

**MINUTES**  
**State Allocation Board**  
**January 28, 2004**

Upon notice duly given, the monthly meeting of the State Allocation Board was held in Room 4203 of the State Capitol, Sacramento, California on January 28, 2004 at 4:00 p.m.

Members of the Board present were as follows:

- Jeannie Oropeza, Program Budget Manager, Education, Department of Finance, designated alternate for Donna Arduin, Director, Department of Finance
- Jacqueline Wilson, Deputy Director, Interagency Support Division, Department of General Services designated alternate for Dr. William J. Jefferds, Director, Department of General Services
- Duwayne Brooks, Director, School Facilities Planning Division, California Department of Education designated representative for Jack O'Connell, Superintendent of Public Education
- David Sickler, Southern Regional Director, State Building & Constructions Trades Council of California
- Senator Dede Alpert
- Senator Tom Torlakson
- Assembly Member Marco Firebaugh
- Assembly Member John Dutra

Members of the Board absent were as follows:

- Senator Bob Margett
- Assembly Member Tony Strickland

Representatives of the State Allocation Board (SAB) were as follows:

Luisa M. Park, Executive Officer  
Bruce B. Hancock, Assistant Executive Officer

Representatives of the Department of General Services, Office of Public School Construction (OPSC) were as follows:

Luisa M. Park, Executive Officer  
Karen McGagin, Deputy Executive Officer

Representative of the Department of General Services, Office of Legal Services, was as follows:

Garry Ness, Acting Chief Counsel

With a quorum present, Ms. Oropeza, Chair, called the meeting to order at 4:11 p.m.

**PRIOR MINUTES**

A motion was made and carried to approve the minutes for the December 10, 2003 SAB meeting.

**EXECUTIVE OFFICER'S STATEMENT**

The Executive Officer advised the SAB members that:

- The OPSC responded quickly to the Paso Robles Joint Unified School District's loss of 19 classrooms due to the Cambria earthquake on December 22, 2003, ensuring the continuation of classroom instruction without significant delay.

- In regards to Palo Verde Unified School District, the OPSC has requested a legal opinion from the Attorney General’s Office regarding the liability of utility companies and other entities when gas lines are located on school sites. The OPSC is working closely with the CDE to identify other districts affected by gas pipelines, and updates on this issue will be provided as information becomes available.
- The OPSC requested exceptions for Regulations affected by Executive Order S-2-03, and two requests for Assembly Bill 16 have been approved. The exception for establishing the State’s share of the cost of the Labor Compliance Program was denied; therefore, the funding for items presented at the January 2004 SAB meeting do not include grants for labor compliance. The exception requests for other regulations are pending review.

**CONSENT ITEMS**

In considering this item, the Board approved the consent calendar as presented. A motion was made and carried with the following vote:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Alpert	X			
Senator Margett				X
Senator Torlakson	X			
Assembly Member Dutra	X			
Assembly Member Firebaugh	X			
Assembly Member Strickland				X
Jeannie Oropeza		X		
Jacqueline Wilson	X			
David Sickler	X			
Duwayne Brooks	X			
Total	7	1	0	2

**Motion:**

Carried   X    
 Failed       

**FINANCIAL REPORTS**

***Status of Funds***

The Board accepted the Status of Funds report as presented.

***Annual Adjustment to the School Facility Program Grants***

Ms. Jeannie Oropeza, Chair, requested that the Board consider delaying this item to the February SAB meeting. The Department of Finance was concerned because other construction in the state uses a different factor.

Mr. Tom Duffy, representative for the Coalition for Adequate School Housing, expressed his concern with delaying this item. Mr. Duffy offered the resources of CASH to study the annual adjust before the next adjustment in 2005.

In considering this item, the Board approved the staff’s recommendation with the following direction:

The Board directed Staff to conduct a study, working with the Department of Finance, to determine if the increase to the construction index for school construction is appropriate for purposes of the annual adjustment in 2005.

A motion was made and carried with the following vote:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Alpert	X			
Senator Margett				X
Senator Torlakson	X			
Assembly Member Dutra	X			
Assembly Member Firebaugh	X			
Assembly Member Strickland				X
Jeannie Oropeza		X		
Jacqueline Wilson	X			
David Sickler	X			
Duwayne Brooks	X			
Total	7	1	0	2

**Motion:**  
 Carried   X    
 Failed       

***Index Adjustment on the Assessment for Development***

In considering this item, the Board accepted the report.

**SPECIAL CONSENT ITEMS**

***Deferred Maintenance Program Funding***

In considering this item, the Board approved the staff's recommendations.

***Fullerton Joint Union High/Orange 58/66514-00-01***

In considering this item, the Board approved the staff's recommendations.

**SPECIALS/APPEALS**

***Deferred Maintenance Critical Hardship Closeout Issues***

In considering this item, the Board approved the staff's recommendations.

***Fresno Unified/Fresno***

This item was withdrawn.

Assembly member Firebaugh requested that the Superintendent of the District and a representative of the School Board attend the March SAB meeting when this item is scheduled to be discussed.

***Lakeport Unified/Lake 22/64030-00-03 and 04***

Senator Chesbro requested that the SAB members consider the Lakeport Unified School District's request that the Board approve the receipt date as of May 31, 2003, for funding approval of two Lease Purchase Program Joint Use projects.

Dr. Beth Robinson, Superintendent of Lakeport Unified School District, reviewed the background on the project.

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In considering this item, the Board did not approve the staff's recommendations. Instead, the Board directed staff to fund the two applications.

A motion was made and carried with the following vote:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Alpert	X			
Senator Margett				X
Senator Torlakson	X			
Assembly Member Dutra	X			
Assembly Member Firebaugh	X			
Assembly Member Strickland				X
Jeannie Oropeza	X			
Jacqueline Wilson	X			
David Sickler	X			
Duwayne Brooks	X			
Total	8	0	0	2

**Motion:**

Carried   X    
 Failed       

**REGULATIONS**

***Financial Hardship Bonded Indebtedness Change***

In considering this item, the Board approved the staff's recommendation.

***Proposed Regulatory Amendments – Critically Overcrowded School Facilities Program***

In considering this item, the Board approved the staff's recommendations.

***Senate Bill 15 Amendments to the School Facility Joint-Use Program***

In considering this item, the Board approved the staff's recommendations.

**REPORTS**

***Lease Lease-Back Agreements (Education Code Section 17406)***

The Board heard from a number of people in the audience for and against the use of Lease Lease-Back agreements.

Senator Alpert requested that staff capture information on how many projects are using Lease Lease-Back agreements. She also requested that staff report at a future SAB meeting on recommendations for changes to Regulations and/or legislation, after discussions at the Implementation Committee.

Mr. Brooks requested that staff provide written notification to school districts to proceed with caution when using Lease Lease-Back agreements and interpreting the law (Ed. Code 17406).

Assembly member Dutra offered to carry a bill to clarify this issue.

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The Board did not accept the report.

***Energy Conservation Program Incentives***

In considering this item, the Board accepted the report.

***Maintenance of School Restrooms***

In considering this item, the Board accepted the report.

**INFORMATION/REFERENCE**

***Board Meeting Dates for the 2004 Calendar Year***

***Modernization Unfunded List – Projects that have received Unfunded Approval as of December 10, 2003***

***OPSC Workload Summary List – New Construction and Modernization through December 30, 2003***

***Facility Hardship/Rehabilitation Approvals without Funding List as of December 10, 2003***

**ADJOURNMENT**

There being no further business to come before the Board, the Chair adjourned the meeting at 6:13 p.m.

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**LUISA M. PARK, Executive Officer**