

**STATE ALLOCATION BOARD**1130 K Street, Suite 400  
Sacramento, CA 95814**IMPLEMENTATION COMMITTEE MINUTES**

January 5, 2007

Legislative Office Building  
Sacramento, CA**Members Present**

Mavonne Garrity, SAB

Kathy Hicks, OPSC

Fred Yeager, CDE

Chad Rohrs, DOF

Constantine Baranoff, SSD

Mark DeMan, LAUSD

Peggy Reyes, CASBO

Joe Dixon, CASH (alternate for William Savidge)

Kenn Young, CCSESA

Brian Wiese, AIA

Richard Conrad, DSA

Cesar Diaz, SBCTC

Dennis Dunston, CEFPI

Debra Pearson, SSSA

Gary Gibbs, CBIA

---

The Chair announced the order of discussion would be changed so that representatives from the Governor's Office and the Legislature could participate in the Career Technical Education Facilities Program (CTEFP) discussion. The Overcrowding Relief Grant (ORG) was discussed first.

The Chair also stated that the only Implementation Committee (Committee) meeting date that will be changed is the Friday, April 6, 2007 meeting to Thursday, April 5, 2007.

**OVERCROWDING RELIEF GRANT PROGRAM**

This topic was introduced by the Chair and presented by the Office of Public School Construction (OPSC) staff members Melissa Ley and Regina Bills-Dacong.

OPSC staff reviewed the item discussed at the November/December 2006 meeting and presented updates to the proposed framework for implementing the ORG program, including revised *Application for Funding* and *Expenditure Report* forms and revised application deadlines and funding cycles.

There was discussion at the meeting regarding classrooms provided and occupancy rules as there was concern that a district's project could conceivably be occupied before it is funded due to the funding availability and application cycles. OPSC staff explained that a district's New Construction eligibility will not be adjusted for the new classrooms provided by a project as long as the application is submitted prior to occupancy, and the application will remain eligible for funding consideration. Audience members also inquired when it will be acceptable to sign construction contracts in order to be eligible for the ORG. The OPSC stated the issue would be researched.

Discussion also took place on the requirement that funds set aside by financial hardship districts for ORG projects be encumbered in order to not be considered available for other SFP projects. Concerns were raised that districts will not be necessarily encumbering the funds to design the project, acquire a site (possibly), and to construct the project, before a financial hardship review is conducted for a SFP project. The OPSC stated preliminarily that a budgeted reserve is a reasonable

(Continued on Page Two)

## **OVERCROWDING RELIEF GRANT PROGRAM (cont.)**

approach in this instance, and agreed to take the issue under consideration in the development of the regulation language. Staff also explained that there will be no separate design or site apportionments, however, financial hardship districts may consider bridge financing on their own to commence the project. The debt services (e.g. interest on the loan) will be eligible expenditures.

In addition, the CDE presented a revised *Overcrowding Relief Grant Pupil Adjustment* form. There was discussion about the methods of adjustment used by the form, and it was suggested that the audience have a chance to review the form further and discuss it at the next meeting. Staff agreed to consider the matter.

Audience members and committee members expressed interest in presenting regulations to the State Allocation Board (SAB) as soon as possible. The Chair ended the discussion by stating that OPSC staff will work to address outstanding concerns in time to present regulations to the January 2007 SAB.

## **ASSEMBLY BILL (AB) 607**

Discussion continued from the November 30, 2006 meeting of the Committee regarding changes to the Emergency Repair Program (ERP) resulting from AB 607 (Chapter 704, Statutes of 2006 – Goldberg). The OPSC staff provided an update on the adoption of a revised Interim Evaluation Instrument (IEI) and provided an overview of the proposed ERP regulation changes that needed additional review in response to comments and concerns raised at the November meeting. Discussion was limited due to time constraints, however, it was centered on the development of the permanent evaluation instrument and the revised ERP.

The process for the creation of the permanent evaluation instrument was the first point of discussion. The stakeholder group would include participants from the County Offices of Education as stipulated in the law, and would be similar to the process of focused discussions used to create the original Interim Evaluation Instrument and the Good Repair Report. Results from the stakeholders' meetings would be presented at the Committee meeting in March or April 2007.

An audience member asked that staff address the use of ERP funding for portable classroom replacement. Staff clarified that current ERP regulations do not preclude portable replacement. These types of projects can be considered on case-by-case basis, dependent upon several factors, including whether the cost benefit analysis justifies replacement of the entire portable. A member of the Committee suggested that the feasibility of using portables phased out from the State Relocatable Program to replace portables under the ERP be considered.

Though staff hopes to file the proposed regulation on an emergency basis and make the grant application available to all eligible schools as soon as possible, concerns were raised on schools that will no longer be in deciles one to three on the 2006 Base API. Staff reaffirmed its intention to implement a 90-day grace period for these schools, regardless of when the regulations go into effect. If the revised ERP regulations are not in effect by the end of March 2007, a school that is falling off the eligible schools list will be able to submit a funding request during the 90 day period following approval of the regulations.

Discussion also took place as to whether unused funds from the School Facility Needs Assessment Grant Program (SFNAGP) could be used for purposes of assessing schools coming on the list of eligible schools. Based on current statute, SFNAGP savings must be used for necessary repairs identified in the assessment by January 1, 2007, or returned to the State. A representative from the American Civil Liberties Union commented that there may be new legislation that could provide additional SFNAGP funding.

A committee member asked if there would be a provision for an "interim" grant increase in addition to the grant increase that a project could receive after expenditure review. The concern was for districts

## **AB 607 (cont.)**

that may find major unforeseen repairs associated with the project, and fall short of the funds to “float” the additional expenditures until the expenditure review could determine the amount of the Grant Adjustment/increase. Staff stated that the LEA has the option to submit another funding request for the additional work, or could ask that the project be rescinded and resubmit the project in its entirety with a higher grant request.

There was also a suggestion from a Committee member that, should there be an unfunded list, projects that required a Grant Adjustment be given priority over Grant requests so that projects are not left with inadequate funding to complete the project. Staff explained that by prioritizing Grant requests over Grant Adjustments, as the draft regulations propose, a greater distribution of funds will be achieved and allow more projects to receive some funding to address emergency conditions at schools. Furthermore, the Education Code provides for annual allocations into the ERP, therefore, projects on the unfunded list could receive funding from the next available annual allocation. The unfunded list will not pose a problem until the majority of the \$800 million is close to being apportioned.

A representative from the Department of Health Services expressed her concern that the language in the current proposed revisions would actually prevent use of environmentally preferable purchasing as they direct districts to use Like-Kind Materials. Staff clarified that the regulation definition of Like-Kind Materials requires school districts to use materials that are similar in function, such as replacing a heater with a heater, rather than a heater with a heater and air conditioning unit. Therefore, the regulations do not preclude LEAs from using green resources.

Staff stated that the draft regulations and forms, along with the revised IEI will be presented at the next available SAB meeting for adoption.

## **CAREER TECHNICAL EDUCATION FACILITIES PROGRAM**

At the January 5, 2006 meeting, the majority of the discussion focused on who may apply for the grant. Representatives from the Office of the Governor and the Office of the Speaker of the Assembly addressed the Committee regarding the intent of AB 127 and the CTEFP. Both agreed that the goal of the program was the construction or reconfiguration of CTE facilities on comprehensive high schools and the integration of CTE courses into the standard high school curriculum. Several attendees acknowledged that this is a positive approach. However, they contended that there are many variations of a high school, and the program needs flexibility to allow County Offices of Education (COE) to access CTEFP funds. As an alternative, it was suggested that a COE should be allowed to partner with or apply on behalf of a school district for funding. In the end, the proposed regulations and CDE application provide that an applicant for CTEFP funding must operate a high school that meets the definition of a comprehensive high school pursuant to the Education Codes 51224, 51225.3, and 51228.

CDE representative Dr. Patrick Ainsworth and OPSC staff member Kelly Long continued the discussion of the CTEFP.

The CDE presented the revised Application Scoring Guide that will be used to evaluate the CTEFP applications. Discussion of the Scoring Guide focused on sequencing of classes and accountability. Some participants suggested that these two sections be required for every application; the absence of either would constitute a fatal flaw, disqualifying the applicant. The CDE agreed that without sequencing it would be very hard to consider the submission a valid plan, and that further consideration is needed.

## **CAREER TECHNICAL EDUCATION FACILITIES PROGRAM (cont.)**

The OPSC presented the proposed regulations for the CTEFP, incorporating many revisions from previous meetings. The OPSC also introduced a new form, the Application for Career Technical Education Facilities Program (Form SAB 50-10). Finally, the staff presentation included AB 2419. AB 2419 requires that if a school district applies for Career Technical Education Program funding of any New Construction or Modernization project that they have a written confirmation from their Career Technical Education Advisory Committee as a condition of receiving funding. The written confirmation provides that the need for vocation and career technical facilities has been adequately met within the district. The Application for Funding (Form SAB 50-04) and the Fund Release Authorization (Form SAB 50-05) have been revised to incorporate this requirement.

The Committee was informed that the proposed SFP Regulations and the CDE applications for the CTEFP were scheduled to be presented at the January 24, 2007 SAB meeting.

## **ADJOURNMENT AND NEXT MEETING**

The meeting adjourned at 4:00 p.m. The next Committee meeting is scheduled for Friday, February 2, 2007 at 9:30 a.m. and will be held at the State Capitol, Room 447, Sacramento, California.