAMPMEINERT: The way it's written would
15 assume the same process that we have now which is that
16 schools establish on site-by-site basis. So if you have a
17 school site that's established that it would need to be
18 reestablished. We couldn't just use the old baseline
19 eligibility, not that you would have to go out on day one
20 and establish eligibility on all of your sites in order to
21 qualify for any of them.

22 But that's coming from our -- how we heard it and
23 in a technical aspects. So if you envision something else,
24 we could certainly --

25 MS. MOORE: Okay. Yeah. That's how I thought of

1 it, but I just want to be clear because others might think
2 we're going to do it completely on all sites. Okay.

3 CHAIRPERSON BUCHANAN: And if there -- if you have
4 language you think is more clarifying, then --

5 MS. MOORE: Okay. I'll look at that. And then on
6 the maintenance issue, just a comment to -- we've been
7 looking at standards throughout the nation and be happy to
8 maybe give some of those -- you know, what's going on in
9 other parts of the nation.

10 I know we're, you know, lowest per ADA, but just
11 that might be helpful to the discussion as well and
12 facilities programs. It is a topic of every state that
13 gives out state funds.

14 CHAIRPERSON BUCHANAN: So maybe if you could put
15 together information, we could include that as part of that
16 huge binder of background information.

17 MS. MOORE: We'd be happy to.

18 CHAIRPERSON BUCHANAN: Okay.

19 MS. MOORE: Work with our colleagues at the --
20 it's the Center for Cities and Schools that was providing
21 that report.

22 CHAIRPERSON BUCHANAN: Are there any other --

23 MS. MOORE: That was it.

24 CHAIRPERSON BUCHANAN: -- comments? Any comments
25 from the public on the Modernization section?

1 All righty. We'll move onto Consolidating Special
2 Programs.

3 MS. KAMPMEINERT: So the special programs, the
4 general theme of the conversation related to streamlining
5 and the area of concern was that -- the SFP has multiple
6 special programs and that having those programs may be of
7 value, but there was a concern with the unused bond
8 authority becoming trapped if one program was not being used
9 as much.

10 And right now, the special programs have separate
11 allocations of bond authority and also they're -- having a
12 special programs that adds complexity to the SFP.

13 So where the discussion centered was -- well,
14 actually it went several different directions, that there
15 were a lot of discussions on how to kind of move the
16 authority if there was not a need for it in one program but
17 perhaps there was a need somewhere else.

18 Right now, that would -- separate bond authority
19 allocation and it requires a two-thirds vote by the
20 Legislature.

21 And the Subcommittee members discussed whether or
22 not the State Allocation Board could have some flexibility
23 in making that determination.

24 And the proposed solutions are broken into a
25 couple different areas, basically by the special program.

1 And the first solution is there should be separate
2 allocations of bond authority separate and apart from the
3 new construction and modernization pots of authority for
4 Career Technical Education Facilities Program, the Joint-Use
5 Program, and the High Performance Incentive Grant Program,
6 with the stipulation that after a certain period of time,
7 the Board could vote to transfer the authority elsewhere
8 under the School Facilities Program.

9 Now, going along with that, the second solution as
10 that funding for the seismic mitigation projects should not
11 be a separate source of bond authority. It should be under
12 the new construction or modernization authority.

13 And then the third on page 11 is that the Charter
14 School Facilities Program should continue as a separate
15 special program with its own bond authority allocation with
16 no option for the State Allocation Board to transfer this
17 authority to other programs.

18 And then for the Overcrowding Relief Grant
19 Program, the fourth proposal was that if the new program
20 included incentives for replacing portable facilities, a
21 modernization need for permanent facilities, then there
22 would not be a need for this program; so do not continue the
23 Overcrowding Relief Grant Program by providing separate
24 authority.

25 And the fifth proposal related to the Critically

1 Overcrowded Schools Program which the lack of -- did not
2 have any authority provided for this program. In addition,
3 the funds that were previously provided under
4 Propositions 47 and 55 have since been transferred to new
5 construction.

6 So the recommendation was to not continue with COS
7 Program under a new bond.

8 And that was it for the Special Program section.

9 CHAIRPERSON BUCHANAN: Go ahead.

10 MS. MOORE: Okay. Great capture and particularly
11 if we do do the portables and move that in, I think that's
12 great.

13 Agree with the consensus. One point I would make,
14 however, is on High Performance Incentive Grants, I
15 certainly would love to be at a point where we are not
16 providing incentive grants. We're actually -- school
17 buildings are high performing. That's industry standard.

18 And if we could, you know, add that grant into the
19 regular grant for all schools as opposed to it being a
20 program that people are applying to, we'd sure like to see
21 it get to that place.

22 Great if we want to still keep the out-funding for
23 it, but I'd love to be at a different place than that.

24 CHAIRPERSON BUCHANAN: I think it would be great
25 to be in a different place, but I think we have to

1 recognize, one, is that the High Performance Incentive
2 Grants -- one, you'd have to change what's required when you
3 go. Two, the High Performance Incentive Grants are not
4 adequate to cover the full cost of building an HPI building;
5 so you're putting -- you would be significantly adding to
6 the local cost of building if you did that.

7 Three, in addition to HPI, we now have significant
8 money that will be going into those areas through Prop. 39.

9 So at this point in time, you know, since I don't
10 think we're going to be -- we don't have the regulations in
11 place to say every school building has to be HPI or what the
12 definition is, I'm not sure we're in a position where we
13 want to recommend a significantly increased grant amount.

14 I think it probably makes sense to --

15 MS. MOORE: I'm good with where we are in the
16 recommendation here and I actually really like that we have
17 some flexibility on these pots should we not guess right
18 about need and such.

19 CHAIRPERSON BUCHANAN: And that's assuming that
20 the Legislature and everybody agrees that we want to keep
21 all those pots, but we believe that if they do -- if it does
22 move part of it forward as part of a new program, it should
23 be separate.

24 MS. MOORE: Okay. But just looking into the
25 future --

1 CHAIRPERSON BUCHANAN: Yeah.

2 MS. MOORE: -- I'm just expressing where we --
3 where I'd like to see us be at a certain point.

4 CHAIRPERSON BUCHANAN: Okay. Any public comments
5 on this section?

6 So we'll move on to the Inventory Section.

7 MS. KAMPMEINERT: So the next section on the
8 Inventory --

9 CHAIRPERSON BUCHANAN: Did you have a comment?
10 Did I miss you?

11 MS. KAMPMEINERT: So on the Inventory, the basic
12 area of concern was that California does not have a
13 statewide inventory that tracks the number of schools and
14 classrooms that are available for us.

15 And the proposed solution was that an inventory
16 database should be established. And then in the item, we
17 looked at the areas that should be considered as part of
18 that inventory based on the previous discussion that the
19 Subcommittee had.

20 CHAIRPERSON BUCHANAN: Any questions or comments?
21 Questions or comments from anyone in the audience?

22 Okay. We'll move on --

23 MS. MOORE: I'm sorry. I have a quick comment.

24 CHAIRPERSON BUCHANAN: Oh, you --

25 MS. MOORE: It's a good one. In that on the list,

1 you know, of school site information, I'd just like to note
2 that the CDS Code actually can populate Items 1 through 6
3 and 10 automatically. So if you look at -- then there's
4 only one, two -- what, four other items that are not
5 populated automatically at the CDS Code level. Just a
6 comment.

7 CHAIRPERSON BUCHANAN: All righty. Financial
8 Hardship Program.

9 MS. KAMPMEINERT: So the Financial Hardship
10 Program, there were multiple discussions on this topic at
11 the Subcommittee and the basic concern was that the current
12 program criteria to qualify for financial hardship
13 assistance allows for districts to receive funds without
14 first using other local options and that this process could
15 lead to inequities and that the Financial Hardship Program
16 should be structured so that it's available after all other
17 options have been exhausted.

18 And the Subcommittee had a good discussion on how
19 to accomplish this. You know, the discussion touched on
20 multiple methods of -- the qualifying criteria for the
21 program including the level of bonded indebtedness -- the
22 Prop. 39 bonds that need to be passed, the amount of bonding
23 capacity in the district, and then the category of other
24 evidence.

25 And in general, the Subcommittee members expressed

1 a feeling that there would always be a need for this
2 program, but that perhaps the qualification process needs to
3 be updated.

4 And among other concerns, one of the things that
5 was noted was that the threshold for the level of bonded
6 indebtedness may need to be raised. Right now, it's at
7 60 percent and it was suggested that that be raised to a
8 level of a hundred percent.

9 And then also that when doing so, there was a
10 discussion that there should also be a reasonableness factor
11 that's applied to any effort to increase that level of
12 bonded indebtedness past the 60 percent because there may be
13 issues where a district is not at a hundred percent, but 98
14 or 99 and it might not be practical to go out for a bond for
15 \$100,000.

16 Also there was some concern that the current
17 program may allow for districts to take some actions to give
18 the appearance of meeting financial hardship when there may
19 be other local funds available to use.

20 And so the desire of the Subcommittee was to
21 review the entire program to make sure that it meets with
22 the goal that the program is only provided as an option
23 after all the local efforts to fund the project, after some
24 effort had been made, then the Financial Hardship Program
25 would come in.

1 So the proposed solution to ensure that the future
2 program is truly a program of those districts that have
3 exhausted their options would include reviewing the
4 requirements of the program to ensure that all other options
5 had been exhausted and also consider changing the qualifying
6 criteria by increasing the level of bonded indebtedness to a
7 hundred percent, keeping in mind that there should also be a
8 reasonableness factor in that, making sure that it makes
9 sense to go to a hundred percent.

10 And then there was a second area of concern
11 separate from this raised and that was relating to separate
12 site and design apportionments that districts that have
13 financial hardship status can obtain and these
14 apportionments are made in advance of a school construction
15 project coming forward to the State Allocation Board.

16 And there were concerns that sometimes districts
17 received this planning or site acquisition funding and then
18 at the end of the day, the project doesn't come forward.
19 There's no school built and then also the added concern that
20 sometimes the site money is provided, but the site is sold
21 and that currently, with the exception of recent
22 legislation, that the district keeps all the proceeds,
23 including the SFP funding.

24 So for this area, the Subcommittee proposed that
25 the requirements of the Financial Hardship Program be

1 reviewed to ensure that projects move forward to
2 construction and completion.

3 And that was it for the -- specific to the
4 Financial Hardship Section. There was a separate COE
5 Section, but --

6 CHAIRPERSON BUCHANAN: Any --

7 MS. MOORE: First I will say I was not here during
8 the hardship discussion, so your consensus I'm sure is
9 accurately reflected.

10 The only piece I would say is I would not be in
11 consensus about projects that receive funds move forward to
12 construction and completion because I think that we've
13 always had a tolerable period -- or a tolerable piece of
14 this program that there are times when projects don't move
15 forward.

16 We just moved a bunch of charter school funding
17 for rescinded projects forward to other projects.

18 So I think it's a little inequitable to say this
19 program, all projects must move forward and frankly, it's
20 not practical. Projects drop off here and there.

21 So I think -- that's problematic for me.

22 CHAIRPERSON BUCHANAN: I don't think the intent
23 was to say -- I'll be honest with you because I was the one
24 that brought this up, you know, and it came up back when
25 we're reducing a project to cost for Orange County Office of

1 Education.

2 And I asked, well, how many projects and they had
3 15 planning grants and had brought -- at the time had
4 brought three to construction and they told me, well, there
5 might be as many as four more.

6 And I don't think financial hardship should be
7 there to substitute for districts or county offices
8 basically facility departments and the kind of work that
9 they should be doing.

10 So I fully recognize and don't have a problem with
11 the fact that there are going to be some projects who go
12 through the planning and they do get reduced to cost for a
13 number of reasons, but there also should be some way -- and
14 I don't know what the answer is -- some way of ensuring that
15 districts of county offices of education are assuming some
16 responsibility and have some risk here and we don't have a
17 situation where there's no downside whatsoever in to getting
18 as many planning grants as you want because you can reduce
19 them the cost and you don't have to perform on it.

20 So I don't know where the --

21 MS. MOORE: Okay.

22 CHAIRPERSON BUCHANAN: -- where the soft spot is
23 there in terms of it, but that's the intent and if we can --
24 maybe we can come up with some better language --

25 MS. MOORE: Yeah. If we could work on that

1 because I appreciate your concern there. I think that's a
2 valid concern. I just think that we've always had, you
3 know, reduce to costs incurred --

4 CHAIRPERSON BUCHANAN: Right.

5 MS. MOORE: -- in this program and I think it's
6 impractical to think that all projects are going to perfect.
7 So --

8 CHAIRPERSON BUCHANAN: I agree. But we need to do
9 all we can to make sure that when we hand out that money --

10 MS. MOORE: Sure.

11 CHAIRPERSON BUCHANAN: -- it's for -- there's -- I
12 don't want to say there's honest versus not honest or -- I
13 mean we have to do -- because like I said, districts -- I
14 mean districts have to pay for facilities people, you know,
15 whether you're a big district or a little district, and we
16 want to be sure that those planning grants are justified and
17 we're doing all we can on this side to make sure that it's
18 done a thoughtful way so there's a high probability that
19 they will lead to construction and not just be a way of
20 paying for you facilities staff.

21 MS. MOORE: Open to how we could kind of achieve
22 that.

23 CHAIRPERSON BUCHANAN: Okay. So, yeah.

24 MS. MOORE: And then my other comment again, not
25 having been here, is that a -- I just want to ensure that

1 financial hardship projects -- true financial hardship
2 projects are funding complete schools and that we don't
3 have, you know, the haves and have nots in this program, if
4 you're financial hardship that you're able to build a
5 library, you're able to build a science lab, you're able to
6 build a kitchen, you're able to build a multipurpose room.

7 So how -- you know, we tussled with not -- a
8 school that didn't get to build a library and I know there
9 was circumstances around that, but I just think that we
10 need -- if we're having financial hardship, that financial
11 hardship has the same capacity to build schools.

12 CHAIRPERSON BUCHANAN: Well, I think you're really
13 talking about grant adequacy there, so --

14 MS. MOORE: Well, as we look at that, but I --
15 we've had some of those projects come forward that didn't
16 have those facilities and/or they went to portable
17 construction in order to just meet the --

18 CHAIRPERSON BUCHANAN: Build a swimming pool?

19 MS. MOORE: Let's hope not.

20 CHAIRPERSON BUCHANAN: Okay.

21 MS. MOORE: Let's hope not there. I am really
22 talking about these --

23 CHAIRPERSON BUCHANAN: I know. I shouldn't have
24 made that comment.

25 MS. MOORE: So that was my only other comment. If

1 it's more appropriate as we look at that, I want to see a
2 program that's funding complete schools in financial
3 hardship, in new construction, in any of the categories.

4 CHAIRPERSON BUCHANAN: Well, I agree. The whole
5 idea, though, is that is grant adequacy there before if the
6 base grant plus all the supplementals are targeted to
7 provide a certain percentage of the funding, it should be
8 providing that percentage for everybody.

9 ASSEMBLYMEMBER HAGMAN: Plenty of money once Cesar
10 takes his wages down in half.

11 Now, one of the things we did talk --

12 MR. DIAZ: Or give a CEQA? Right. This -- with
13 the environment.

14 ASSEMBLYMEMBER HAGMAN: Exactly. Exactly. There
15 we go.

16 One of the things we did talk about -- and I'm
17 sure it's intended in this language, but I just want to put
18 it out there, is one of the things we want to look at, make
19 sure districts don't obligate their bonds toward something
20 else and say I got no bond power left but don't end up
21 following through with their obligations.

22 It's a way to kind of hide the ball, so to speak,
23 so they could get the other facilities they needed or wanted
24 on top of what we give them on their financial hardship.

25 So is staff confident that we did enough with that

1 so you guys could look and see that -- we don't want a
2 district to spend all its money on the extra stuff and then
3 say they're now broke, can't build the basic facilities, and
4 those type of things.

5 So you think with this report -- I mean with your
6 recommendations you could take a look at the entire assets
7 of -- make sure --

8 MS. SILVERMAN: I think the goal --

9 ASSEMBLYMEMBER HAGMAN: -- historical perspective
10 on their bonds and such.

11 MS. SILVERMAN: I think the goal was just to say
12 we need to explore more. I mean just kind of just setting
13 some of the ground work and we would need to explore more in
14 some of these areas before we can come up with --

15 CHAIRPERSON BUCHANAN: Yeah. Is there any public
16 comment on this? Okay. So we'll --

17 ASSEMBLYMEMBER HAGMAN: You guys are quiet out
18 there today.

19 CHAIRPERSON BUCHANAN: That's right. County
20 Offices of Education.

21 MS. KAMPMEINERT: County Offices of Education:
22 There were two areas of concern identified by Subcommittee
23 members on this topic and the first was that a district has
24 an overall obligation to house the students that may be
25 served in programs that the COE is responsible for.

1 However, the current structure of the program
2 doesn't provide a mechanism so that districts take financial
3 responsibility and that this can lead to a lack of
4 coordination between districts and County Offices and that
5 this lack of coordination can also result in the special
6 needs students not being housed in the least restrictive
7 environment possible.

8 And there were -- there was some discussion around
9 how best to provide facilities under the SFP for these
10 students and some thoughts that came out about sharing the
11 financial responsibility between districts and county
12 offices. However, it was noted that funding the program
13 right now, there's no incentive to do so.

14 And then there was concern to make sure that
15 districts were complying with the laws related to helping
16 those kids in the least restrictive environment possible and
17 complying with those laws.

18 So the recommendations that came forward on these
19 topics included that a future bond program should include
20 policy which requires full coordination between school
21 districts and COEs in developing a facilities plan that will
22 meet the requirements of the student -- the special needs
23 students and that it would include integrating these
24 students into the campuses in the least restrictive
25 environment possible.

1 And then also the recommendation was that for
2 those programs where both districts and COEs have the
3 responsibility for the students, a future bond program
4 should incorporate requirements that districts who are
5 members of a multi-district SELPA have the same level of --
6 same obligation as a single district SELPA to provide their
7 matching share for the facilities funding for the students
8 that they are responsible for, even if the educational
9 program is being provided by the County Office.

10 And then the second area of concern relates to the
11 loading standards of the classrooms and it was noted that
12 the current program uses the same loading standards for
13 community day students as any other type of K-12 students.

14 However, at the COE level, the COEs are loading
15 new classrooms with fewer students in order to deliver the
16 educational program and the unique needs for the student
17 population.

18 And there was discussion that there are unique
19 needs and that a new program should take into account that
20 the loading standard may need to be adjusted.

21 So the solution -- the proposed solution was that
22 the loading standards for community day school classrooms
23 should be more closely aligned with how things are actually
24 being done by COEs right now.

25 Those were the two areas for COEs.

1 CHAIRPERSON BUCHANAN: Any comments? No? Yes?
2 Now's the time.

3 MS. MOORE: I have a comment. And again I think
4 this was during the time I was not here, but I was curious
5 if there was any discussion of loading standards for
6 continuation high schools as well. They are not loaded at
7 25 and 27 typically, and I'm just curious why that wasn't in
8 the mix.

9 MR. SAVIDGE: It should be in there. We probably
10 should modify that to say community or continuation --

11 CHAIRPERSON BUCHANAN: So how many continuation
12 high schools are run by counties versus the district?

13 MR. SAVIDGE: I don't have the exact figure,
14 although in our district, we ran our own --

15 MS. MOORE: I would just postulate this for the
16 entire program, we --

17 CHAIRPERSON BUCHANAN: Right.

18 MS. MOORE: -- we -- I think it's a myth that we
19 have in the program where we're loading continuation high
20 school students and at the same time, they're getting that
21 amount of per grant, so it provides for the funding costs.
22 You'd have to adjust the funding cost proportionately as
23 well.

24 CHAIRPERSON BUCHANAN: So would you be satisfied
25 with our staff taking -- I agree with you. If we load

1 continuation high schools at a rate other than the classroom
2 loading rate for new construction, then I think it should be
3 adjusted.

4 But can we ask staff to include that in the
5 appropriate place because I don't know, but even when we
6 were part of a multi-district SELPA, we had our own
7 continuation high school.

8 So I'm not sure that belongs --

9 MS. MOORE: Thank you. It just brought it up to
10 me because you were dealing with the alternative programs
11 since some school districts have the alternative programs
12 but probably not the reverse on continuation. You're right.

13 CHAIRPERSON BUCHANAN: Right.

14 MS. MOORE: So -- yes, if we could. I do think
15 I -- we've been down that path before and the only piece of
16 it that I know that is important is that proportionate share
17 of costs also has to be looked at so that we're not setting
18 up continuation high school students in loading to not
19 receive adequate funding to build schools for them.

20 CHAIRPERSON BUCHANAN: Any other comments? Any
21 public comment on this section?

22 MS. KAMPMEINERT: Can I clarify that you would
23 like that as a consensus item in the relevant section of
24 the --

25 CHAIRPERSON BUCHANAN: In the relevant section.

1 So I would -- my guess is, but I could be wrong -- that's
2 why you need to take a look at this -- probably under New
3 Construction Eligibility. We review the -- all the loading
4 standards compared to Ed. Code or whatever.

5 I mean I think -- okay. Future School Facilities
6 Needs.

7 MS. KAMPMEINERT: So the future school facilities
8 needs, that's our most recent topic that we just discussed
9 at the Subcommittee a couple weeks ago and the Subcommittee
10 heard a report on the remaining eligibility that's been
11 established in the School Facility Program and also read a
12 report from the Executive Officer projecting the need for a
13 future bond.

14 And the area of concern, the question was what are
15 the future new construction and modernization funding needs.

16 And there was not a consensus that was reached on
17 a particular amount of funding needed for a future bond.

18 There was certainly a lot of discussion related to
19 whether things have been -- whether modernization's been
20 truly funded or what level things should be funded at for
21 the charter school facilities, joint use, things like that.

22 So there was a lot of discussion about things and
23 there was a desire that was restated there should be an
24 inventory system in place and ultimately we have summarized
25 the discussion and the main points that we heard from the

1 last meeting, but there no proposed solution here because we
2 did not hear consensus.

3 We'd be happy to adjust that if that was
4 different.

5 CHAIRPERSON BUCHANAN: Do you have any comments?
6 Would all of you be comfortable if we added -- I think there
7 is consensus that there is a need for a bond, you know, that
8 there are --

9 MR. ALMANZA: Near consensus.

10 CHAIRPERSON BUCHANAN: What?

11 MR. ALMANZA: Near consensus.

12 CHAIRPERSON BUCHANAN: Near -- well, we have -- we
13 kind of covered you in the beginning.

14 And I think -- because I think there's consensus
15 that we have -- there will be a demand for dollars for new
16 construction and modernization and other programs whether
17 those dollars are provided through local funds or State
18 funds, and that I think there's consensus for most of us
19 that there is a need for a bond.

20 What we don't have agreement on is what the exact
21 bond amount should be or -- you know, or how the bond should
22 be structured. Is there --

23 MS. MOORE: You definitely have consensus from us.

24 ASSEMBLYMEMBER HAGMAN: Yeah, I would -- you know,
25 I would take it a step further too.

1 I think there is consensus on the floor of what
2 immediate need -- you know, next 10 years or 15 years,
3 whatever, may look like.

4 CHAIRPERSON BUCHANAN: Right.

5 ASSEMBLYMEMBER HAGMAN: And I think that floor is
6 six and six roughly. You know, whether or not that's
7 pragmatic or practical to get out, that's a whole other
8 question.

9 CHAIRPERSON BUCHANAN: Right.

10 ASSEMBLYMEMBER HAGMAN: But I think there is --
11 you know, we take the lower numbers, the second or third
12 type numbers, those were roughly the lower ends of those
13 numbers and one that lasts 5 years, 7 years, 12 years as the
14 need comes forward.

15 No one has a crystal ball, but I think that, you
16 know, there is that -- those rough numbers we're looking at.
17

18 CHAIRPERSON BUCHANAN: Right. So everyone will be
19 comfortable if we included that without having a specific
20 recommendation on what amount a bond should be or what
21 exactly -- okay.

22 Are there any comments from the public?

23 So I think we have consensus on the items. I know
24 you've got some more editing, but -- and we do want to add
25 another section on modernization -- excuse me -- on

1 maintenance.

2 And then I would ask that we put the report
3 together for the Subcommittee and that we do some kind of a
4 table of contents and maybe start each section on a new
5 page.

6 And then I don't know if we need to or not,
7 prepare binders. I know we have some new members with the
8 backup materials.

9 And since we have received some feedback from
10 Senator Wyland, maybe we could just include that letter as
11 an appendix, and I do know that -- make sure all the members
12 here have a copy of that -- give them a copy of that letter
13 as soon as you can, that'd be great.

14 ASSEMBLYMEMBER HAGMAN: Comment --

15 CHAIRPERSON BUCHANAN: yeah.

16 ASSEMBLYMEMBER HAGMAN: I was able to take a look
17 at this before the week. I think you guys did a great job
18 of condensing that much information and discussion into
19 something -- a one page on each, and I want to commend
20 Ms. Silverman and her staff for doing such a fantastic job
21 on that because it makes it really short and succinct.

22 And I want to thank the Chair for handling all
23 these things. I think you did a great job.

24 The graphics part -- we have these little pictures
25 in there -- with no tables or charts even this time. It's

1 great. But all the little pictures are great.

2 But I think you guys did a great job and I thank
3 you for steering us through this because it's been a lot of
4 issues last couple years that have come up here and there.
5 In order to make them concise and organized, that took a lot
6 of effort too.

7 MS. MOORE: I would second that on compliments to
8 the Chair. This has been -- you know, a very good process.
9 You've allowed all voices and I would compliment you as
10 well.

11 CHAIRPERSON BUCHANAN: Well, I would just -- first
12 I want to thank staff because you did all the work and I
13 know it was a great deal of work to be able to pull all the
14 information together and provide all the background and
15 probably as other members, even those who haven't
16 participated, have said, probably the most comprehensive
17 look at what we're doing in terms of the bonds and the State
18 Allocation Board that we've had in -- since the short time
19 that I've been a member.

20 And I also want to thank all the people -- all the
21 members here because it's hard getting a quorum in our
22 regular State Allocation Board meetings, and yet all of you,
23 including Senator Hagman who has made it a point to fly up
24 and be at every single meeting and gives us our, you know,
25 bipartisan representation here, all of you have made it a

1 point to be at virtually every meeting unless you were sick.

2 And we couldn't, you know, reach consensus without
3 that kind of commitment on the part of everyone.

4 And to those people who represent the different
5 constituency groups out in the audience, I also want to
6 thank you for your input because overall it's been
7 invaluable.

8 And I don't know exactly what the next program's
9 going to look like, but I think it is clear from here that
10 we can improve upon it and that we do need another State
11 bond if we're going to move forward and have the kind of
12 progress in providing safe, adequate facilities for all of
13 our students that we've had in the last, what, 13, 14 years
14 or so.

15 I mean clearly the 35 billion in State bonds
16 being matched with 70 billion in local funding and it's the
17 one area that, you know, these projects don't get tied up in
18 court. When we give out money, the projects go to bid. We
19 put people to work. We provide kids with great facilities.

20 We leverage those dollars significantly and it's a
21 program I think all of us would like to see continue into
22 the future.

23 So I look forward to seeing the final report.
24 Like I said, the plan -- my plan is to present it to the
25 State Allocation Board in January and to ask for them to

1 accept the report.

2 You know, clearly if they want to move forward or
3 go deeper into any of these areas, it's going to take more
4 discussion and I don't think that's an area that was charged
5 to this Committee.

6 So with that, everyone have a wonderful
7 Thanksgiving and Christmas holiday. Pray for the rain and
8 snow. We desperately need it.

9 And we'll see you next year. Thank you. We're
10 adjourned.

11 (Whereupon, at 3:28 p.m. the proceedings were recessed.)

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REPORTER'S CERTIFICATE

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STATE OF CALIFORNIA)
) ss.
COUNTY OF SACRAMENTO)

I, Mary C. Clark, a Certified Electronic Court Reporter and Transcriber, Certified by the American Association of Electronic Reporters and Transcribers, Inc. (AAERT, Inc.), do hereby certify:

That the proceedings herein of the California State Allocation Board School Facility Program Review Subcommittee were duly reported and transcribed by me;

That the foregoing transcript is a true record of the proceedings as recorded;

That I am a disinterested person to said action.

IN WITNESS WHEREOF, I have subscribed my name on December 7, 2013.

Mary C. Clark
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