

STATE ALLOCATION BOARD

1130 K Street, Suite 400
Sacramento, CA 95814

**IMPLEMENTATION COMMITTEE MINUTES**

February 11, 2005

Legislative Office Building
1020 N Street, Room 100
Sacramento, CA

Members Present

Mavonne Garrity, SAB	John Palmer, CASBO
Lori Morgan, OPSC	Lettie Boggs, CASBO (Alternate for John Palmer, PM only)
Fred Yeager, CDE	William Cornelison, CSEASA
Pamela Johnson, CASH (Alternate for Dave Doomey)	Jeannie Oropeza, DOF (AM only)
Beth Hamby, LAUSD	Blake Johnson, DOF (PM only)
Brian Wiese, AIA	Jay Hansen, SBCTC
Dennis Dunston, CEFPI	Mamie Starr, SSD (Alternate for Constantine Baranoff)

Members Absent

Dennis Bellet, DSA	Debra Pearson, SSDA
Gary Gibbs, CBIA	

The meeting was called to order at 9:45 a.m.; there were fourteen members present and there were three absent. The new chair was introduced; Mavonne Garrity, Interim Assistant Executive Officer of the State Allocation Board (SAB). The Chair acknowledged the alternate representatives in attendance. Additionally, Eric Skinner from the Office of the Secretary for Education joined Ms. Oropeza for the Committee discussion on the Williams Settlement legislation as summarized below.

Lori Morgan welcomed Ms. Garrity. Ms. Morgan also thanked the Committee members and audience for their flexibility to accommodate the Committee meeting date change to February 11th, which was necessary in order to add the Williams supplement, not supplant requirement to the agenda. Ms. Morgan also announced that the March SAB meeting date has been changed to March 30, 2005.

The minutes from the January 6, 2004 meeting were approved as written.

**WILLIAMS SETTLEMENT – SENATE BILL 6
CLARIFICATION OF THE SUPPLEMENT, NOT SUPPLANT REQUIREMENT**

The topic was introduced by Mavonne Garrity and presented by OPSC staff members Lindsay Ross and Masha Lutsuk. Staff stated that the purpose of proposed Sections 1859.318 and 1859.328 is to ensure that:

WILLIAMS SETTLEMENT – SENATE BILL 6
CLARIFICATION OF THE SUPPLEMENT, NOT SUPPLANT REQUIREMENT (continued)

- School Facilities Needs Assessment Grant Program and Emergency Repair Program funding supplements existing funding available to Local Educational Agencies (LEAs) for facility maintenance.
- LEAs are exercising due diligence in the maintenance of school facilities.

Per the written Committee item, subsections (a) through (c) reflect the language that resulted from discussion of this topic at the SAB Implementation Committee meeting in January. The addition of subsection (d) requires that LEAs expend, encumber, or deposit into a sinking fund all funds available in the deferred maintenance account, routine restricted maintenance account, or regular maintenance budget to address problems or necessary repairs listed in the Interim Evaluation Instrument, Facility Inspection System, or Deferred Maintenance 5-Year Plan in an effort to ensure all of the LEA's school facilities are maintained in good repair.

Due to various interpretations of the meaning of "deposit into a sinking fund", staff agreed to change this to "dedicate." For purposes of these programs, dedicated means that the LEA has a specific project planned for the future towards which it intends to use unexpended, unencumbered funds. The representative from the Department of Finance confirmed that dedication is meant to be flexible. If an LEA certifies that it plans to spend the funds on a particular project, it is acceptable to change the use of the funds if the LEA later determines the funds are needed for a different maintenance project. Staff clarified that the LEA needs to comply with subsection (d) within the fiscal year of the application submittal. A concern was raised that the applicable period of time stated in the text may be in conflict with the new subsection (d) requirements. Staff agreed to look into this and make adjustments as necessary.

The proposed regulations will be presented at the February SAB meeting.

CRITICALLY OVERCROWDED SCHOOL FACILITIES PROGRAM
ASSEMBLY BILL (AB) 2950

The topic was introduced by Mavonne Garrity and Lori Morgan and presented by OPSC staff members Jessica Love and T.J. Rapozo. Staff's presentation consisted of introducing proposed regulatory amendments to implement AB 2950 (Chapter 898, Statutes of 2004 – Goldberg) for Final Apportionment eligibility justification for the Critically Overcrowded School (COS) Facilities Program.

For COS preliminary apportionments from 2002, AB 2950 stipulates that as an alternative to the traditional five year projection process utilizing the Cohort Survival Enrollment Projection (CSEP), a district may use current California Basic Educational Data System enrollment, compared against the district's school building capacity. Alternatively, districts that are reporting eligibility under a High School Attendance Area (HSAA) basis may use either the actual or a five-year projection of the pupil residency data, compared against the district's school building capacity. The majority of the discussion was on the options available for HSAA districts.

A comment was made regarding how gathering and reporting residency data for the previous three years in a HSAA might cause unnecessary work for the district. Staff agreed that current year residency data was sufficient, if that was the method that the district chose to use. There was also concern about the districts needing to submit an *Eligibility Determination/Projection* (Form SAB 50-01) for every HSAA within the boundaries. It was noted that in certain cases not all of the HSAA districts currently have baseline eligibility established with OPSC for all attendance areas within the district. Staff would further review this issue.

CRITICALLY OVERCROWDED SCHOOL FACILITIES PROGRAM AB 2950 (continued)

Questions were raised about the necessity of the supplemental worksheet, the exclusion of charter school pupils, and reporting only those pupils needed to justify a COS project under residency. Staff indicated that the worksheet would be more efficient than requiring all district residency documentation. Staff agreed to consider the charter school comment and added that the district wide residency data would be necessary to ensure an accurate accounting of eligibility.

Staff's eligibility tracking proposal to prevent funding duplication was presented. Comments were made that the HSAA districts may be penalized since the proposal could result in a SFP eligibility reduction beyond the COS Preliminary Apportionment. Staff will consider other methods to avoid the duplication.

The OPSC staff noted that a grandfathering clause would be added to the regulations, which would allow school districts to submit applications for Final Apportionment as of the effective date of the law but prior to the effective date of the new regulations. These applications would not be presented to the SAB until the regulations were in effect.

Some Committee members suggested that the outstanding issues be discussed with the impacted school districts, given the limited scope of AB 2950. This subject will be presented for further discussion at a future Implementation Committee meeting.

ADJOURNMENT AND NEXT MEETING

The meeting adjourned at 3:00 p.m. The next Implementation Committee meeting is scheduled for Friday, March 4, 2005 at 9:30 a.m. and will be held at the Legislative Building, 1020 N Street, Room 100, Sacramento.