

***THE STATE ALLOCATION BOARD:
IMPROVING TRANSPARENCY AND STRUCTURE***

LITTLE HOOVER COMMISSION

August 2007



LITTLE HOOVER COMMISSION

August 23, 2007

The Honorable Arnold Schwarzenegger
Governor of California

The Honorable Don Perata
President pro Tempore of the Senate
and members of the Senate

The Honorable Dick Ackerman
Senate Minority Leader

The Honorable Fabian Núñez
Speaker of the Assembly
and members of the Assembly

The Honorable Michael Villines
Assembly Minority Leader

Dear Governor and Members of the Legislature:

Since the passage of Proposition 13 in 1978, the bulk of spending decisions on school construction for local public school districts has shifted to Sacramento for review, analysis and deliberation by the State Allocation Board. In the last decade, the SAB has issued more than \$23 billion in bond money for the construction and modernization of educational facilities throughout California.

In its six decades, the board has functioned well despite a flawed governance structure. The board has functioned as well as it has in no small part due to the professionalism of its staff over the years, which put the mission of the SAB above the governance issues created by specific job classifications. When there have been problems, however, a weak governance structure has been an impediment to setting the organization right.

In August 2006, legislative members of the State Allocation Board asked the Commission to examine four areas they identified as concerns in the operation of the board:

- an unclear governance structure
- a potentially inappropriate board composition
- a lack of formal rules of operation
- a nebulous fiscal relationship with the Department of General Services

In its review of the SAB, the Commission found an entity that, while operating adequately, potentially was vulnerable to political manipulation, one where accountability and transparency could be enhanced significantly.

Specifically, the Commission found a governance structure that could not be described by a normal organizational chart, and one exacerbated by changes made for political reasons, not with the goal of improving educational outcomes for California students.

The board's executive officer is appointed by the governor but serves at the pleasure of the director of the Department of General Services. The assistant executive officer is appointed by the board and reports directly to the board – specifically the legislative members of the board – not to the executive officer, the Department of General Services or the governor.

The six legislative members, who have voting powers, comprise a majority on this board, which is charged with an executive branch function, raising the specter of conflicts of interest and inappropriate influence. The legislative majority and pleasure appointments have, on occasion, permitted politics to trump policy in allocation decisions. Public member

representation is limited to one. And, in a tradition that has stretched 60 years, the chair has been the director of the Department of Finance or his or her designee.

The Commission urges the governor and the Legislature to take advantage of the opportunity presented by the request of the board's legislative members – in the absence of crisis – to strengthen the board's governance structure, equip it with independent staff, streamline its management and put in place measures to increase its transparency. The result will be increased accountability and efficiency.

Some of these reforms can be accomplished by executive action; others will require legislation.

The Commission recommends reforming the SAB to increase public and expert participation, better balance executive and legislative roles and improve accountability. The Commission recommends expanding the board to 11 members, including four public members appointed by the governor with expertise in school facilities or education policy; four members of the Legislature; and, three ex-officio members: the director of the Department of Finance; the director of the Department of General Services and the superintendent of public instruction, or their designees.

The staff and functions of the Office of Public School Construction should be transferred to the SAB, which should be an independent entity with the authority to develop its own budget and hire its own executive officer. The position of assistant executive officer should be eliminated.

To increase its transparency to stakeholders and the public, the board should adopt formal rules of operation and make them public.

Any entity charged with deciding how to allocate billions of public dollars to public school districts around the state is bound to generate criticism and second-guessing of its motives, justified or not. A board's best strategy is transparency and accountability. The SAB has functioned well, but it could function better.

Adopting these recommendations can improve the governance and transparency of the SAB. They also will simplify and clarify lines of authority, improving accountability. The board is in the fortunate position of being able to make these reforms systematically and methodically, free from the swirl and confusion of controversy or crisis. It should take this opportunity to make these necessary reforms.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel W. Hancock", written in a cursive style.

Daniel W. Hancock
Chairman

Commissioner Eloise Anderson voted in favor of the report but disagrees with the recommendation to make the Department of Finance representative the chair of the board, favoring instead that the board elect its own chair.

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Introduction

The Little Hoover Commission reviewed the governance structure of the State Allocation Board (SAB) in response to a request by legislative members of the board who asked the Commission to address the following concerns: an unclear governance structure; potentially inappropriate composition; no formal rules of operation; and, a nebulous fiscal relationship between the SAB and the state.

The request to address these concerns was made in a letter to the Commission, dated August 24, 2006, signed by the legislative members of the SAB. At the January 25, 2007 business meeting, the Commission considered the request from the legislative members of the board. The Commission agreed to undertake the study if the Office of Legislative Counsel issued an opinion that the board is in the executive branch of government and therefore within the statutory purview of the Commission. Because the Commission is not a statutory client of the Office of Legislative Counsel, Senator Bob Margett – a member of the SAB and of the Little Hoover Commission – made the request on behalf of the Commission.

On February 7, 2007, the Office of Legislative Counsel, in a consultation with Commission staff, offered an oral opinion that the Little Hoover Commission has the statutory authority to study governance issues involving the SAB.¹ A written opinion followed on April 11, 2007. The opinion is based on the Office of Legislative Counsel's conclusion that the SAB is an executive branch agency and that legislative members serving on the SAB are performing an executive branch function.²

As an independent state oversight agency, the Commission has the broad authority to examine any aspect of the executive branch of state government. The authority to select its own projects gives the Commission the ability to respond to requests for projects from the public and from public officials.

In reviewing the governance structure of the board, the Commission conducted a public hearing on May 24, 2007, and received oral testimony from the current SAB chair and other members of the board, current and former staff to the board and an expert on organization theory and public administration. A list of the witnesses is in Appendix A. The Coalition for Adequate School Housing also provided oral comments during the public comment portion of the hearing and submitted written comments.

Background

The SAB is a statutorily created state government board that allocates general obligation bonds and other funds used for the construction, modernization and maintenance and repair of local public school facilities. The SAB meets monthly to apportion funds to school districts, act on appeals and adopt policies and regulations that govern the administration of SAB programs. The SAB is the policy-level body for the programs administered by the Office of Public School Construction (OPSC).

Since 1998, the SAB has apportioned more than \$23 billion for the construction and modernization of school facilities statewide.³

The OPSC is the administrative staff for the SAB and exists as a 142-employee division within the Department of General Services. Its primary function is to administer general obligation bonds and other monetary resources available to the SAB for apportionment to school districts. The OPSC develops regulations, policies and procedures that carry out the mandates of the SAB and also advises the SAB on policy issues and legislative implementation.

The SAB was created in 1947 as a successor to the Post War Public Works Review Board and was comprised of seven members, including the director of the Department of Finance, the director of the Department of General Services, the state superintendent of public instruction, or their designees, and four legislative members, two each from the State Senate and Assembly.⁴

By statute, the Department of Finance (DOF) provided the staff to determine the eligibility of school districts for state funds, and by tradition, the director of the

Key State Allocation Board Programs

The SAB directs the allocation of state resources, such as general obligation bonds, for the construction and modernization of local public school facilities. The board also oversees several public school facilities programs. These programs include:

- School Facility Program, primarily provides Modernization and New Construction funding and also includes:
 - Career Technical Education Facilities Program
 - Charter Schools Facilities Program
 - Critically Overcrowded School Facilities Program
 - Facility Hardship Grant for Replacement or Rehabilitation
 - Financial Hardship
 - High Performance Incentive Grants
 - Overcrowding Relief Grant
 - School Facility Joint-Use Program
 - Seismic Mitigation Funding
 - Small High School Program
- Emergency Repair Program
- School Facilities Needs Assessment Grant Program
- Deferred Maintenance Program
- State Relocatable Classroom Program

Source: State Allocation Board Web sites: www.opsc.dgs.ca.gov/SAB/Default.htm and www.opsc.dgs.ca.gov/SABForms/Default.htm.

DOF served as the chair of the SAB. Later, staffing responsibilities were shifted to a unit within the Department of General Services (DGS) that is now the OPSC. Although no longer staffed by the DOF, the DOF director continues to chair the board.⁵

In the early- to mid-1990s, controversy over school financing exposed weaknesses in the way the board functioned. School construction consistently had been under-funded, but with even less money available to schools due to a recession, competition for the available dollars became fierce. The SAB had broad authority to establish policies for school facility financing, and those policies changed frequently. The SAB regularly made case-by-case exceptions to basic requirements to receive funding and transferred funds from one program to another, making it unclear to districts how much money they could count on from the state. Although school districts were notified of changes once they had occurred, there was no formal mechanism to communicate policy changes to new local administrators or school board members, leaving many districts at a disadvantage in competing for funds. Larger, wealthier school districts that could afford to hire consultants and were able to monitor the board's actions were better able to navigate the school construction financing process.⁶

In response to several appellate court decisions that affected the levying and use of developer fees, and to growing complaints by school districts that the distribution of construction money was unfair, Governor Pete Wilson and the Legislature agreed to a package of school facilities reforms in June 1998 known as SB 50, authored by the late state Senator Leroy Greene.⁷ Part of a bond initiative, these reforms subsequently were approved by the voters in November 1998 as Proposition 1A. The reforms significantly changed the basis for allocating state funds and the procedures used by the SAB in making allocation decisions. The reforms also required the SAB and others involved in the school construction approval process to simplify the application process. As part of the reforms, the SAB was required to adhere to the Administrative Procedure Act, which requires public notification and opportunities for public comment.

Personnel Tensions Reveal a Flawed Governance Structure

Recently, growing and unresolved conflicts between successive executive officers and the assistant executive officer of the SAB and their respective superiors have given new importance to longer standing concerns about the appropriateness of the governance structure of the board.

The problems reportedly began in 2005 and have since worsened. By all accounts, the conflicts have not compromised the ability of the board to effectively fulfill its mission. But members say that it now takes longer and is more difficult to get the job done, and all are frustrated by the situation. The current executive officer reports that the deliberative process among staff is compromised, and talented individuals are leaving the organization.⁸ Ms. Sheehan, who chairs numerous boards as the designee for the director of the Department of Finance, says that the current circumstances make the SAB the most challenging board to manage.⁹

Ms. Sheehan and current and former staff reportedly tried – to no avail – to help the parties resolve their conflicts and, in particular, tried to clarify the appropriate role and responsibilities of the assistant executive officer.

In an attempt to resolve the personnel and governance issues, Senator Margett introduced a bill in the 2005-2006 legislative session to transfer the Office of Public School Construction employees from the Department of General Services to the direct control of the SAB. The bill also called for the executive officer to be appointed directly by the SAB, rather than by the governor. When the SAB legislative members were advised that the governor would likely veto the legislation, they agreed to withdraw the bill and ask the Little Hoover Commission to review the governance structure and make recommendations.¹⁰

In their letter to the Commission, the legislative members of the SAB assert that questions have arisen about the appropriateness of the legislative majority on the board when its functions are largely within the executive branch of state government. They also described a bifurcated and organizationally unclear governance structure as it relates to the executive officer and assistant executive officer positions. The letter is in Appendix B.

A legislative majority, but an executive branch mission

In April 2002, in a compromise agreement to pass Proposition 47, another school construction bond, legislation also was passed to add to the board two legislative members of the minority party and a public member appointed by the governor. The 2002 law increased the number of SAB members from seven to 10 and strengthened the board's legislative majority.¹¹

Critics assert that the legislative majority on the SAB is inappropriate because the board is charged with performing executive branch functions. Ms. Sheehan says that of all the boards she sits on, the SAB's structure is unique. While she believes it is helpful to have legislative members, particularly if they represent the education policy and education budget committees, she questions the appropriateness of a legislative majority on the board. She suggests that it gives the perception of a conflict because the Legislature drafts and approves legislation and bond measures for school facilities and then gets another "bite of the apple" when making allocation and appeal decisions. The involvement of the SAB's legislative members in approving regulations could be perceived as opportunities to interpret the laws in ways that were not intended when the bills were signed.¹² Former state Senator Dede Alpert, who served on the board for many years, asserts that there is no need for a legislative majority on this board.¹³ Others have said that the legislative majority represents an inherent conflict of interest.¹⁴

The superintendent of public instruction believes that the board is well-balanced and that the legislative members provide a valuable perspective.¹⁵ In written testimony, Senator Jack Scott, a member of the SAB, says that the current structure "appears to provide a balance of representation of the interests of the governor and the two houses."¹⁶

The fact that the SAB's legislative members are voting members also has been raised as an issue. Bruce Hancock, a former assistant executive officer, says that over the years there have been many informal discussions among staff and stakeholders about whether legislative members should serve on the SAB as fully participating members. However, the California Constitution specifically provides the legislative members of the SAB with rights and duties equal to those of its other members.¹⁷

Luisa Park, who served as the executive officer of the SAB and OPSC from 1999 through 2006, asserts that special interest groups are able to exert undue influence through their access to the legislative members

and assistant executive officer. She says that a 10-member board is large for a body where most actions are administrative in nature and questions the need for the increase in the number of legislative members. She says that a smaller board should be considered.¹⁸

At-will appointments

SAB members serve at the pleasure of their appointing authorities. Agency heads, or their designees, serve as long as they hold their respective jobs. Most legislative members serve an entire legislative session, though some have served for as little as one meeting and one, the late Senator Leroy Greene, served for more than 20 years.

The lack of fixed terms, some argue, creates opportunities for the Legislature to make appointments to the board to influence a specific policy or allocation decision. On occasion, a legislator has been appointed to the board for one meeting, apparently to vote on an issue related to a school district within their legislative district. The past assistant executive officer says that the length of the term is less important than ensuring that during the time legislators serve on the board, they are not removed or that another member is not substituted for a single meeting. He says that although to his knowledge this has only happened a few times, it does not reflect well on the integrity of the process.¹⁹

The staff

The executive officer of the OPSC is a statutorily created position, established in 1963, that is appointed by the governor and serves at the discretion of the director of the Department of General Services. Subsequently, the executive officer of the OPSC is appointed executive officer of the SAB by resolution of the SAB. The deputy executive officer is appointed by and reports to the executive officer of the OPSC/SAB.²⁰

In 1987, legislation authored by Senator Greene created the position of assistant executive officer of the SAB, a position outside of the OPSC and DGS chain of command. Reportedly, Senator Greene wanted staff who reported to the SAB directly rather than through the DGS. Despite the implication of the title, the assistant executive officer is appointed by and reports directly to the SAB and has no statutory or organizationally-defined reporting responsibility to the executive officer or to the director of the DGS. By tradition, the assistant executive officer has served as chair of

the Implementation Committee and provides input as the OPSC develops the regulations to implement statutory programs.

Implementation Committee

The Implementation Committee was created by the SAB as an informal advisory body made up of school facilities stakeholders. Currently, the organizations represented on the committee are:

- State Allocation Board, assistant executive officer, chair
- Office of Public School Construction, co-chair
- Division of the State Architect
- Department of Finance
- Department of Education
- Suburban School Districts
- Los Angeles Unified School District
- California Association of School Business Officials
- California County Superintendents Educational Services Association
- Council of Educational Facility Planners, International
- American Institute of Architects
- California Building Industry Association
- Coalition for Adequate School Housing
- Small School Districts Association
- State Building Construction Trades Council

The committee assists the SAB and the OPSC with the implementation of policy and legislation by providing feedback from practitioners' viewpoints at monthly meetings. That input is used to inform SAB and OPSC recommendations and decisions. If OPSC staff and the Implementation Committee are not aligned on an issue, the division is conveyed to the SAB.

Source: State Allocation Board Web sites: www.opsc.dgs.ca.gov/SAB/Default.htm, www.opsc.dgs.ca.gov/SAB/SAB_Imp_Members.htm and www.opsc.dgs.ca.gov/SAB?SAB_Imp_Minutes.htm. Also, Lori Morgan, Acting Executive Officer, State Allocation Board and Office of Public School Construction. May 24, 2007. Oral testimony to the Little Hoover Commission.

Mavonne Garrity, the current assistant executive officer, has held the position for two years. Previously, she was a legislative employee. Ms. Garrity describes her role as an independent observer of the day-to-day administration of the school facility programs to ensure that the OPSC fulfills its responsibilities to the board. She asserts that the information provided to the board by OPSC staff is limited to that needed to support the administration's policy direction, and as a result, legislative members do not always receive the information they need to make good decisions. She says that the Department of Finance, with its role as chair of the board, "trumps" everyone else. Ms. Garrity describes her role as the "daily eyes, ears and voice"

of the legislative members and believes the position of assistant executive officer was created to balance the power of the executive branch representatives and for the legislative members to have their own staff.²¹

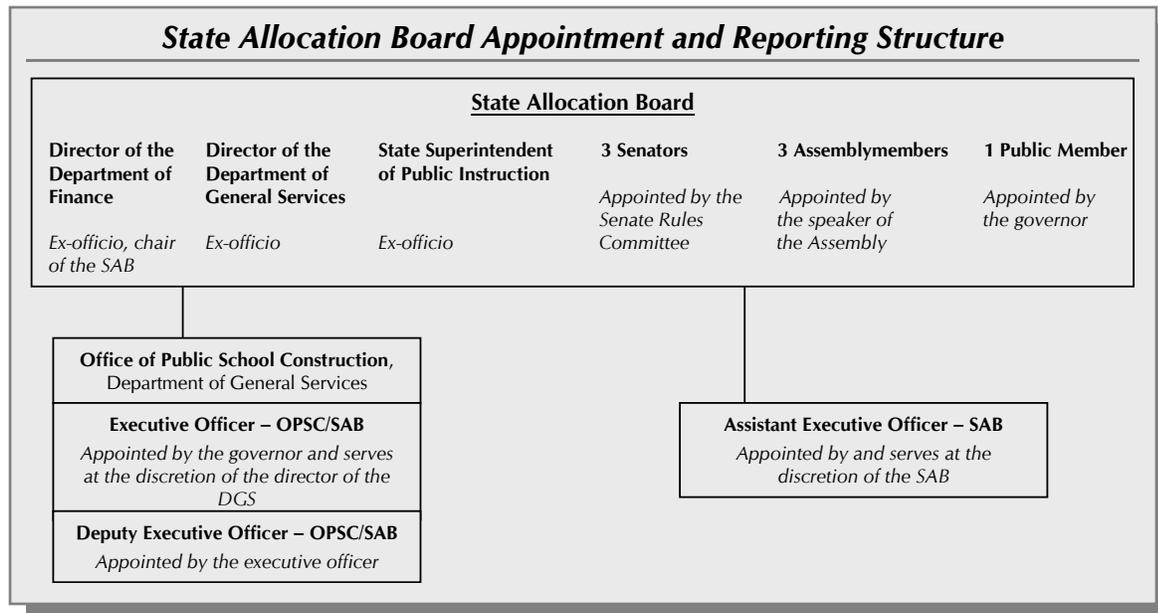
She asserts that by having greater access to information and to OPSC staff discussions, the administrative members of the board have an advantage over the legislative members and the representative of the superintendent of public instruction.²²

That view is contested by the former executive officer, who says that she always served the entire board and ensured that all members received consistent information. OPSC staff are loyal to the SAB and believe that they work for all members of the SAB, she says.

Board member Kathleen Moore, representing the superintendent of public instruction, tells the Commission that the role of the assistant executive officer benefits the superintendent of public instruction as an additional conduit for information on specific items before the board, particularly those that are complex or controversial.²³

Because the assistant executive officer reports to the board, not the executive officer, there is no direct, vertical chain of command. Rather, there are two chains of command: one from the executive officer to the director of the DGS and the chair of the board, the other from the assistant executive officer to the “board,” but in reality, and admittedly, to the legislative members of the board.

Witnesses who provided testimony to the Commission for this review and individuals familiar with the present and past operation of the SAB say that in the past, because of the personalities and perspectives of the previous executive and assistant executive officers, the two were able to work together effectively, despite the awkward governance structure. This was possible, they say, primarily because the assistant executive officer perceived that his job was to serve the entire board, not just the legislative members.



The former assistant executive officer, who served in that capacity from 1998 until 2005, says that while he rarely saw partisan politics on the board, the governance structure of the board is flawed and irrational according to any business model. The assistant executive officer not only is free from influence by the administration but essentially is free from oversight and direction of any kind. This lack of accountability can

create an incentive for the assistant executive officer to undermine the executive officer and OPSC staff in order to solidify, strengthen and validate the assistant executive officer’s position. He believes the need for an independent assistant executive officer should be reconsidered.²⁴

Governance structures in other states

Christopher Ansell, an associate professor in the Department of Political Science at the University of California at Berkeley, examined the governance structures of prominent school construction institutions in several states and compared them with California’s State Allocation Board. The states – Arizona, Kentucky, Maine, Maryland, Massachusetts, New Jersey, North Carolina, Ohio and Wyoming – were chosen because they are considered to have notable school construction institutions, represent a range of governance arrangements and provide a framework for thinking about options for California.²⁵

Professor Ansell grouped these states into four types of governance structures: Program within a Department of Education or State Board of Education; Quasi-Autonomous Agency; Public Corporation Model; and, Interagency Committee Model.

Selected Governance Arrangements for School Construction Bodies

Program within Department of Education or State Board of Education	Quasi-Autonomous Agency	Public Corporation Model	Interagency Committee Model
<ul style="list-style-type: none"> • Maine • North Carolina 	<ul style="list-style-type: none"> • Arizona • Kentucky • Massachusetts • Ohio • Wyoming 	<ul style="list-style-type: none"> • New Jersey 	<ul style="list-style-type: none"> • California • Maryland

Source: Christopher Ansell, Associate Professor, Department of Political Science, University of California, Berkeley. May 24, 2007. Written testimony to the Little Hoover Commission.

1. Programs within a department of education or state board of education.

In Maine, school districts submit proposals for school construction or renovation to the Maine Department of Education, which vets and prioritizes the projects and submits them to the Maine State Board of Education, which decides the projects that will be funded. The North Carolina Public School Building Bond Act of 1996 is administered and supervised by the State Board of Education.

2. Quasi-autonomous agencies. The Massachusetts School Building Authority (MSBA), created in 2004, is an independent agency, though it operates largely under the control of the state treasurer.²⁶ The seven-member board includes the state treasurer, who serves as chairperson, the secretary of the Executive Office for Administration and Finance, the commissioner of education and four members appointed by the state treasurer with expertise in facility planning, architecture or construction and education. The MSBA also has a statutory advisory board of 17 members representing a wide range of stakeholders. The executive director, who also sits on the advisory board, is appointed by the state treasurer.

The Kentucky School Facilities Construction Commission is an independent agency attached to the Finance and Administrative Cabinet. The commission is comprised of eight members appointed by the governor.²⁷ An unusual feature of the Kentucky commission is that seven of these members must represent one of the state's seven Supreme Court districts, while the eighth member represents the state as a whole. The commission is staffed by a director and support personnel, who are appointed by the commission.²⁸

The Ohio School Facilities Commission (OSFC) was created in May 1997 as a distinct state agency to administer school construction and rebuilding, a function that previously resided in the Ohio Department of Education. The OSFC is comprised of three voting members – the director of the Office of Budget and Management, director of the Department of Administrative Services and state superintendent of public instruction – and four non-voting members of the state Legislature. The four legislative members include two members of the Ohio Senate and two members of the House of Representatives. The commission appoints its own executive director.

The Arizona School Facilities Board consists of nine voting members appointed by the governor. They represent a variety of interest groups and perspectives, including an elected member of a school district governing board with experience in finance, a representative of a taxpayers' organization, a person with experience in school construction, an architect familiar with schools, a person with experience in school facilities management, a person with experience in demographics, a current teacher, an engineer familiar with schools and a private business owner or officer.²⁹ In addition, the superintendent of public instruction serves as a non-voting member. The governor appoints the chairperson and the executive director.

The Wyoming School Facilities Commission was established by the Wyoming Legislature in 2002. The seven-member commission is

comprised of the state superintendent of public instruction, a member of the State Board of Education, three members appointed by the governor, who have experience in engineering, construction and building design, and two members appointed by the state superintendent of public instruction with knowledge of facility planning and management and educational policy. The governor appoints the executive director.

3. *Public corporation model.* By executive order, the governor of New Jersey delegated authority for school construction from the New Jersey Economic Development Authority (NJEDA) to a new subsidiary corporation called the School Construction Corporation (SCC).³⁰ The SCC is comprised of eight ex-officio members of various state agencies, including education; labor and workforce development; treasury; commerce, economic growth and tourism; and, economic development, as well as seven public directors appointed by the governor – three from the Board of the Economic Development Authority and four with experience in education, finance or construction. A chief executive officer, elected by the corporation, runs the day-to-day operations.

4. *Interagency committee model.* In Maryland, the Aging School Program (ASP) provides state funds to all school systems in the state to address the needs of their aging schools. The ASP is administered by the Interagency Committee on School Construction, which was established in 1971. The interagency committee has five members, including ex-officio representatives from three public agencies: the superintendent of schools, who chairs the committee, the director of the Maryland Office of Planning and the secretary of the Department of General Services. The president of the Senate and speaker of the House of Delegates each appoint one public member. The three participating agencies furnish staff to the committee. The Board of Public Works also provides staff and assumes responsibility for the coordination and administration of the program. The executive director is appointed by the committee.

Examples of Board Compositions

	Representatives of State Departments	Legislators	Public Appointees*
Arizona	<ul style="list-style-type: none"> • Superintendent of Public Instruction (non-voting) 		<ul style="list-style-type: none"> • 9 members appointed by the Governor
California	<ul style="list-style-type: none"> • Director of the Department of Finance • Director of the Department of General Services • Superintendent of Public Instruction 	<ul style="list-style-type: none"> • 3 Senators (voting) • 3 Assemblymembers (voting) 	<ul style="list-style-type: none"> • 1 member appointed by the Governor
Kentucky			<ul style="list-style-type: none"> • 8 members appointed by the Governor
Maine	The Maine Department of Education and State Board of Education are responsible for reviewing and funding school construction projects.		
Maryland	<ul style="list-style-type: none"> • State Superintendent of Schools • Secretary of the Department of Planning • Secretary of the Department of General Services 		<ul style="list-style-type: none"> • 1 member appointed by the Senate President • 1 member appointed by the House Speaker
Massachusetts	<ul style="list-style-type: none"> • State Treasurer • Secretary of Administration of Finance • Commissioner of Education 		<ul style="list-style-type: none"> • 4 members appointed by the State Treasurer
New Jersey	<ul style="list-style-type: none"> • 8 members from key state agencies 		<ul style="list-style-type: none"> • 7 members appointed by the Governor, including 3 from the Board of the Economic Development Authority
North Carolina	The school construction program in North Carolina is administered by the State Board of Education.		
Ohio	<ul style="list-style-type: none"> • Director of the Office of Budget and Management • Director of the Department of Administrative Services • State Superintendent of Public Instruction 	<ul style="list-style-type: none"> • 2 Senators (non-voting) • 2 Representatives (non-voting) 	
Wyoming	<ul style="list-style-type: none"> • State Superintendent of Public Instruction • A member of the State Board of Education 		<ul style="list-style-type: none"> • 3 members appointed by the Governor • 2 members appointed by the State Superintendent of Public Instruction

*Most of these states require public appointees to have specific expertise in a related field, such as Wyoming with governor appointees having experience in engineering, construction and building design and superintendent appointees having experience in facility planning and management and educational policy, while some do not have expertise requirements, such as Kentucky with seven appointees representing the state's Supreme Court districts and one representing the state as a whole.

Source: Christopher Ansell, Associate Professor, Department of Political Science, University of California, Berkeley. May 24, 2007. Written testimony to the Little Hoover Commission.

In California, accountability divided

In Kentucky, Ohio, Maryland and New Jersey, the executive director is appointed by the school facilities board. In Wyoming and Arizona, the executive director is appointed by the governor. In Massachusetts, the executive director is appointed by the state treasurer.

Professor Ansell concludes that accountability is more divided in California than in the comparison states where the executive director is appointed either by the commission or the governor, or by an executive officer of the governor.

The different board compositions reflect several principles for organizing boards. Most of the institutions described above are focused in the executive branch, though they differ in terms of the agency to which they are attached and in their emphasis on interagency coordination.

Ohio is the only state reviewed that has direct legislative representation, with four non-voting members of the Legislature. No other state has a board with voting legislative members or a legislative majority, making California an exception in terms of strong legislative representation. At the same time, California also has a strong interagency orientation, with representation from the Department of Finance, Department of General Services and superintendent of public instruction.

Professor Ansell concludes that the governance structure of the SAB creates opportunities for exacerbated tensions between the legislative and executive branch, adding to the tension created by the governor's appointment of the executive director. While strong legislative representation has the advantage of allowing close legislative oversight of the SAB, it also has the potential to politicize allocation decisions.³¹

Professor Ansell asserts that in contrast to school facilities commissions and programs in other states, the governance structure of the SAB pulls the school construction program in different directions. The SAB has strong legislative representation, but its executive leadership reports primarily to the governor. It has an administrative home in the Department of General Services but is chaired by the Department of Finance. He observed that a Madisonian would admire the way that this structure embodies the separation of powers, while a Hamiltonian would object to its cross-cutting lines of authority.³²

Professor Ansell suggests that if the goal is to clarify and tighten lines of authority, a quasi-autonomous agency model along the lines of Arizona, Kentucky, Massachusetts, Ohio and Wyoming might be considered. The

SAB and OPSC would then be reorganized as a consolidated and independent operating authority. Executive branch control of this authority would be consolidated by allowing the membership of this authority to be appointed by the governor or to reflect ex-officio agency representation. The chair could be appointed, designated ex-officio or elected by the board. The new authority would appoint its own executive director, who would be responsible for appointing the authority staff.

Senator Jack Scott, in his testimony to the Commission, notes that the majority of California boards and commissions have the authority to appoint their own executive officers, ensuring that the executive officer's "actions are guided by, and reflect, the priorities of the public board being served."³³

Rules of Operation

In their letter to the Commission, the legislative members of the board said that aside from the make-up of the SAB, the statutes are silent as to its operation and that it operates largely by tradition. The legislative members did not, however, identify negative consequences from the lack of formal rules of operation.

As a multimember state board, the SAB is subject to the requirements of the Bagley-Keene Open Meeting Act, which requires multimember boards and commissions to publicly notice their meetings, prepare agendas, accept public testimony and conduct their meetings in public.³⁴

Board staff acknowledged that the board has not adopted formal rules of procedure, but stated that it is guided by Roberts Rules of Order, legal counsel and the requirements of the Bagley-Keene Open Meeting Act. The board also has adopted quorum and voting regulations that have been approved by the Office of Administrative Law.³⁵

Last year, amid increasing conflict and at the request of the board, the staff prepared and submitted to the board a report describing how it operates, the role of OPSC staff in developing regulations and the roles of the executive officer and assistant executive officer. The board accepted the report.³⁶

After some SAB members voiced a desire for a vice chair, the SAB voted at its March 22, 2006 meeting to establish the position of vice chair and specified that it would be held by a legislative member of the board, elected by a majority of a quorum of the board, who would serve at the pleasure of the board. At the same meeting, the board discussed rotating the chairmanship of the board but opted not to do so.³⁷

The chair states that the board does have rules of operation but describes the Implementation Committee process as a weakness in current operating policy. She explains that the committee was established to advise the board as it develops regulations to implement new laws. It was intended to be comprised of stakeholders directly impacted by the regulations, such as school districts, county offices of education, architects, contractors and others. Over time, lobbyists and other advocates for specific interests have been added to the board, and it has assumed a more activist role, influencing program and policy development. The chair suggests that this could upset the balance between policy and regulation development and fiscal responsibility. She suggests that the role and composition of the Implementation Committee be reviewed and clearly defined to improve its value to the SAB.

The superintendent of public instruction, in written testimony, suggests that formal rules of operation would make the SAB more transparent.³⁸

Generally, the staff, board members and stakeholders who provided the Commission with input on this issue express opinions that meetings are well run and conducted in a professional and collegial manner.

Professor Ansell finds that the commissions in most of the states he reviewed specified some rules for how and when meetings will be conducted, how the chair will be named and how the public will be notified of meetings. He finds the rules in the other states to be quite general and to defer on the details of operations to the commissions. He says he does not know of any liabilities as a result of the current informal rules for governing the SAB.³⁹

While the SAB has not established its own comprehensive rules of order, it is guided by open meeting laws, statutory requirements, its own regulations and commonly accepted rules of operation that by all accounts comprise effective rules of order. Although it does not appear that formal rules of operation are required to address specific problems with the way the board conducts its affairs, formal rules could serve to aggregate in one document the rules of operation, providing clarity and consistency internally and enhancing transparency externally.

Fiscal Relationship Between the SAB and the State

The legislative members assert that the fiscal relationship of the SAB to the state is nebulous and that administrative and operational expenses paid out of bond funds to the DGS do not accurately reflect the costs of those services since the SAB is subject to the budgetary constraints of the DGS. Staffing levels and expenses, such as legal counsel, are impacted by decisions made at the DGS rather than by the SAB.

The chair says that she is not aware of the budget reflecting inaccurate operational costs for the OPSC and SAB. She explains that the DGS participates in the annual budget development process and must justify its expenditures through established processes that apply to all state departments, which includes scrutiny by both the legislative and executive branches of government.⁴⁰

The OPSC budget includes personnel costs, operating expenses, such as rent, utilities and travel, and an allocation to the DGS to provide support services, such as human resources, information technology and fiscal services. Since 1999-2000, support services have totaled between six and eight percent of the OPSC's overall operating budget.⁴¹ The amount budgeted is based on actual data from previous years and on the number of DGS staff hours utilized to perform the various staff functions.⁴²

In testimony to the Commission, several witnesses point out that if the OPSC were moved out of DGS and placed under the SAB, it would be necessary to contract for the support services currently provided by the DGS and that it is unlikely such an arrangement would generate savings.

One Model for Reform: The California Transportation Commission

There are more than 300 boards and commissions in California state government. They differ in their compositions, authorities and funding sources. Of those entities, the California Transportation Commission (CTC) is most like the SAB in its primary function – the allocation of billions of dollars in general obligation bonds and other funds – in this case for transportation projects statewide. The CTC is considered by some observers to be a model for an effectively structured allocation board. It is professional, has made a practice of systematic planning and effectively sets priorities for projects for the state’s massive transportation sector.⁴³ Anne Sheehan describes the CTC as a relevant example of an alternative governance structure for the SAB.⁴⁴

The CTC, an 11-member independent state commission, oversees and coordinates the activities of the state’s transportation sector, including planning and allocating state money for the construction of highway, rail and transit improvements throughout California.

Several elements of the CTC governance structure set it apart from the SAB and, if incorporated into the structure of the SAB, would make the SAB’s governance structure more rational and could improve its performance by minimizing opportunities for the personnel conflicts that can arise in the current structure.

- ***Independent.*** As an independent body, the CTC elects its own chair and vice chair and appoints an executive director that reports directly to the commission. No member can serve as chair for more than two consecutive terms. The chair, vice chair and executive director serve at the pleasure of the commission. The staff, including the deputy directors, report directly to the executive director.
- ***Citizen and expert membership.*** Nine of the 11 CTC members are public members with subject matter expertise or interest in transportation, appointed by the governor and confirmed by the Senate. The composition ensures that the commission has individuals with relevant subject matter knowledge, increases the commission’s transparency and limits the perception of undue influence by the administration.
- ***Balanced legislative influence.*** The Senate Rules Committee and speaker of the Assembly each appoint a non-voting, ex-officio member, usually the chairs of the Senate and Assembly transportation policy committees. The legislative members

represent the interests of the Legislature on the CTC, which primarily performs an executive branch function – planning and distributing funds for the state’s transportation sector. They provide important input on the decisions of the commission, but do not dominate the commission. Although they lack voting power, they play a vital role by informing the commission of the Legislature’s position on issues likely to affect the portion of the budget it will devote to transportation. They also act as a “sounding board” for CTC program proposals that will ultimately be presented to the Legislature in the commission’s annual report.⁴⁵

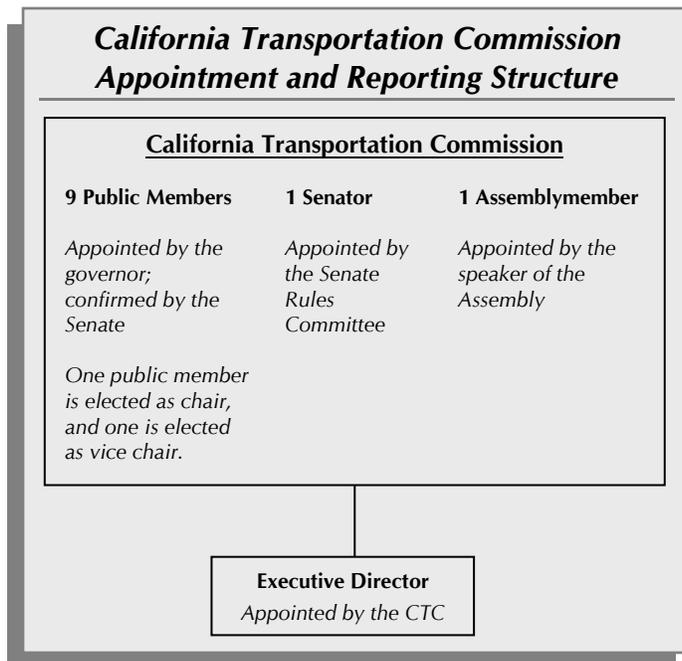
- **Fixed terms.** CTC members serve staggered, fixed terms, giving the commission increased permanence across administrations and eliminating opportunities to politicize allocation decisions.

Voting members may not simultaneously hold an elected public office or serve on any local or regional public board with business related to transportation.⁴⁶ Members may, however, serve on the High-Speed Rail Authority.⁴⁷ Appointments have been influenced by a desire to maintain geographical balance by including representatives from northern, southern, urban and rural parts of the state.⁴⁸

To carry out its functions, the chair organizes commission members into committees to inform the CTC on issues and make recommendations for action. Currently, there are eight committees, of which four are required

by statute.⁴⁹ CTC meetings are held every five to seven weeks in various locations throughout the state, though mostly in Sacramento.

The CTC, while independent, has regular contact and interaction with Caltrans. For example, Caltrans relies on the CTC for approvals on capital outlays and property condemnations.⁵⁰ The CTC may request that Caltrans perform work that is necessary for the commission to carry out its duties and responsibilities.⁵¹ The CTC also rents office space from Caltrans and is part of its email and phone system. The CTC contracts with the Department of General Services for administrative support services.⁵²



Conclusion and Recommendations

By all accounts, the SAB in recent years has functioned admirably despite a challenging – and by most accounts – irrational governance structure. Created before the state became the predominant source of funding for school construction, the SAB has not evolved to reflect its new role. The few changes to the composition and governance structure of the SAB since its inception were made apparently for political reasons and did not improve the board’s performance or public outcomes.

The board’s legislative majority, unique among the more than 300 boards and commissions in California, was further strengthened in 2002 as part of a political “deal.” Coupled with the voting powers of the legislative members, it presents – at the least – an appearance of a conflict of interest.

The establishment of the assistant executive officer position was yet another politically motivated move unrelated to improving specific and measurable public outcomes. The fractured chain of command and bifurcated reporting structure that resulted is impeding the effective internal functioning of the board, even if it has not materially compromised the ability of the board to fulfill its mission.

Clearly, having the right personalities in key positions can make up for a poor structure. But when problems arise, a flawed structure can exacerbate those problems and prove an impediment to overcoming them.

A review of the compositions and governance structures of the California Transportation Commission and notable school facilities institutions in other states illustrates just how unusual the SAB is. Of the nine states examined as part of the Little Hoover Commission’s review, only Ohio included members of the state Legislature, and they serve as non-voting members. By including only one public member, the SAB stands far apart from the CTC and other states. By comparison, the other states have between two and nine public members, and in seven of the states, public members comprise the majority of the board. Nine of the 11 CTC members are public representatives, and all have experience or interest in transportation issues. The CTC is independent, and boards in five of the nine states reviewed are independent or “quasi-autonomous.”

Public outcomes would be improved by reforming the composition and strengthening the governance structure of the SAB to enhance its accountability and transparency, and by streamlining and clarifying its

internal organization and operations to improve its effectiveness and efficiency. To achieve these goals, the Commission recommends the following:

Recommendation 1: The State Allocation Board should be reformed to increase public and expert participation, better balance executive and legislative roles and improve accountability. Specifically:

- **The composition of the SAB should be modified, and the board membership should be increased to include 11 members.** The SAB should include four public members appointed by the governor, with expertise in school construction, school financing or K-12 education policy; four members of the Legislature, including the chair and vice chair of the Senate Education Committee and chair and vice chair of the Assembly Education Committee; and, three ex-officio, voting members: the director of the Department of Finance; the director of the Department of General Services; and, the superintendent of public instruction, or their designees. Government Code section 15490 should be amended to implement the change in the board’s composition.

State Allocation Board Composition		
1947	2002	Recommended
<ul style="list-style-type: none"> • Director of the Department of Finance • Director of the Department of General Services • Superintendent of Public Instruction • 2 members from the State Senate • 2 members from the State Assembly 	<ul style="list-style-type: none"> • Director of the Department of Finance • Director of the Department of General Services • Superintendent of Public Instruction • 3 members from the State Senate • 3 members from the State Assembly • 1 public member appointed by the Governor 	<ul style="list-style-type: none"> • Director of the Department of Finance (ex-officio, voting) • Director of the Department of General Services (ex-officio, voting) • Superintendent of Public Instruction (ex-officio, voting) • 2 members from the State Senate • 2 members from the State Assembly • 4 public members appointed by the Governor

- **SAB members should serve staggered, fixed terms.** To provide continuity and consistency when governors’ administrations change, the public members of the SAB should serve staggered, four-year terms. This change should be codified in Government Code section 15490.

- **The chair of the SAB should be designated.** The director of the Department of Finance or his or her designee should serve as the statutory chair of the SAB.
- **SAB members should represent California's geographic diversity.** To ensure regional equity and enhance awareness of the state's rapidly changing demographics, the board should include members from northern, southern, central, urban and rural parts of the state.

Recommendation 2: The SAB should be an independent entity. Specifically:

- **The staff and functions of the Office of Public School Construction should be transferred to the SAB.** A single chain of command and system of accountability should be created by transferring the staff and functions of the OPSC from the DGS to the SAB. Education Code section 17070.2 should be amended to charge the SAB with the responsibility to administer the Leroy F. Greene School Facilities Act of 1998. The SAB should contract with the DGS for administrative support and should contract for or hire its own legal services.
- **The SAB should develop and submit its own budget.** To underscore its independence and enhance its accountability and transparency, the SAB should develop and submit an annual budget that is subject to the standard state agency budget approval process, including legislative and executive branch scrutiny.
- **The SAB should hire an executive officer.** The SAB should hire its own executive officer, who reports directly to the SAB. The executive officer should hire a deputy executive officer and staff who report to the executive officer.
- **The position of assistant executive officer should be eliminated.** The SAB should eliminate the position of assistant executive officer. The Legislature should sunset Government Code section 15490(c), which authorizes the SAB to appoint a person to that position. The functions of the assistant executive officer should be reallocated, as appropriate, to the executive officer and deputy executive officer of the SAB, including the responsibility to chair the Implementation Committee.

Recommendation 3: To increase its transparency to the public and stakeholders, the board should formally adopt its own rules of order. The rules should:

- **Aggregate existing operating procedures.** The board should consolidate existing formal and informal operational practices into SAB Rules of Operation. As appropriate, the rules of

operation should include elements of existing SAB procedures derived from law, regulation and practice.

- ***Define the role of the Implementation Committee.*** The rules should address the role, operation and composition of the Implementation Committee.
- ***Be publicly available.*** The rules of operation should be available to the public and stakeholders and posted on the SAB's Web site.

Appendices & Notes

✓ *Public Hearing Witnesses & Written Comments Submitted*

✓ *Letter from the Legislative Members of the SAB*

✓ *Notes*

Appendix A

Little Hoover Commission Public Hearing Witnesses and Written Comments Submitted

Witnesses Appearing at Little Hoover Commission Public Hearing on the State Allocation Board, May 24, 2007

Christopher Ansell, Associate Professor
Department of Political Science
University of California, Berkeley

Lori Morgan, Acting Executive Officer
State Allocation Board and Office of Public
School Construction

Rob Cook, Deputy Director
Interagency Support Division
Department of General Services; and
Member, State Allocation Board

Luisa M. Park, former Executive Officer
State Allocation Board and Office of Public
School Construction

Mavonne Garrity, Assistant Executive
Officer
State Allocation Board

Senator Jack Scott, Member
State Allocation Board

Bruce Hancock, former Assistant Executive
Officer
State Allocation Board

Anne Sheehan, Chief Deputy Director of
Policy
Department of Finance; and Chair, State
Allocation Board

Kathleen Moore, Director
School Facilities Planning Division
Department of Education; and
Member, State Allocation Board

Written Comments Submitted

Ted E. Rozzi, Chair
California's Coalition for Adequate School
Housing (CASH)

Appendix B

Letter from the Legislative Members of the SAB

CALIFORNIA LEGISLATURE

STATE CAPITOL
SACRAMENTO, CALIFORNIA
95814

August 24, 2006

Mr. Michael E. Alpert, Chair
Little Hoover Commission
925 L Street, Suite 805
Sacramento, CA 95814

Dear Chairman Alpert:

This letter is to request a study of the State Allocation Board (SAB) and its interaction with the Office of Public School Construction (OPSC) and the Department of General Services (DGS).

The SAB is responsible for the allocation of bond funding to school districts for the construction of safe and adequate school housing. It is also responsible for the administration of the School Facility Program, the State Relocatable Classroom Program, and the Deferred Maintenance Program. While the mission of the entity is clear, its governance structure is not.

The current structure of the OPSC and SAB has an Executive Officer appointed by the Governor, but serving at the discretion of the Director of the DGS. The position of Assistant Executive Officer was created by the Legislature with the appointment power being given to the SAB. Neither position has been clearly delineated in statute to indicate powers granted and a chain of command.

The OPSC serves as staff to the SAB and are employed by the DGS. This staff implements and administers the various programs at the direction of the SAB. The Executive Officer and the staff are accountable to the DGS, a member of the SAB, and also accountable to the SAB as a whole.

Questions have also arisen as to the appropriateness of the SAB's make-up. The SAB consists of ten members, six legislative appointments and four executive appointments.

The legislative majority of the entity has been questioned since its function is largely one within the executive branch.

Aside from the make-up of the SAB, the statutes are silent as to its operation. The SAB is governed largely by tradition. The Chair is the Department of Finance, by tradition, and no formal rules of operation are adopted by the board members.

In addition to the vague governance and chain of command, the fiscal relationship of the SAB to the State is nebulous. The administrative and operational costs of the OPSC and the SAB are paid through bond funding. Most of the expenses incurred are paid to the DGS. It is believed these expenses do not accurately reflect the true administrative and operational costs since the SAB is subject to the budgetary constraints of the DGS. Staffing levels and expenses, such as legal, are impacted by decisions made at the DGS rather than by the SAB members.

The fiscal status of the SAB has also been impacted by the State's decision to "sweep up" revenues generated by the State Relocatable Program into the General Fund. The SAB has operated this program and generated millions of dollars in revenue. By taking these funds, the SAB was not able to reinvest the revenues into the program and adequately maintain the program over the last several years.

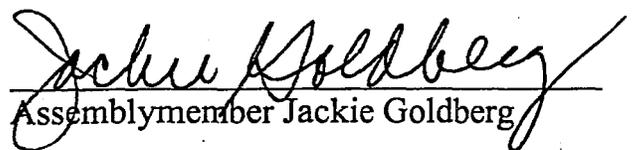
The construction and maintenance of safe schools is vital to the success of California. We should ensure the body entrusted with the authority to fulfill this goal is efficiently and effectively operated. Therefore, we the undersigned respectfully request the Little Hoover Commission undertake a study of the State Allocation Board.

If there any questions or concerns please contact Kerry Yoshida, Capitol Director to Senator Margett, at (916) 651-4029. Thank you for your consideration of this request.

Sincerely,



Senator Bob Margett



Assemblymember Jackie Goldberg



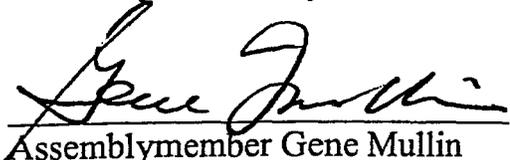
Senator Jack Scott



Assemblymember Lynn Daucher



Senator Alan Lowenthal



Assemblymember Gene Mullin

Notes

1. Jacqueline R. Kinney, Deputy Legislative Counsel, Office of Legislative Counsel. February 7, 2007. Personal communication.
2. Diane F. Boyer-Vine, Legislative Counsel, Office of Legislative Counsel. April 11, 2007. Written communication.
3. State Allocation Board and Office of Public School Construction. 2006. "The State Allocation Board/Office of Public School Construction 2005/2006 Annual Report." Page 1. Sacramento, CA. Accessed at http://www.documents.dgs.ca.gov/opsc/Publications/AnnualReports/AR_2005-06.pdf.
4. Chapter 92, Statutes of 1947.
5. Lori Morgan, Acting Executive Officer, State Allocation Board and Office of Public School Construction. May 24, 2007. Written testimony to the Little Hoover Commission.
6. Joel Cohen. February 1999. "School Facility Financing: A History of the Role of the State Allocation Board and Options for the Distribution of Proposition 1A Funds." Page 5-6. Sacramento, CA. Accessed at <http://www.library.ca.gov/crb/99/01/99001.pdf>.
7. These appellate court cases are sometimes referred to as the "Mira" cases and consist of *Mira Development Corp. v. City of San Diego* (1988), *William S. Hart Union High School District v. Regional Planning Commission* (1991) and *Murrieta Valley Unified School District v. County of Riverside* (1991).
8. Rob Cook, as Executive Officer, State Allocation Board and Office of Public School Construction. August 3, 2007. Personal Communication.
9. Anne Sheehan, Chief Deputy Director of Policy, California Department of Finance, and Chair, State Allocation Board. November 6, 2006. Personal Communication.
10. Anne Sheehan. See endnote 9.
11. Assembly Bill 16, Chapter 33, Statutes of 2002.
12. Anne Sheehan. See endnote 9. Also, Anne Sheehan, Chief Deputy Director of Policy, California Department of Finance, and Chair, State Allocation Board. May 24, 2007. Written and oral testimony to the Little Hoover Commission.
13. Dede Alpert, former California State Senator, California State Senate. November 11, 2007. Personal communication.
14. Rob Cook, as Deputy Director of Interagency Support Division, Department of General Services, and Member, State Allocation Board. May 24, 2007. Oral testimony to the Little Hoover Commission.
15. Kathleen Moore, Director of School Facilities Planning Division, Department of Education, and Member, State Allocation Board. May 24, 2007. Written and oral testimony to the Little Hoover Commission.

16. Jack Scott, California State Senator, California State Senate, and Member, State Allocation Board. May 24, 2007. Written testimony to the Little Hoover Commission.
17. California Constitution, article 16, section 1.
18. Luisa M. Park, former Executive Officer, State Allocation Board and Office of Public School Construction. May 24, 2007. Written and oral testimony to the Little Hoover Commission.
19. Bruce Hancock, former Assistant Executive Officer, State Allocation Board. May 24, 2007. Written testimony to the Little Hoover Commission.
20. Lori Morgan. See endnote 5.
21. Mavonne Garrity, Assistant Executive Officer, State Allocation Board. May 24, 2007. Written and oral testimony to the Little Hoover Commission. Also, Mavonne Garrity, Assistant Executive Officer, State Allocation Board. November 13, 2006. Personal communication.
22. Mavonne Garrity, Assistant Executive Officer, State Allocation Board. May 24, 2007. Written and oral testimony to the Little Hoover Commission.
23. Kathleen Moore, Director of School Facilities Planning Division, Department of Education, and Member, State Allocation Board. May 24, 2007. Written testimony to the Little Hoover Commission.
24. Bruce Hancock. See endnote 19.
25. Christopher Ansell, Associate Professor, Department of Political Science, University of California, Berkeley. May 24, 2007. Written testimony to the Little Hoover Commission.
26. Note: The founding statute states that the MSBA shall be an independent agency not subject to the control of any other executive office, department, etc. Christopher Ansell. See endnote 25.
27. Note: No specific expertise is required for appointed members. Christopher Ansell. See endnote 25.
28. Note: An analysis of the Commission's activities is reported in "A Review of the School Construction Commission," Research Report no. 332, Legislative Research Commission, February 10, 2006. This report finds that school district superintendents are generally happy with the management of the Commission, but provides little insight into governance arrangements. Christopher Ansell. See endnote 25.
29. Arizona Revised Statutes, title 15 – Education, section 15-2001 (A).
30. Note: The NJEDA's mission is to stimulate business development, job creation and community revitalization. Christopher Ansell. See endnote 25.
31. Christopher Ansell. See endnote 25.
32. Note: Public administration scholarship often contrasts Madisonian and Hamiltonian perspectives as competing traditions of agency design. See Donald Kettl. 2002. "The

Transformation of Governance: Public Administration for 21st Century America.” John Hopkins University Press. Christopher Ansell. See endnote 25.

33. Jack Scott. See endnote 16.
34. California Government Code sections 11120-11132.
35. California Code of Regulations, title 2, section 1555.
36. State Allocation Board. January 25, 2006. “Report of the Executive Officer, State Allocation Board Meeting.” Sacramento, CA.
37. Lori Morgan. See endnote 5.
38. Kathleen Moore. See endnote 23.
39. Christopher Ansell. See endnote 25.
40. Anne Sheehan, Chief Deputy Director of Policy, California Department of Finance, and Chair, State Allocation Board. May 24, 2007. Written testimony to the Little Hoover Commission.
41. Rob Cook, as Deputy Director of Interagency Support Division, Department of General Services, and Member, State Allocation Board. May 24, 2007. Written testimony to the Little Hoover Commission.
42. Lori Morgan. See endnote 5.
43. James P. Mayer, Executive Director, New California Network. November 2, 2006. Personal communication. Also, Anne Sheehan. See endnote 40.
44. Anne Sheehan, Chief Deputy Director of Policy, California Department of Finance, and Chair, State Allocation Board. May 24, 2007. Written and oral testimony to the Little Hoover Commission.
45. Ray Sotero, Press Secretary, Office of former Assemblymember Jenny Oropeza. Personal communication.
46. California Government Code section 14502 (a).
47. California Government Code section 14502 (c).
48. California Transportation Commission. December 9, 2004. “2004 Annual Report to the California Legislature.” Page iii. Sacramento, CA. Accessed at: <http://www.catc.ca.gov/reports/2004Reports/2004%20Annual%20Report%20Final%20with%20Links.pdf>.
49. California Government Code section 14506.
50. David Brewer, Chief Deputy Director, California Transportation Commission. June 29, 2007. Personal communication.
51. California Government Code section 14512.
52. David Brewer. See endnote 50.

