

May 17, 2007

Mr. Stuart Drown, Executive Director
Little Hoover Commission
925 L Street, Suite 805,
Sacramento, CA 95814

Dear Mr. Drown;

Thank you for this opportunity to respond to questions relating to the State Allocation Board. I have listed my responses in the order that the questions were presented.

Governance Structure:

My understanding is that having the Assistant Executive Officer (AEO) report to directly to the State Allocation Board (SAB) was done in order to provide a position immune from the perceived influence of the Administration. The theory rests on the concept that the Executive Officer and the staff of the Office of Public School Construction (OPSC) are susceptible to undue influence by the Administration through the members of the SAB appointed by the Administration.

The potential advantages to having such a position are obvious if one accepts the premise under which the position was created. An independent AEO provides a check and balance mechanism for policy decisions as well as oversight on the general operations of the OPSC. However such oversight offers real value only if there is reason to believe that the Executive Officer and the Staff of the OPSC are being manipulated by the Administration and are therefore not serving the SAB as a first priority.

The disadvantages of such an independent position are equally obvious, but can manifest themselves whether or not there is manipulation or undue influence by the Administration. The current structure creates a position not only free from influence by the Administration, but essentially free from oversight and direction of any kind. Even more problematic, it can create an incentive for the AEO to undermine the Executive Officer and the Staff of the OPSC in order to solidify, strengthen and validate the Assistant Executive Officer's own position. I do not believe any Executive Officer in any organization, public or private, could be expected to operate effectively in a situation where people literally housed in their offices and sitting in their management meetings were not accountable to them.

Board Composition:

During the 17 years that I was a staff member of the Office of Public School Construction or the Assistant Executive Officer I have seen many changes to the membership of the State Allocation Board. As might be expected over such a long period, not all appointees

to the SAB - in my opinion - were equally qualified or equally dedicated to the Board's business. However, my general assessment is that the SAB has been an effective body which has administered the program fairly and in a manner surprisingly void of political partisanship. I was proud to be associated with it.

Over the years, there have been many informal discussions among staff and others involved in public school facilities as to whether Legislative members should serve on the SAB as fully participating members. It is my understanding that the SAB is the only Board or Commission where Legislative members serve in other than an advisory role and are able to vote. With very limited exceptions, I have never seen a reason to criticize the current makeup.

Rules of Operation:

As I've already stated, I believe the operations of the SAB have been very successful over many years. Before considering the question of whether the rules of operation should be changed, a problem requiring correction should be defined.

Recently, the some SAB members expressed a desire to have a Co-Chair and the SAB took an action to implement that suggestion. Although the reasons for the change were largely unspoken, it appeared to be that some of the SAB members had come to believe that too much authority rested with the Chair. It is important to recognize that the SAB took action to address the perception without outside influence or direction.

My sole suggestion – based only on my own personal perceptions – is that SAB Legislative members be appointed for a specific term. The length of the term is less important than ensuring that during that time they are not removed or that another member is not substituted for a single meeting. I do not believe the Board is served well when Legislative members are appointed for one meeting only to vote on a single issue before the Board. Although that situation has happened only a few times to my knowledge, it does not reflect well on the integrity of the process.

Fiscal Relationship Between the SAB and the State

The State Allocation Board should be given a complete accounting of the operational expenses charged against the state school programs and the services provided by all other state agencies, including but not limited to the Department of General Services, State and Consumer Services Agency, and the Department of Education. .

For many years, I believed that the OPSC should be placed under the State Allocation Board, with the Executive Officer appointed by and reporting to the SAB directly. It seems logical that the SAB could have a staff and Executive Officer directly reporting to it just as I believe many other Boards and Commissions do. However, more recently I have wondered exactly how that relationship would be structured. Those Boards and Commissions I reference do not have Legislative members who vote, and who, therefore, select the Executive Officer. This is an important distinction that should be fully

addressed before such realignment is actually considered. If the assertion is that the SAB Executive Officer can be unduly influenced by the Administration, isn't it even more likely that political partisanship could have an effect? The most recent Executive Officer served in that position for 13 years (including a term as Acting Executive Officer). Such stability is important to consistent, equitable operations. Would that kind of stability be sacrificed if the Executive Officer were directly beholden to the Legislative members of the Board?

Sincerely,

Bruce B. Hancock
Hancock, Gonos & Park, Inc.
428 J Street, Suite 360
Sacramento, CA 95814