# MINUTES
## State Allocation Board
## June 24, 2009

Upon notice duly given, the monthly meeting of the State Allocation Board was held at the California Department of Education Building, located at 1430 N Street, Room 1101, in Sacramento, California on June 24, 2009 at 4:00 p.m.

Members of the Board present were as follows:

- Tom Sheehy, Chief Deputy Director, Policy, Department of Finance, designated representative for Michael Genest, Director, Department of Finance (DOF)
- Scott Harvey, Chief Deputy Director, Department of General Services, designated representative for Will Bush, Director, Department of General Services
- Kathleen Moore, Director, School Facilities Planning Division, California Department of Education (CDE), designated representative for Jack O'Connell, Superintendent of Public Instruction
- Senator Alan Lowenthal
- Senator Loni Hancock
- Senator Mark Wyland
- Assembly Member Julia Brownley
- Assembly Member Tom Torlakson
- Assembly Member Martin Garrick

Member of the Board absent was as follows:

- Rosario Girard, President and CEO, Phoenix Construction Services, Inc., appointee of Arnold Schwarzenegger, Governor of the State of California

Representative of the State Allocation Board (SAB) was as follows:

Susan Ronnback, Interim Assistant Executive Officer

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

Lisa Silverman, Chief of Fiscal Services
Juan Mireles, Program Services Policy Manager

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

Henry D. Nanjo, Assistant Chief Counsel

With a quorum present, Tom Sheehy, Chair, called the meeting to order at 4:07 p.m.

**PRIOR MINUTES**

Mr. Juan Mireles, representing the SAB staff, presented the May minutes for the Boards' review and approval. The Chair addressed Mr. Mireles regarding a revision made to the May minutes. Mr. Mireles directed the Board to the revision on page four, where clarifying language had been added regarding a Board Member's comments on the Murrieta Valley Unified School District's appeal.

With no other comments needing to be addressed on the minutes, the Chair opened the floor to public comment.

Public Comment

Mr. Tom Duffy, representing the Coalition for Adequate School Housing (CASH) organization, requested that a hold be put on the May Minutes being adopted. He went on to state that the May Minutes refer to comments being made by "Board Member" instead of identifying the individual Board Member making comment. There were no objections by the Board on the May minutes being held over until the issue presented by Mr. Duffy could be resolved.

Further comment was made by the Chair and confirmed by Mr. Mireles regarding transcripts of the State Allocation Board meeting being posted as early as July to the OPSC Web Site.

## EXECUTIVE OFFICER'S STATEMENT

Ms. Lisa Silverman, Chief of Fiscal Services, informed the Board of the following:

Seismic Funding Update

San Ramon Valley High School has submitted the first application for Seismic Funding. This request is to replace the gym facility which qualifies as a *Most Vulnerable Category, Type 2 Building*. It was recommended the Board approve this unfunded approval.

Status of Funds

At the February and March 2009 SAB meeting, staff was requested to identify projects that were waiting for funding that had a Labor Compliance Component. Staff identified 30 projects with new construction unfunded approvals with a worth of approximately $118 million that will be redesignated from Prop 1D to Prop 47.

High Performance Outreach

At the May 2009 SAB Meeting, staff was requested to provide increased outreach for the High Performance (HP) Funding. Staff met with representatives from Senator Hancock's office, the Leadership in Energy and Environmental Design, and the Collaborative for High Performance Schools. The nature of the discussion revolved around HP Grants, trying to incorporate HP Design into the construction, and green design construction elements that have little to no additional costs. A follow-up meeting was scheduled for the following week. Currently there remains $88 Million in funding.

Charter School Facilities Program

As a result of the May 2009 SAB meeting, July 1, 2009 will start the new filing round for Charter Schools. OPSC in conjunction with the School Facilities Finance Authority and the California Department of Education will provide outreach workshops to assist Charter Schools to complete the necessary forms. Three workshops have been scheduled, the first two in Los Angeles and San Diego respectively and a follow up workshop in Sacramento being webcasted.

**EXECUTIVE OFFICER'S STATEMENT** (cont.)

Chair Tom Sheehy asked if there was a sense that additional applications would be turned in with $88 million remaining in available HP funding. Ms. Silverman responded by stating the discussion centered on educating school districts on the criteria for eligibility and further outreach.

Mr. Harvey asked whether there was any discussion of obstacles preventing school districts from building High Performance Schools. Mr. Mireles responded that there were some concerns that the grants aren't enough to make changes to the design of the project and that regulation changes may be in order.

Public Comment

Mr. Bill Savidge, representing CASH, expressed concerns regarding the cost of consultant fees being greater than that of the grant increase. Kathleen Moore questioned Mr. Savidge about schools seeking a CHPS standard and whether that would have to be submitted as well, which was confirmed by Mr. Savidge. Senator Hancock questioned Mr. Savidge regarding the consultant fees and as to whether some of the consultant fees couldn't be absorbed in the initial architect's design and also whether too much information was required to make the grant cost effective. Mr. Savidge agreed that that was a part of the problem as well as the grant level not being high enough to support the program. Senator Hancock went on to ask for a report on this topic.

**CONSENT ITEMS**

Senator Wyland commented on the adequacy of the Career Technical Education Facilities Program (CTEFP) and the schools being funded. He stated that he would like the CDE to provide to the SAB members the plan by which the CDE approves for these types of projects. He further stated that he was interested in what the costs are and how they vary from application to application and district to district. Ms. Moore responded that the CDE is responsible for reporting on what each CTEFP component is doing in each school district CTEFP project. In considering this item, the Board approved the consent calendar as presented.

**FINANCIAL REPORTS**

***Status of Funds***

Ms. Lisa Silverman, representing the SAB staff, presented the items to the Board. Although the Board accepted the Status of Funds reports as presented, Assembly Member Brownley and Senator Wyland asked for clarification regarding the listing of Proposition 1D and Build America Bonds. The Chair and Ms. Silverman addressed the questions as presented and it was recommended and agreed that inviting Ms. Laura Chick, Inspector General over the American Recovery Reinvestment Act of 2009 stimulus funds (Build America Bonds), to the next Board Meeting to address this and like questions would be prudent.

**SPECIAL CONSENT ITEMS**

***Susanville Elementary/Lassen 58/64196-00-001***

Mr. Juan Mireles, representing the SAB staff, presented this Facility Hardship project which has met the qualifying criteria for imminent Health and Safety issues.

**SPECIAL CONSENT ITEMS** (cont.)

Mr. Harvey had policy and procedural questions regarding Susanville. It was established that a representative from the District, Mr. Richard Gonzales of Richard Gonzales and Associates, was present to answer Mr. Harvey's questions. Mr. Gonzales confirmed that no State funds were used in this work and that, to his knowledge, no inspections or approvals were sought. In considering this item, the Board approved the staff's recommendations.

***Corcoran Joint Unified/Kings 58/63891-00-001***

Mr. Juan Mireles, representing the SAB staff, presented this Facility Hardship project which has met the qualifying criteria for imminent Health and Safety issues. In considering this item, the Board approved the staff's recommendations.

***San Bernardino City Unified/San Bernardino 58/67876-00-001***

Mr. Juan Mireles, representing the SAB staff, presented this Facility Hardship project which has met the qualifying criteria for imminent Health and Safety issues. In considering this item, the Board approved the staff's recommendations.

**SPECIALS/APPEALS**

***San Ramon Valley Unified/Contra Costa 51/61804-03-001***

Mr. Juan Mireles, representing the SAB staff, presented this item to the Board. Assembly Member Joan Buchanan was present to answer any questions the Board might have regarding this item. Senator Wyland did ask clarification to the term *soil liquefaction*. Assembly Member Buchanan simple stated that if an earthquake were to hit, the soil would liquefy under the gym and the building would collapse. In considering this item, the Board approved the staff's recommendations.

***Glendale Unified/Los Angeles 50/64568-00-007***

The Chair requested a roll call vote. Mr. Henry Nanjo, Assistant Chief Counsel, reminded the Board that there were three options to choose from and that one should be specified before the vote was taken. Assembly Member Brownley motioned option three (which would Approve the District's request to reimburse the District for the construction of the CVHS project), the motion was seconded by Senator Lowenthal. Mr. Nanjo reminded the Board that there may be legal concerns in this option.

**SPECIALS/APPEALS** (cont.)

The Chair requested a roll-call vote and the motion passed per the following votes:

| MEMBER | AYE | NAY | ABSTAIN | ABSENT |
|---|---|---|---|---|
| Senator Lowenthal | X | | | |
| Senator Hancock | X | | | |
| Senator Wyland | X | | | |
| Assembly Member Garrick | X | | | |
| Assembly Member Brownley | X | | | |
| Assembly Member Torlakson | X | | | |
| Scott Harvey | | X | | |
| Kathleen Moore | X | | | |
| Rosario Girard | | | | X |
| Tom Sheehy | | X | | |
| Total | 7 | 2 | | 1 |

**Motion:**

Carried __X_

Failed ____

***School Facility Program Inactive Preliminary Apportionments***

Ms. Barbara Kampmeinert, representing the SAB staff, presented this item regarding Critically Overcrowded Schools and Charter Schools to the Board. The Fiscal Crisis Emergency Regulations for Critically Overcrowded and Charter School projects became effective, April 22, 2009 allowing the Board to make a finding that eligible projects are "Inactive Apportionments." Districts and charter schools would not be required to proceed with their projects during a time when the Board could not provide the earlier stages of funding, such as a separate site apportionment for environmental hardship, design, or site acquisition.

Ms. Kampmeinert recommended the Board declare the projects listed on the attachments as Inactive Preliminary Apportionments and Inactive Preliminary Charter School Apportionments until further Board action.

Ms. Kathleen Moore asked whether this captured all projects or if there would be more projects coming forward. Ms. Kampmeinert stated that all project have been captured with this one item. Ms. Moore went on to state she would be voting affirmatively in favor of this item but would abstain from the Elk Grove individual item. With no further questions or comments, the Board approved the staff's recommendations.

***School Facility Joint Use Program and Career Technical Education Facilities Program Extention***

Ms. Tracy Sharp, representing the SAB staff, presented this item to the Board. Ms. Sharp recommended that the Board Approve the 12-month time extension as listed in the attachments. In considering this item, the Board approved the staff's recommendations.

## REGULATIONS

### *Seismic Mitigation Program*

This item was postponed until the July 2009 SAB meeting at the request of the Board. However, the Board did allow public comments on this issue.

Public Comment

Mr. Duffy, representing CASH, suggested that when the regulations are written that some authority for discretion be given to the State Architect when reviewing these projects. He went on to ask that Districts receive unfunded approval for these projects. Mr. Lyle Smoot, representing LAUSD, encouraged the Board to extend the criteria of eligibility to allow more Districts to qualify for funding.

## REPORTS

### *New Construction Grant Adjustment Methodology*

Ms. Masha Lutsuk, representing the SAB staff, presented this item to the Board. In an attempt to develop a sound approach to analyzing construction cost data gathered by the Office of Public School Construction (OPSC), Staff presented a proposed methodology to stakeholders to gather input and provide transparency to the process. The process engaged through three Implementation Committee meetings. Ms. Lutsuk described analytical approaches, data issues, feedback from stakeholders, and that there does not appear to be consensus on the final approach to the issue of AB 127 grant adjustments. Staff's proposal is to begin the analysis with the comparison of State grants vs. construction cost for all projects with useable reported data and then to present findings by sub-groups of main project categories.

Staff believes that the proposed methodology should be applied to the first set of construction data that is now available. Even with apparent challenges in the data gathering process, this project cost information is valuable in that it provides project information that was not readily available before and allows for a general conclusion on the relationship between State grants and project costs. In the future, the analysis can be further refined as the data gathering process improves. Staff proposes to conduct data analysis based on the methodology presented to the Implementation Committee and present findings to the SAB at the July 2009 meeting.

The Chair made comment that this item was not ready for a vote and that more work would need to be done.

Public Comment

Mr. Duffy, representing CASH, gave comment that he would like to continue to work with OPSC in developing this item and that he has vital information to share to help this item move forward. The Chair agreed and encouraged continued dialogue between CASH and OPSC. Senator Lowenthal put forward an idea to contact an outside source, specifically the authors of *The Complex and Multi-Faceted Nature of School Construction Costs* and ask their advice on our Methodology. The Chair directed Mr. Mireles to initiate a meeting. Mr. Lyle Smoot, representing LAUSD made a final comment that requested the data being collected by OPSC be more transparent. The Chair agreed and directed Mr. Mireles to work with LAUSD to address some of their concerns.

**MISCELLANEUS**

Before continuing into Closed Session, the Chair recognized Mr. Henry Nanjo, Assistant Chief Counsel, who thanked the Board for the opportunity to provide Legal counsel. Mr. Nanjo went on to introduce Theresa Boron-Irwin, Senior Staff Counsel Specialist, as the new State Allocation Board legal counsel.

**INFORMATION/REFERENCE**

***Dates for the 2009 State Allocation Board Meetings***
***School Facility Program Unfunded List***
***School Facility Program Workload List***
***Emergency Repair Program Workload List***
***Facility Hardship/Rehabilitation Approvals Without Funding***

**CLOSED SESSION**

At 6:15 p.m. and in accordance with Government Code Section 11126(e)(1), the Board convened into closed session to confer with and receive advice from counsel regarding *Fresno Unified School District v. SAB/DGS et al.;* Case No. 08CECG01393 DRF.

**ADJOURNMENT**

There being no further business to come before the Board, the Chair adjourned the meeting at 7:00 p.m.

**ROB COOK, Executive Officer**

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**ATTACHMENT A**
**Approved Consent Items on 6/24/2009**

| Program | Application Number | District | County |
|---|---|---|---|
| Relocatable Class. | 25/75713-00-000 | ALHAMBRA UNIFIED | LOS ANGELES |
| Relocatable Class. | 25/67678-00-000 | CHINO VALLEY UNIFIED | SAN BERNARDINO |
| Relocatable Class. | 25/61259-00-000 | OAKLAND UNIFIED | ALAMEDA |
| Relocatable Class. | 25/61952-00-000 | PLACERVILLE UNION ELEMENTARY | EL DORADO |
| Relocatable Class. | 25/72397-00-000 | SOULSBYVILLE ELEMENTARY | TUOLUMNE |
| SF Needs Assessment | 61/63875-00-002 | ARMONA UNION ELEMENTARY | KINGS |
| SF Needs Assessment | 61/62166-00-689 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-675 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-674 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-673 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-672 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-688 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-687 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-671 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-670 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-686 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-678 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-700 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-699 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-698 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-696 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-695 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-669 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-668 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-667 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-661 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-694 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-693 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-692 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-691 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-677 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-676 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-690 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/68130-00-003 | GROSSMONT UNION HIGH | SAN DIEGO |
| SF Needs Assessment | 61/63917-00-015 | HANFORD ELEMENTARY | KINGS |
| SF Needs Assessment | 61/63917-00-014 | HANFORD ELEMENTARY | KINGS |
| SF Needs Assessment | 61/63917-00-013 | HANFORD ELEMENTARY | KINGS |
| SF Needs Assessment | 61/64733-00-3779 | LOS ANGELES UNIFIED | LOS ANGELES |
| SF Needs Assessment | 61/64733-00-3778 | LOS ANGELES UNIFIED | LOS ANGELES |
| SF Needs Assessment | 61/62364-00-006 | PARLIER UNIFIED | FRESNO |
| SF Needs Assessment | 61/62364-00-005 | PARLIER UNIFIED | FRESNO |
| SF Needs Assessment | 61/61788-00-094 | PITTSBURG UNIFIED | CONTRA COSTA |
| SF Needs Assessment | 61/61788-00-095 | PITTSBURG UNIFIED | CONTRA COSTA |
| SF Needs Assessment | 61/72595-00-004 | SANTA PAULA UNION HIGH | VENTURA |
| SF Needs Assessment | 61/76505-00-005 | TWIN RIVERS UNIFIED | SACRAMENTO |
| SF Needs Assessment | 61/62513-00-003 | WASHINGTON COLONY ELEMENTARY | FRESNO |
| SFP - Career Tech | 59/71860-00-001 | CUTLER-OROSI JOINT UNIFIED | TULARE |
| SFP - Modernization | 57/73783-00-004 | BLACK OAK MINE UNIFIED | EL DORADO |
| SFP - Modernization | 57/73783-00-004 | BLACK OAK MINE UNIFIED | EL DORADO |
| SFP - Modernization | 57/64329-00-011 | BONITA UNIFIED | LOS ANGELES |
| SFP - Modernization | 57/64329-00-010 | BONITA UNIFIED | LOS ANGELES |
| SFP - Modernization | 57/66241-00-000 | CALISTOGA JOINT UNIFIED | NAPA |
| SFP - Modernization | 57/69914-00-000 | CASCADE UNION ELEMENTARY | SHASTA |
| SFP - Modernization | 57/73759-00-059 | CONEJO VALLEY UNIFIED | VENTURA |
| SFP - Modernization | 57/73759-00-059 | CONEJO VALLEY UNIFIED | VENTURA |
| SFP - Modernization | 58/63891-00-001 | CORCORAN JOINT UNIFIED | KINGS |

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| Program | Application Number | District | County |
|---|---|---|---|
| SFP - Modernization | 57/69427-00-020 | EAST SIDE UNION HIGH | SANTA CLARA |
| SFP - Modernization | 57/69427-00-020 | EAST SIDE UNION HIGH | SANTA CLARA |
| SFP - Modernization | 58/62802-00-001 | FORTUNA UNION ELEMENTARY | HUMBOLDT |
| SFP - Modernization | 57/10108-00-004 | FRESNO COUNTY OFFICE OF EDUCATION | FRESNO |
| SFP - Modernization | 57/10108-00-004 | FRESNO COUNTY OFFICE OF EDUCATION | FRESNO |
| SFP - Modernization | 57/75267-00-000 | GATEWAY UNIFIED | SHASTA |
| SFP - Modernization | 57/67470-00-000 | HOLLISTER ELEMENTARY | SAN BENITO |
| SFP - Modernization | 57/73650-00-016 | IRVINE UNIFIED | ORANGE |
| SFP - Modernization | 57/73650-00-000 | IRVINE UNIFIED | ORANGE |
| SFP - Modernization | 57/73650-00-016 | IRVINE UNIFIED | ORANGE |
| SFP - Modernization | 57/68585-00-009 | LODI UNIFIED | SAN JOAQUIN |
| SFP - Modernization | 57/68585-00-009 | LODI UNIFIED | SAN JOAQUIN |
| SFP - Modernization | 57/67124-00-000 | MORENO VALLEY UNIFIED | RIVERSIDE |
| SFP - Modernization | 57/67124-00-000 | MORENO VALLEY UNIFIED | RIVERSIDE |
| SFP - Modernization | 57/66266-00-000 | NAPA VALLEY UNIFIED | NAPA |
| SFP - Modernization | 57/61275-00-000 | PIEDMONT CITY UNIFIED | ALAMEDA |
| SFP - Modernization | 58/62646-00-001 | PRINCETON JOINT UNIFIED | GLENN |
| SFP - Modernization | 58/67876-00-001 | SAN BERNARDINO CITY UNIFIED | SAN BERNARDINO |
| SFP - Modernization | 57/68338-00-227 | SAN DIEGO UNIFIED | SAN DIEGO |
| SFP - Modernization | 57/68338-00-227 | SAN DIEGO UNIFIED | SAN DIEGO |
| SFP - Modernization | 57/68478-00-021 | SAN FRANCISCO UNIFIED | SAN FRANCISCO |
| SFP - Modernization | 57/68478-00-021 | SAN FRANCISCO UNIFIED | SAN FRANCISCO |
| SFP - Modernization | 57/69666-00-045 | SAN JOSE UNIFIED | SANTA CLARA |
| SFP - Modernization | 57/69666-00-045 | SAN JOSE UNIFIED | SANTA CLARA |
| SFP - Modernization | 57/10488-00-011 | SOLANO COUNTY OFFICE OF EDUCATION | SOLANO |
| SFP - Modernization | 57/10488-00-010 | SOLANO COUNTY OFFICE OF EDUCATION | SOLANO |
| SFP - Modernization | 57/10488-00-018 | SOLANO COUNTY OFFICE OF EDUCATION | SOLANO |
| SFP - Modernization | 57/10488-00-016 | SOLANO COUNTY OFFICE OF EDUCATION | SOLANO |
| SFP - Modernization | 57/10488-00-017 | SOLANO COUNTY OFFICE OF EDUCATION | SOLANO |
| SFP - Modernization | 57/10488-00-015 | SOLANO COUNTY OFFICE OF EDUCATION | SOLANO |
| SFP - Modernization | 57/10488-00-014 | SOLANO COUNTY OFFICE OF EDUCATION | SOLANO |
| SFP - Modernization | 57/10488-00-013 | SOLANO COUNTY OFFICE OF EDUCATION | SOLANO |
| SFP - Modernization | 57/10488-00-012 | SOLANO COUNTY OFFICE OF EDUCATION | SOLANO |
| SFP - New Construction | 50/61838-00-007 | BUCKEYE UNION ELEMENTARY | EL DORADO |
| SFP - New Construction | 50/61838-00-007 | BUCKEYE UNION ELEMENTARY | EL DORADO |
| SFP - New Construction | 50/67652-00-012 | CHAFFEY JOINT UNION HIGH | SAN BERNARDINO |
| SFP - New Construction | 50/67652-00-012 | CHAFFEY JOINT UNION HIGH | SAN BERNARDINO |
| SFP - New Construction | 50/73676-02-005 | COACHELLA VALLEY UNIFIED | RIVERSIDE |
| SFP - New Construction | 50/73676-01-009 | COACHELLA VALLEY UNIFIED | RIVERSIDE |
| SFP - New Construction | 50/73676-01-009 | COACHELLA VALLEY UNIFIED | RIVERSIDE |
| SFP - New Construction | 50/73676-02-005 | COACHELLA VALLEY UNIFIED | RIVERSIDE |
| SFP - New Construction | 50/67694-00-001 | CUCAMONGA ELEMENTARY | SAN BERNARDINO |
| SFP - New Construction | 50/67694-00-001 | CUCAMONGA ELEMENTARY | SAN BERNARDINO |
| SFP - New Construction | 50/63404-00-007 | DELANO UNION ELEMENTARY | KERN |
| SFP - New Construction | 50/63404-00-007 | DELANO UNION ELEMENTARY | KERN |
| SFP - New Construction | 50/75093-00-000 | DUBLIN UNIFIED | ALAMEDA |
| SFP - New Construction | 50/71902-00-009 | EARLIMART ELEMENTARY | TULARE |
| SFP - New Construction | 50/71902-00-009 | EARLIMART ELEMENTARY | TULARE |
| SFP - New Construction | 50/63438-00-002 | EDISON ELEMENTARY | KERN |
| SFP - New Construction | 50/63438-00-002 | EDISON ELEMENTARY | KERN |
| SFP - New Construction | 50/69435-00-022 | EVERGREEN ELEMENTARY | SANTA CLARA |
| SFP - New Construction | 50/69435-00-022 | EVERGREEN ELEMENTARY | SANTA CLARA |
| SFP - New Construction | 50/69435-00-021 | EVERGREEN ELEMENTARY | SANTA CLARA |
| SFP - New Construction | 50/69435-00-021 | EVERGREEN ELEMENTARY | SANTA CLARA |
| SFP - New Construction | 50/69435-00-020 | EVERGREEN ELEMENTARY | SANTA CLARA |
| SFP - New Construction | 50/69435-00-020 | EVERGREEN ELEMENTARY | SANTA CLARA |

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**Approved Consent Items on 6/24/2009**

| Program | Application Number | District | County |
|---|---|---|---|
| SFP - New Construction | 50/69435-00-023 | EVERGREEN ELEMENTARY | SANTA CLARA |
| SFP - New Construction | 50/69435-00-023 | EVERGREEN ELEMENTARY | SANTA CLARA |
| SFP - New Construction | 50/70540-00-022 | FAIRFIELD-SUISUN UNIFIED | SOLANO |
| SFP - New Construction | 50/70540-00-023 | FAIRFIELD-SUISUN UNIFIED | SOLANO |
| SFP - New Construction | 50/73809-00-000 | FIREBAUGH-LAS DELTAS UNIFIED | FRESNO |
| SFP - New Construction | 51/62802-00-001 | FORTUNA UNION ELEMENTARY | HUMBOLDT |
| SFP - New Construction | 50/67355-00-005 | GALT JOINT UNION HIGH | SACRAMENTO |
| SFP - New Construction | 50/67355-00-005 | GALT JOINT UNION HIGH | SACRAMENTO |
| SFP - New Construction | 50/63503-00-016 | GREENFIELD UNION | KERN |
| SFP - New Construction | 50/63503-00-016 | GREENFIELD UNION | KERN |
| SFP - New Construction | 50/67082-00-014 | HEMET UNIFIED | RIVERSIDE |
| SFP - New Construction | 50/67082-00-014 | HEMET UNIFIED | RIVERSIDE |
| SFP - New Construction | 50/75044-00-033 | HESPERIA UNIFIED | SAN BERNARDINO |
| SFP - New Construction | 50/75044-00-033 | HESPERIA UNIFIED | SAN BERNARDINO |
| SFP - New Construction | 50/64634-00-004 | INGLEWOOD UNIFIED | LOS ANGELES |
| SFP - New Construction | 50/64634-00-005 | INGLEWOOD UNIFIED | LOS ANGELES |
| SFP - New Construction | 50/64634-00-005 | INGLEWOOD UNIFIED | LOS ANGELES |
| SFP - New Construction | 50/64634-00-004 | INGLEWOOD UNIFIED | LOS ANGELES |
| SFP - New Construction | 50/73999-00-006 | KERMAN UNIFIED | FRESNO |
| SFP - New Construction | 50/73999-00-006 | KERMAN UNIFIED | FRESNO |
| SFP - New Construction | 50/71555-00-001 | KIRKWOOD ELEMENTARY | TEHAMA |
| SFP - New Construction | 50/71555-00-001 | KIRKWOOD ELEMENTARY | TEHAMA |
| SFP - New Construction | 50/10173-01-001 | LAKE COUNTY OFFICE OF EDUCATION | LAKE |
| SFP - New Construction | 50/68585-00-024 | LODI UNIFIED | SAN JOAQUIN |
| SFP - New Construction | 50/68585-00-024 | LODI UNIFIED | SAN JOAQUIN |
| SFP - New Construction | 50/68585-00-026 | LODI UNIFIED | SAN JOAQUIN |
| SFP - New Construction | 50/68585-00-026 | LODI UNIFIED | SAN JOAQUIN |
| SFP - New Construction | 50/68585-00-027 | LODI UNIFIED | SAN JOAQUIN |
| SFP - New Construction | 50/68585-00-027 | LODI UNIFIED | SAN JOAQUIN |
| SFP - New Construction | 50/64733-00-141 | LOS ANGELES UNIFIED | LOS ANGELES |
| SFP - New Construction | 50/72736-00-017 | MARYSVILLE JOINT UNIFIED | YUBA |
| SFP - New Construction | 50/72736-00-017 | MARYSVILLE JOINT UNIFIED | YUBA |
| SFP - New Construction | 50/67777-00-003 | MORONGO UNIFIED | SAN BERNARDINO |
| SFP - New Construction | 50/67777-00-002 | MORONGO UNIFIED | SAN BERNARDINO |
| SFP - New Construction | 50/67777-00-001 | MORONGO UNIFIED | SAN BERNARDINO |
| SFP - New Construction | 50/67777-00-001 | MORONGO UNIFIED | SAN BERNARDINO |
| SFP - New Construction | 50/67777-00-003 | MORONGO UNIFIED | SAN BERNARDINO |
| SFP - New Construction | 50/67777-00-002 | MORONGO UNIFIED | SAN BERNARDINO |
| SFP - New Construction | 50/75200-00-023 | MURRIETA VALLEY UNIFIED | RIVERSIDE |
| SFP - New Construction | 50/75200-00-023 | MURRIETA VALLEY UNIFIED | RIVERSIDE |
| SFP - New Construction | 50/66266-00-002 | NAPA VALLEY UNIFIED | NAPA |
| SFP - New Construction | 50/66266-00-002 | NAPA VALLEY UNIFIED | NAPA |
| SFP - New Construction | 50/66266-00-002 | NAPA VALLEY UNIFIED | NAPA |
| SFP - New Construction | 50/73825-00-001 | NORTH MONTEREY COUNTY UNIFIED | MONTEREY |
| SFP - New Construction | 50/73825-00-001 | NORTH MONTEREY COUNTY UNIFIED | MONTEREY |
| SFP - New Construction | 50/10330-98-019 | RIVERSIDE COUNTY OFFICE OF EDUCATION | RIVERSIDE |
| SFP - New Construction | 50/10330-98-014 | RIVERSIDE COUNTY OFFICE OF EDUCATION | RIVERSIDE |
| SFP - New Construction | 50/10330-99-010 | RIVERSIDE COUNTY OFFICE OF EDUCATION | RIVERSIDE |
| SFP - New Construction | 50/10330-99-012 | RIVERSIDE COUNTY OFFICE OF EDUCATION | RIVERSIDE |
| SFP - New Construction | 50/10330-99-010 | RIVERSIDE COUNTY OFFICE OF EDUCATION | RIVERSIDE |
| SFP - New Construction | 50/10330-99-012 | RIVERSIDE COUNTY OFFICE OF EDUCATION | RIVERSIDE |
| SFP - New Construction | 50/67876-00-077 | SAN BERNARDINO CITY UNIFIED | SAN BERNARDINO |
| SFP - New Construction | 50/67876-00-079 | SAN BERNARDINO CITY UNIFIED | SAN BERNARDINO |
| SFP - New Construction | 50/67876-00-079 | SAN BERNARDINO CITY UNIFIED | SAN BERNARDINO |
| SFP - New Construction | 50/67876-00-078 | SAN BERNARDINO CITY UNIFIED | SAN BERNARDINO |
| SFP - New Construction | 50/67876-00-078 | SAN BERNARDINO CITY UNIFIED | SAN BERNARDINO |

**ATTACHMENT A**
**Approved Consent Items on 6/24/2009**

| Program | Application Number | District | County |
|---|---|---|---|
| SFP - New Construction | 50/10363-03-068 | SAN BERNARDINO COUNTY OFFICE OF EDUCATION | SAN BERNARDINO |
| SFP - New Construction | 50/10363-02-052 | SAN BERNARDINO COUNTY OFFICE OF EDUCATION | SAN BERNARDINO |
| SFP - New Construction | 50/10363-03-068 | SAN BERNARDINO COUNTY OFFICE OF EDUCATION | SAN BERNARDINO |
| SFP - New Construction | 50/10363-02-052 | SAN BERNARDINO COUNTY OFFICE OF EDUCATION | SAN BERNARDINO |
| SFP - New Construction | 50/69666-10-004 | SAN JOSE UNIFIED | SANTA CLARA |
| SFP - New Construction | 50/69666-10-004 | SAN JOSE UNIFIED | SANTA CLARA |
| SFP - New Construction | 50/69666-10-003 | SAN JOSE UNIFIED | SANTA CLARA |
| SFP - New Construction | 50/69666-10-003 | SAN JOSE UNIFIED | SANTA CLARA |
| SFP - New Construction | 50/61291-00-006 | SAN LEANDRO UNIFIED | ALAMEDA |
| SFP - New Construction | 50/61291-00-006 | SAN LEANDRO UNIFIED | ALAMEDA |
| SFP - New Construction | 50/73791-00-009 | SAN MARCOS UNIFIED | SAN DIEGO |
| SFP - New Construction | 50/73791-00-009 | SAN MARCOS UNIFIED | SAN DIEGO |
| SFP - New Construction | 51/61804-03-001 | SAN RAMON VALLEY UNIFIED | CONTRA COSTA |
| SFP - New Construction | 50/69310-00-002 | SANTA MARIA JOINT UNION HIGH | SANTA BARBARA |
| SFP - New Construction | 50/69310-00-002 | SANTA MARIA JOINT UNION HIGH | SANTA BARBARA |
| SFP - New Construction | 50/64998-00-017 | SAUGUS UNION ELEMENTARY | LOS ANGELES |
| SFP - New Construction | 50/64998-00-017 | SAUGUS UNION ELEMENTARY | LOS ANGELES |
| SFP - New Construction | 50/73957-00-014 | SNOWLINE JOINT UNIFIED | SAN BERNARDINO |
| SFP - New Construction | 50/73957-00-015 | SNOWLINE JOINT UNIFIED | SAN BERNARDINO |
| SFP - New Construction | 50/73957-00-015 | SNOWLINE JOINT UNIFIED | SAN BERNARDINO |
| SFP - New Construction | 50/73957-00-014 | SNOWLINE JOINT UNIFIED | SAN BERNARDINO |
| SFP - New Construction | 50/65029-00-003 | SOUTH PASADENA UNIFIED | LOS ANGELES |
| SFP - New Construction | 50/65029-00-003 | SOUTH PASADENA UNIFIED | LOS ANGELES |
| SFP - New Construction | 50/63792-00-001 | STANDARD ELEMENTARY | KERN |
| SFP - New Construction | 50/63792-00-001 | STANDARD ELEMENTARY | KERN |
| SFP - New Construction | 50/75499-00-019 | TRACY JOINT UNIFIED | SAN JOAQUIN |
| SFP - New Construction | 50/75499-00-019 | TRACY JOINT UNIFIED | SAN JOAQUIN |
| SFP - New Construction | 50/61796-02-001 | WEST CONTRA COSTA UNIFIED | CONTRA COSTA |
| SFP - New Construction | 50/61796-02-001 | WEST CONTRA COSTA UNIFIED | CONTRA COSTA |
| SFP - New Construction | 50/65128-00-007 | WHITTIER UNION HIGH | LOS ANGELES |
| SFP - New Construction | 50/65128-00-007 | WHITTIER UNION HIGH | LOS ANGELES |
| SFP - New Construction | 50/75358-00-011 | WINDSOR UNIFIED | SONOMA |
| SFP - New Construction | 50/75358-00-011 | WINDSOR UNIFIED | SONOMA |

# MINUTES
## State Allocation Board
## May 27, 2009

Upon notice duly given, the monthly meeting of the State Allocation Board was held at the California Department of Education Building, located at 1430 N Street, Room 1101, in Sacramento, California on May 27, 2009 at 4:00 p.m.

Members of the Board present were as follows:

- Tom Sheehy, Chief Deputy Director, Policy, Department of Finance, designated alternate for Michael Genest, Director, Department of Finance (DOF)
- Scott Harvey, Chief Deputy Director, Department of General Services, designated alternate for Will Bush, Director, Department of General Services
- Kathleen Moore, Director, School Facilities Planning Division, California Department of Education (CDE), designated representative for Jack O'Connell, Superintendent of Public Instruction
- Rosario Girard, President and CEO, Phoenix Construction Services, Inc., appointee of Arnold Schwarzenegger, Governor of the State of California
- Senator Alan Lowenthal
- Senator Loni Hancock
- Assembly Member Jean Fuller
- Assembly Member Julia Brownley
- Assembly Member Tom Torlakson

Member of the Board absent was as follows:

- Senator Mark Wyland

Representative of the State Allocation Board (SAB) was as follows:

Rob Cook, Executive Officer

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

Rob Cook, Executive Officer
Lisa Silverman, Chief of Fiscal Services
Juan Mireles, Program Services Policy Manager

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

Henry D. Nanjo, Assistant Chief Counsel

With a quorum present, Tom Sheehy, Chair, called the meeting to order at 4:20 p.m.

Assembly Member Torlakson presented a Joint Legislative Resolution commending Ms. Lori L. Morgan on her career and civic accomplishments during her 24-year tenure at the OPSC. The Board thanked Ms. Morgan for her dedication and wished her much success in future endeavors.

In addition, the Chair introduced Ms. Laura Chick, who was appointed by the Governor as Inspector General over the American Recovery Reinvestment Act of 2009 stimulus funds (Build America Bonds), and who will be working closely with the SAB/OPSC/DOF on the accountability of these bond funds.

**PRIOR MINUTES**

A motion was made, and carried, to approve the Minutes for the March 25 and April 22, 2009 SAB meetings. Assembly Member Brownley asked that the April 22, 2009 SAB meeting Minutes be amended to reflect that she briefly attended that meeting and, therefore, abstained from voting on the April 22, 2009 SAB Minutes.

**EXECUTIVE OFFICER'S STATEMENT**

The Executive Officer informed the Board of the following:

Build America Bonds

The School Facility Program (SFP) received $1.439 billion from the April Build America Bond sale as follows:

$422.3 million for Proposition 47
$428.5 million for Proposition 55
$587.7 million for Proposition 1D

TOTAL from March and April sales: $1.98 billion.

The SFP has received more funding than any other infrastructure program from these two bond sales (the next largest was Caltrans with $1.26 billion).

*The Executive Officer also informed the Board that the $548 million available for Proposition 1D from the sale of bonds that occurred in March is included in the $1.98 billion.*

Fund Release Update

At the April 2009 SAB meeting, staff was requested to provide an update of the status of fund releases. The OPSC is processing fund release requests totaling approximately $548 million from the March bond sale. Eighty-one of 85 school districts have already received or will soon receive their funds from the State Controller's Office. To date, staff has not identified any school districts that were unable to recertify because of construction contract cancellations.

| | Fund Releases | Total Requests | Percentage |
|---|---|---|---|
| Projects | 224 | 238* | 94 |
| Districts | 81 | 85 | 95 |
| Dollars | $521,155,664 | $548,266,000 | 95 |

*****Of these, three re-certifications are in process, nine do not require certification, one is withdrawn, and one is outstanding.

*Although this information was provided in the Executive Officer's statement, the Chair asked the OPSC to include a standing report regarding the Status of Funds Released in the agenda through the end of the year. This report will assist the SAB in knowing how much funds have been released to school districts on a monthly basis.*

**EXECUTIVE OFFICER'S STATEMENT** (cont.)

*Mr. Harvey asked a question concerning shovel-ready projects and whether the OPSC has a process that ensures that these types of projects cannot come into the OPSC for funding since shovel-ready projects certify that they are funded with local dollars. The Executive Officer responded that the OPSC has project tracking numbers. Mr. Harvey indicated that perhaps a process needs to be developed with the Division of the State Architect (DSA). The Chair asked that an analysis be developed and the DSA and the OPSC work with Mr. Harvey.*

Public Comment

Mr. Tom Duffy, representing the Coalition for Adequate School Housing (CASH) organization, addressed the Board and stated that the CASH organization does not support the shovel-ready projects proposal. He indicated that this system of funding is unfair and has inconsistencies in its process. The Chair asked that the CASH organization work with Mr. Harvey, the DSA and the OPSC in developing the analysis as noted above.

High Performance Incentive Letter Update

On May 19, 2009, the OPSC e-mailed a letter to all school districts encouraging the use of the High Performance Incentive Grant Program. There is approximately $88.7 million remaining in available funding for qualifying schools. The letter contained links to the OPSC and DSA Web sites, including the DSA Grid Neutral guidebook, Leadership in Energy and Environmental Design (LEED), and Collaborative for High Performance Schools (CHPS). The May issue of the Building Blocks publication will also contain information on High Performance opportunities.

On May 11, 2009, another letter on Grid Neutral Schools was sent to school superintendents throughout California.

*In an effort to maximize energy conservation, including the State's dire water situation, Senator Hancock asked that a more assertive measure be taken and that staff work with the Implementation Committee and submit a letter to all school districts that convey specific recommendations (such as low-flow toilets being incorporated into the planning portion of projects) to help conserve energy, water and whatever else can be conserved. Ms. Jeannie Oropeza, representing the DOF, responded to this request and stated to proceed with caution and not mandate conservation efforts or the State might otherwise have to pay for those efforts. The Chair asked that Senator Hancock, the OPSC, and the DOF work together on the letter but prior to sending the letter to school districts, circulate the letter for the SAB to review.*

*In addition, Senator Hancock asked how does the Seismic and the High Performance funding get divided? The Executive Officer responded that the funding is set aside in the bonds for both programs.*

Electronic Delivery of Agenda

In an effort to be green and streamline operations in the OPSC, staff is offering school districts the option to receive electronic delivery of the Board books. School districts will be contacted by staff in the near future to see if they wish to take advantage of this service.

**EXECUTIVE OFFICER'S STATEMENT** (cont.)

The OPSC currently uses 30 cases of paper monthly to produce the Board books. By going to e-books, the OPSC reduces paper usage, postage costs, and staff time. School districts will have immediate access to get just the materials they want faster, better, cheaper. The OPSC encourages subscribers to get this information free instead of paying $300 for an annual subscription.

**CONSENT ITEMS**

In considering this item, the Board approved the consent calendar as presented.

**FINANCIAL REPORTS**

***Status of Funds***

Ms. Lisa Silverman, representing the SAB staff, presented the item to the Board. Although the Board accepted the Status of Funds report as presented, Ms. Moore asked how the transfer of $700 million to the New Construction category was reflected in the Status of Funds. The Executive Officer responded that the dollars would be moved on an as-needed basis to avoid arbitrage issues. The Board requested that staff reflect the movement of the $700 million to the appropriate category and not note it as a footnote.

***Financial Needs of the State Relocatable Classroom Program***

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

**SPECIAL CONSENT ITEMS**

***Facility Inspection Tool***

Ms. Masha Lutsuk, representing the SAB staff, presented the item to the Board and requested that the effective date of the Facility Inspection Tool (FIT) be July 1, 2009. This date represents the beginning of a new fiscal year and would ensure adequate time for Local Educational Agencies to begin to utilize this document. In considering this item, the Board approved the staff's recommendation, which was Option #1: Adopt the proposed revisions to the FIT. Ms. Moore also noted that Mr. Brooks Allen, representing the American Civil Liberties Union, submitted a letter in support of the FIT.

**SPECIALS/APPEALS**

***Murrieta Valley Unified/Riverside 50/75200-00-010***

In considering this item, the Board approved the staff's recommendations. Senator Lowenthal stated that in this particular case there is no material inaccuracy not because the District returned the funding, but that the costs were based on estimated costs and not actual costs. He further indicated that that may not always be the case; therefore, the Board needs to address the Material Inaccuracy policy. It was also indicated by Senator Lowenthal that the Implementation Committee review the 60 percent commensurate issue.

**SPECIALS/APPEALS** (cont.)

***Aspire Public Schools/Los Angeles 54/64733-00-054***

Mr. Juan Mireles and Ms. Barbara Kampmeinert, representing the SAB staff, presented this item to the Board. The following individuals addressed the Board in support of the Aspire Public School's request:

- Mr. Charles Robitaille, Director of Real Estate for Aspire Public Schools; and
- Mr. Colin Miller, representing the California Charter Schools Association.

Ms. Moore asked for clarification from Aspire that the funding reduction would be in line with the site acquisition costs and not the size of the site. Mr. Robitaille responded that the site acquisition costs would be reduced, not the site size. In considering this item, the Board approved Option #1, which reduces the preliminary apportionment for the AMLA project (application number 54/64733-00-055) from $32,181,496 to $21,195,282 and approves an unfunded preliminary apportionment for the Clarendon project (application number 54/64733-00-054) in the amount of $31,073,722.

***Distribution of Remaining Proposition 1D and 47 Charter School Funds***

Mr. Juan Mireles and Ms. Barbara Kampmeinert, representing the SAB staff, presented this item to the Board. Mr. Colin Miller, representing the Charter Schools Association, addressed the Board in support of Option #3. Staff pointed out to the Board that under Option 3: 1) the charter school information is outdated; 2) the charter schools must go through a financial soundness test that is conducted through the California School Finance Authority (CSFA); 3) no new applicants could compete; and 4) that the Charter School Program is very competitive. The Board engaged in a discussion surrounding Option #3 and a motion was made to adopt Option #3, which would allow for the continuance of funding using the original Proposition 1D list. The Chair requested a roll-call vote and the motion failed per the following votes:

| MEMBER | AYE | NAY | ABSTAIN | ABSENT |
|---|---|---|---|---|
| Senator Lowenthal | | | | X |
| Senator Hancock | X | | | |
| Senator Wyland | | | | X |
| Assembly Member Fuller | | X | | |
| Assembly Member Brownley | | X | | |
| Assembly Member Torlakson | X | | | |
| Scott Harvey | | X | | |
| Kathleen Moore | | X | | |
| Rosario Girard | | X | | |
| Tom Sheehy | X | | | |
| Total | 3 | 5 | | 2 |

**Motion:**

Carried ___

Failed _X_

The Board discussed Option #1 and Ms. Moore asked staff to confirm that the charter school projects would be unfunded preliminary apportionment approvals. Staff responded that was correct. A motion was made to adopt Option #1, which would require charter school participants to submit updated information with their applications, the CSFA conduct financial soundness tests, and staff utilizes the current funding system. The Chair requested a roll-call vote and the motion carried per the following votes:

**SPECIALS/APPEALS** (cont.)

| MEMBER | AYE | NAY | ABSTAIN | ABSENT |
|---|---|---|---|---|
| Senator Lowenthal | | | | X |
| Senator Hancock | X | | | |
| Senator Wyland | | | | X |
| Assembly Member Fuller | X | | | |
| Assembly Member Brownley | X | | | |
| Assembly Member Torlakson | | X | | |
| Scott Harvey | X | | | |
| Kathleen Moore | X | | | |
| Rosario Girard | X | | | |
| Tom Sheehy | X | | | |
| Total | 7 | 1 | | 2 |

**Motion:**

Carried _X_
Failed ____

***Glendale Unified/Los Angeles 50/64568-00-007***

This item was postponed to the June 2009 SAB meeting at the request of the Board.

***State Allocation Board Mercy Clause***

The Executive Officer presented this item to the Board. Senator Hancock suggested referring this item to the Rules and Procedures sub-committee for further review with regard to "substantial compliance." Assembly Member Torlakson questioned if this would leave the SAB open to litigation and indicated that staff look at narrowly drafted changes to statute regarding specific situations. The Chair expressed a concern regarding the issue of bond validations and whether or not the Attorney General's Office would think it problematic. Mr. Tom Duffy, representing the CASH organization, addressed the Board in support of this item going to the sub-committee. He also suggested that a second level of review be obtained; that the position of Assistant Executive Officer acts independent of the OPSC and that position could be the second level of review or even make the determination.

The Chair stated that he was happy with the Rules and Procedures sub-committee that Senator Lowenthal put forward and that this particular sub-committee will help the Board operate more efficiently. Assembly Member Brownley commented that some issues require longer deliberations because perhaps all the members of the Board are not present and they wish to provide input, that smaller issues do require time, focus, etc., and to remember that the SAB is an appeals board. The SAB's legal counsel informed the Board that there are general parameters defining the scope of authority of administrative bodies like the SAB. He stated that the SAB has limited powers and that actions in excess of the powers conferred are invalid and void. Therefore, every action of the SAB, to be valid, must be based on a power either expressly or impliedly conferred by the Constitution or statute. Any action of the SAB in excess of those powers is void. Ms. Moore wanted to ensure that the appeal process is clear and concise for school districts to follow, and indicated that the State Board of Education, which has the specific statutory authority to waive certain regulations and sections of the Education Code, cannot waive matters pertaining to the SAB. In considering this item, the Board agreed to: 1) send this item to the Rules and Procedures sub-committee to seek recommendations on procedures regarding appeals, substantial compliance, and Mr. Duffy's suggestion as noted above to see if it has any merit; and 2) request staff to provide a quarterly update on appeals.

**REGULATIONS**

***Seismic Mitigation Program***

This item was postponed until the June 2009 SAB meeting at the request of the Board. However, the Board did allow public comments on this issue.

The following individuals provided public comment to the Board:

- Mr. Mark Winger, Superintendent of the Newhall School District;
- Mr. Bill Savidge, representing the West Contra Costa Unified School District;
- Mr. Terry Tao, representing Andelson, Atkinson law firm; and
- Mr. Tom Duffy, representing the CASH organization.

Mr. Winger informed the Board that he has already retrofitted school buildings prior to the enactment of the Seismic Mitigation Program. He asked the Board to look at the effective date of this Program so he would be able to seek reimbursement for the school buildings that were on the AB 300 list. He firmly believes that the AB 300 list was the trigger and that his District's legal counsel opinion states that the SAB can set the effective date for the Program. The Chair asked Mr. Winger if he had done research on this issue and Mr. Winger replied that he had. The Chair asked that Mr. Winger work with the DOF, the DSA, and the OPSC on an analysis that included the number of districts (the universe) and a fiscal impact on the cost to the State and report back to the SAB in the near future. Ms. Jeannie Oropeza, representing the DOF, asked if the SAB would want to look at the complete picture, meaning expand the date to include building types. Ms. Moore asked why would the DOF provide the fiscal impact and not the OPSC? The Chair responded that the DOF needs to provide the fiscal impact and reassured Ms. Moore that the OPSC and the DOF are working in concert on that issue. Assembly Member Brownley indicated that there are plenty of school districts responding to the upgrade of their facilities and that funding is not coming out of the seismic set aside.

Mr. Savidge indicated that the District is investing in its facilities and requested that the DSA and the OPSC expand the building types. He also stated that the District currently has a project that has earthquake/landslide problems and perhaps that the landslide issue be included in the review. Mr. Harvey suggested that perhaps a future bond issue would have a robust amount of funding set aside for seismic projects.

Because of the lateness of the SAB meeting, the Board asked if Mr. Tao would be providing public comments at the June 2009 SAB meeting regarding the seismic issue. He stated that he would and wanted the Board to know that the Morongo Unified School District has a project with a 2.2 ground shaking intensity. Again, the Board reiterated that staff would be looking at the building type categories.

Mr. Duffy thanked the Board for this item and stated that he believed the item could go further. He invited the OPSC, the DSA, and the Seismic Safety Commission to have a dialogue on what could really work (i.e., establish a pipeline up to the $199.5 million and beyond; pipeline for future bonds). He also stated that everyone needs to get together to ensure that there is a full and thorough understanding. The Chair stated that there might be push back from the Administration beyond the $199.5 million due to the State's current financial condition. The Chair also reminded the need for continued transparency especially since the State Architect has the authority to bring forth recommendations and asked that the DOF stay within the $199.5 million set aside for seismic. In addition, the Chair stated that the OPSC and the DOF will work together and look at processes, constraints, etc.

**REGULATIONS** (cont.)

***Seismic Mitigation Program*** (cont.)

Finally, Ms. Moore stated to not put safety behind the numbers; rather, put the safety behind the policy.

***Implementation of Senate Bill 1556***

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

**REPORTS**

***Department of Finance, Office of State Audits and Evaluations Report***

Mr. David Botelho and Ms. Mary Kelly, both representing the DOF, introduced this item to the Board. There was substantial discussion surrounding this report. Senator Lowenthal strongly objected to the report and stated that he personally rejects the report itself and would like the Board not to accept the report. The Chair expressed concerns that if the Board were to take a formal adverse action on this report the wrong message would be sent to the taxpayers, who would otherwise support future bonds, and particularly since the SAB is the steward of those bond funds. Further, the Chair stated that he disagreed with rejecting the report and that he wanted to put into the record the response letter from the DOF to the Superintendent of Public Instruction (SPI) as well as the Little Hoover Commission report, dated August 2007, which pointed out the same concerns as the Office of State Audits and Evaluations report. Ms. Moore indicated that what is reflected in the report makes accusations of the lack of objectivity on the part of the SAB and the conflict of interest issue on the SPI's delegate. Yet Mr. Harvey pointed out that this report should serve as a reminder to the SAB, especially in this era of transparency that the Board should be aware of potential conflicts and potential overrides of control and not get stuck on terms that state potential and not fact. After considerable discussion, a motion was made to not accept the report as it relates to the overriding controls and the lack of objectivity, or the role of the Board and the role of the SPI's representative, but to refer the portions of the report that deal with the responsibility and authority and efficiencies to the Rules and Procedures sub-committee to further review for implementation. The Chair requested a roll-call vote and the motion carried per the following votes:

| MEMBER | AYE | NAY | ABSTAIN | ABSENT |
|---|---|---|---|---|
| Senator Lowenthal | X | | | |
| Senator Hancock | X | | | |
| Senator Wyland | | | | X |
| Assembly Member Fuller | X | | | |
| Assembly Member Brownley | X | | | |
| Assembly Member Torlakson | X | | | |
| Scott Harvey | | | X | |
| Kathleen Moore | X | | | |
| Rosario Girard | | | | X |
| Tom Sheehy | X | | | |
| Total | 7 | | 1 | 2 |

**Motion:**

Carried _X_

Failed ____

**REPORTS** (cont.)

***Department of Finance, Office of State Audits and Evaluations Report*** (cont.)

Mr. Tom Duffy, representing the CASH organization, addressed the Board and stated that there is a lot of negativity in the report. Mr. Duffy stated that this all began after a consulting group (Macias Consulting Group) was hired to come in and look at the cost of construction and during that time, was also asked to look at the financial hardship program. He indicated that the CASH organization found the consulting group to be non-listeners and that the group did not understand construction issues so there was a natural difference in points of views. He further stated that when the DOF review on the hardship program came about, the CASH organization did not really know what was going to happen but believed the report was only coming back on the hardship program. The Chair asked how these comments relate to the matter at hand. Mr. Duffy responded that it was germane to the review of what was happening in the OPSC and these really wimpy audit procedures that have been identified. Mr. Duffy further responded that the CASH organization objects to this entire report and that there is a fundamental divide. The Chair asked if that it is the CASH organization's position that it objects to the entire report. Mr. Duffy stated yes, the CASH organization does but it does not object to being transparent and in making sure that all are accountable. The Chair responded to Mr. Duffy he may want to double-check with the CASH membership because they may not want to send a message to the general public that it does not support transparency and good controls for State bond funds. Mr. Duffy stated that the CASH organization is in agreement that there needs to be transparency with the public because school districts get audited every year and those audits are done before a board and there are citizen oversight committees. He further stated the CASH organization believes that there are issues that are not issues for school districts that come out of the Executive Order. Further, he indicated that the CASH organization believes that the Little Hoover Commission report regarding the SAB is a biased report as well.

***Discussion Item Postponement/Withdrawal Frequency***

The Board accepted the report.

***General Obligation Bond Report***

The Board accepted the report.

**INFORMATION/REFERENCE**

***SAB Meeting Dates for the Calendar Year 2009***

***School Facility Program New Construction and Modernization Unfunded Approvals List Through April 22, 2009***

***School Facility Program Workload List - Applications Received Through May 15, 2009***

***Emergency Repair Program – Applications Received Through May 19, 2009***

***Facility Hardship/Rehabilitation Approvals Without Funding List as of April 22, 2009***

**CLOSED SESSION**

At 6:40 p.m. and in accordance with Section 11126(a)(1), the Board convened into closed session for the purpose of discussing a matter relating to personnel. The Chair asked staff and the SAB's legal counsel to leave the closed session; therefore, there was no legal representation or guidance for the SAB.

Upon conclusion of the closed session, the Board reconvened into open session at 6:48 p.m. The Chair announced that the Board unanimously appointed Ms. Susan Ronnback to the position of Assistant Executive Officer to the SAB on an interim basis (until August 2009).

**ADJOURNMENT**

There being no further business to come before the Board, the Chair adjourned the meeting at 7:42 p.m.

**ROB COOK, Executive Officer**

**ATTACHMENT A**
**Approved Consent Items on 5/27/2009**

| Program | Application Number | District | County |
|---|---|---|---|
| Relocatable Class. | 25/75184-00-000 | BIG OAK FLAT-GROVELAND UNIFIED | TUOLUMNE |
| Relocatable Class. | 25/67678-00-000 | CHINO VALLEY UNIFIED | SAN BERNARDINO |
| Relocatable Class. | 25/64733-00-000 | LOS ANGELES UNIFIED | LOS ANGELES |
| Relocatable Class. | 25/67207-00-000 | PERRIS UNION HIGH | RIVERSIDE |
| Relocatable Class. | 25/68676-00-000 | STOCKTON UNIFIED | SAN JOAQUIN |
| SF Needs Assessment | 61/62166-00-680 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-685 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-684 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-683 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-682 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-681 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-679 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-666 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-665 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-660 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-659 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-658 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-657 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-656 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-654 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/62166-00-655 | FRESNO UNIFIED | FRESNO |
| SF Needs Assessment | 61/64733-00-3759 | LOS ANGELES UNIFIED | LOS ANGELES |
| SF Needs Assessment | 61/64733-00-3774 | LOS ANGELES UNIFIED | LOS ANGELES |
| SF Needs Assessment | 61/64733-00-3766 | LOS ANGELES UNIFIED | LOS ANGELES |
| SF Needs Assessment | 61/64733-00-3768 | LOS ANGELES UNIFIED | LOS ANGELES |
| SF Needs Assessment | 61/64733-00-3782 | LOS ANGELES UNIFIED | LOS ANGELES |
| SF Needs Assessment | 61/64733-00-3781 | LOS ANGELES UNIFIED | LOS ANGELES |
| SF Needs Assessment | 61/64733-00-3780 | LOS ANGELES UNIFIED | LOS ANGELES |
| SF Needs Assessment | 61/64733-00-3769 | LOS ANGELES UNIFIED | LOS ANGELES |
| SF Needs Assessment | 61/64733-00-3771 | LOS ANGELES UNIFIED | LOS ANGELES |
| SF Needs Assessment | 61/64733-00-3751 | LOS ANGELES UNIFIED | LOS ANGELES |
| SF Needs Assessment | 61/64733-00-3755 | LOS ANGELES UNIFIED | LOS ANGELES |
| SF Needs Assessment | 61/64733-00-3773 | LOS ANGELES UNIFIED | LOS ANGELES |
| SF Needs Assessment | 61/65771-00-009 | MERCED CITY ELEMENTARY | MERCED |
| SF Needs Assessment | 61/73569-00-013 | OCEANSIDE CITY UNIFIED | SAN DIEGO |
| SF Needs Assessment | 61/62364-00-003 | PARLIER UNIFIED | FRESNO |
| SF Needs Assessment | 61/62364-00-002 | PARLIER UNIFIED | FRESNO |
| SF Needs Assessment | 61/62364-00-007 | PARLIER UNIFIED | FRESNO |
| SF Needs Assessment | 61/62364-00-004 | PARLIER UNIFIED | FRESNO |
| SF Needs Assessment | 61/62513-00-004 | WASHINGTON COLONY ELEMENTARY | FRESNO |
| SF Needs Assessment | 61/61796-00-151 | WEST CONTRA COSTA UNIFIED | CONTRA COSTA |
| SFP - Charter Schools | 54/64733-00-035 | LOS ANGELES UNIFIED | LOS ANGELES |
| SFP - Charter Schools | 54/64733-00-035 | LOS ANGELES UNIFIED | LOS ANGELES |
| SFP - Critically Overcrowd | 53/64733-00-574 | LOS ANGELES UNIFIED | LOS ANGELES |
| SFP - Critically Overcrowd | 53/64733-00-832 | LOS ANGELES UNIFIED | LOS ANGELES |
| SFP - Critically Overcrowd | 53/64733-00-658 | LOS ANGELES UNIFIED | LOS ANGELES |
| SFP - Critically Overcrowd | 53/64733-00-854 | LOS ANGELES UNIFIED | LOS ANGELES |
| SFP - Critically Overcrowd | 53/64733-00-483 | LOS ANGELES UNIFIED | LOS ANGELES |
| SFP - Critically Overcrowd | 53/64733-00-538 | LOS ANGELES UNIFIED | LOS ANGELES |
| SFP - Critically Overcrowd | 53/64733-00-590 | LOS ANGELES UNIFIED | LOS ANGELES |
| SFP - Modernization | 57/61150-00-000 | CASTRO VALLEY UNIFIED | ALAMEDA |
| SFP - Modernization | 57/67694-00-003 | CUCAMONGA ELEMENTARY | SAN BERNARDINO |
| SFP - Modernization | 57/63909-00-000 | DELTA VIEW JOINT UNION ELEMENTARY | KINGS |
| SFP - Modernization | 57/69427-00-019 | EAST SIDE UNION HIGH | SANTA CLARA |
| SFP - Modernization | 57/69971-00-000 | ENTERPRISE ELEMENTARY | SHASTA |
| SFP - Modernization | 57/69971-00-000 | ENTERPRISE ELEMENTARY | SHASTA |

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| Program | Application Number | District | County |
|---|---|---|---|
| SFP - Modernization | 57/75325-00-002 | FARMERSVILLE UNIFIED | TULARE |
| SFP - Modernization | 57/75267-00-000 | GATEWAY UNIFIED | SHASTA |
| SFP - Modernization | 57/65698-00-000 | HILMAR UNIFIED | MERCED |
| SFP - Modernization | 57/67470-00-000 | HOLLISTER ELEMENTARY | SAN BENITO |
| SFP - Modernization | 57/61705-00-000 | KNIGHTSEN ELEMENTARY | CONTRA COSTA |
| SFP - Modernization | 57/75176-00-000 | LAKE ELSINORE UNIFIED | RIVERSIDE |
| SFP - Modernization | 57/75176-00-000 | LAKE ELSINORE UNIFIED | RIVERSIDE |
| SFP - Modernization | 57/63966-00-000 | LAKESIDE UNION ELEMENTARY | KINGS |
| SFP - Modernization | 57/71563-00-000 | LASSEN VIEW UNION ELEMENTARY | TEHAMA |
| SFP - Modernization | 57/65722-00-000 | LE GRAND UNION ELEMENTARY | MERCED |
| SFP - Modernization | 57/65730-00-000 | LE GRAND UNION HIGH | MERCED |
| SFP - Modernization | 57/61200-00-019 | LIVERMORE VALLEY JOINT UNIFIED | ALAMEDA |
| SFP - Modernization | 57/61200-00-020 | LIVERMORE VALLEY JOINT UNIFIED | ALAMEDA |
| SFP - Modernization | 58/68585-00-001 | LODI UNIFIED | SAN JOAQUIN |
| SFP - Modernization | 57/69518-00-009 | LOS ALTOS ELEMENTARY | SANTA CLARA |
| SFP - Modernization | 57/64733-20-000 | LOS ANGELES UNIFIED | LOS ANGELES |
| SFP - Modernization | 57/64733-11-000 | LOS ANGELES UNIFIED | LOS ANGELES |
| SFP - Modernization | 57/64733-00-000 | LOS ANGELES UNIFIED | LOS ANGELES |
| SFP - Modernization | 57/73825-00-007 | NORTH MONTEREY COUNTY UNIFIED | MONTEREY |
| SFP - Modernization | 57/73825-00-008 | NORTH MONTEREY COUNTY UNIFIED | MONTEREY |
| SFP - Modernization | 57/66621-00-046 | ORANGE UNIFIED | ORANGE |
| SFP - Modernization | 57/66969-00-008 | PLUMAS UNIFIED | PLUMAS |
| SFP - Modernization | 57/68478-00-019 | SAN FRANCISCO UNIFIED | SAN FRANCISCO |
| SFP - Modernization | 57/69062-00-000 | SEQUOIA UNION HIGH | SAN MATEO |
| SFP - Modernization | 57/71449-00-000 | SUTTER UNION HIGH | SUTTER |
| SFP - Modernization | 57/71449-00-000 | SUTTER UNION HIGH | SUTTER |
| SFP - Modernization | 57/72207-00-001 | THREE RIVERS UNION ELEMENTARY | TULARE |
| SFP - Modernization | 57/75416-00-001 | WARNER UNIFIED | SAN DIEGO |
| SFP - Modernization | 57/71787-00-002 | WEAVERVILLE ELEMENTARY | TRINITY |
| SFP - New Construction | 50/63321-00-016 | BAKERSFIELD CITY ELEMENTARY | KERN |
| SFP - New Construction | 50/68486-00-002 | BANTA ELEMENTARY | SAN JOAQUIN |
| SFP - New Construction | 50/68486-00-001 | BANTA ELEMENTARY | SAN JOAQUIN |
| SFP - New Construction | 50/73783-00-002 | BLACK OAK MINE UNIFIED | EL DORADO |
| SFP - New Construction | 50/70201-00-000 | BUTTEVILLE UNION ELEMENTARY | SISKIYOU |
| SFP - New Construction | 50/63404-00-000 | DELANO UNION ELEMENTARY | KERN |
| SFP - New Construction | 50/71910-00-000 | EXETER UNION ELEMENTARY | TULARE |
| SFP - New Construction | 50/70540-00-000 | FAIRFIELD-SUISUN UNIFIED | SOLANO |
| SFP - New Construction | 50/73809-00-000 | FIREBAUGH-LAS DELTAS UNIFIED | FRESNO |
| SFP - New Construction | 50/67710-00-034 | FONTANA UNIFIED | SAN BERNARDINO |
| SFP - New Construction | 50/75044-00-033 | HESPERIA UNIFIED | SAN BERNARDINO |
| SFP - New Construction | 50/75044-00-034 | HESPERIA UNIFIED | SAN BERNARDINO |
| SFP - New Construction | 51/64634-00-002 | INGLEWOOD UNIFIED | LOS ANGELES |
| SFP - New Construction | 50/64634-00-005 | INGLEWOOD UNIFIED | LOS ANGELES |
| SFP - New Construction | 50/10173-02-001 | LAKE COUNTY OFFICE OF EDUCATION | LAKE |
| SFP - New Construction | 50/10173-01-000 | LAKE COUNTY OFFICE OF EDUCATION | LAKE |
| SFP - New Construction | 51/10173-01-001 | LAKE COUNTY OFFICE OF EDUCATION | LAKE |
| SFP - New Construction | 50/75176-00-015 | LAKE ELSINORE UNIFIED | RIVERSIDE |
| SFP - New Construction | 50/75176-00-004 | LAKE ELSINORE UNIFIED | RIVERSIDE |
| SFP - New Construction | 50/71563-00-000 | LASSEN VIEW UNION ELEMENTARY | TEHAMA |
| SFP - New Construction | 50/65730-00-000 | LE GRAND UNION HIGH | MERCED |
| SFP - New Construction | 50/70805-00-000 | MARK WEST UNION | SONOMA |
| SFP - New Construction | 50/70805-00-001 | MARK WEST UNION | SONOMA |
| SFP - New Construction | 50/10272-00-004 | MONTEREY COUNTY OFFICE OF EDUCATION | MONTEREY |
| SFP - New Construction | 50/66266-00-000 | NAPA VALLEY UNIFIED | NAPA |
| SFP - New Construction | 50/72017-00-000 | OAK VALLEY UNION ELEMENTARY | TULARE |
| SFP - New Construction | 50/63990-00-000 | PIONEER UNION ELEMENTARY | KINGS |

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| Program | Application Number | District | County |
|---|---|---|---|
| SFP - New Construction | 50/61788-00-000 | PITTSBURG UNIFIED | CONTRA COSTA |
| SFP - New Construction | 50/68791-00-000 | PLEASANT VALLEY JOINT UNION ELEMENTARY | SAN LUIS OBISPO |
| SFP - New Construction | 50/10330-99-000 | RIVERSIDE COUNTY OFFICE OF EDUCATION | RIVERSIDE |
| SFP - New Construction | 50/10330-98-000 | RIVERSIDE COUNTY OFFICE OF EDUCATION | RIVERSIDE |
| SFP - New Construction | 50/10363-03-080 | SAN BERNARDINO COUNTY OFFICE OF EDUCATION | SAN BERNARDINO |
| SFP - New Construction | 50/10363-03-080 | SAN BERNARDINO COUNTY OFFICE OF EDUCATION | SAN BERNARDINO |
| SFP - New Construction | 50/66670-00-007 | SANTA ANA UNIFIED | ORANGE |
| SFP - New Construction | 50/69310-00-002 | SANTA MARIA JOINT UNION HIGH | SANTA BARBARA |
| SFP - New Construction | 50/69310-00-002 | SANTA MARIA JOINT UNION HIGH | SANTA BARBARA |
| SFP - New Construction | 50/62430-00-015 | SELMA UNIFIED | FRESNO |
| SFP - New Construction | 50/10496-00-002 | SONOMA COUNTY OFFICE OF EDUCATION | SONOMA |
| SFP - New Construction | 50/65029-00-003 | SOUTH PASADENA UNIFIED | LOS ANGELES |
| SFP - New Construction | 50/71449-00-000 | SUTTER UNION HIGH | SUTTER |
| SFP - New Construction | 50/72199-00-000 | TERRA BELLA UNION ELEMENTARY | TULARE |
| SFP - New Construction | 50/75499-00-019 | TRACY JOINT UNIFIED | SAN JOAQUIN |
| SFP - New Construction | 50/10546-00-020 | TULARE COUNTY OFFICE OF EDUCATION | TULARE |
| SFP - New Construction | 50/10546-00-002 | TULARE COUNTY OFFICE OF EDUCATION | TULARE |
| SFP - New Construction | 50/10546-00-010 | TULARE COUNTY OFFICE OF EDUCATION | TULARE |
| SFP - New Construction | 50/10546-00-011 | TULARE COUNTY OFFICE OF EDUCATION | TULARE |
| SFP - New Construction | 50/10546-00-016 | TULARE COUNTY OFFICE OF EDUCATION | TULARE |
| SFP - New Construction | 50/10546-00-014 | TULARE COUNTY OFFICE OF EDUCATION | TULARE |
| SFP - New Construction | 50/10546-00-006 | TULARE COUNTY OFFICE OF EDUCATION | TULARE |
| SFP - New Construction | 50/10546-00-019 | TULARE COUNTY OFFICE OF EDUCATION | TULARE |
| SFP - Overcrowding Relief | 56/75713-00-002 | ALHAMBRA UNIFIED | LOS ANGELES |
| SFP - Overcrowding Relief | 56/64808-00-003 | MONTEBELLO UNIFIED | LOS ANGELES |
| SFP - Overcrowding Relief | 56/64808-00-004 | MONTEBELLO UNIFIED | LOS ANGELES |
| Unused Sites | 92/68296-00-000 | POWAY UNIFIED | SAN DIEGO |