MINUTES
State Allocation Board
April 25, 2012

Upon notice duly given, the monthly meeting of the State Allocation Board (SAB) was held at the California Department of Education, 1430 N Street, Room 1101, in Sacramento, California on April 25, 2012 at 4:00 p.m.

Members of the SAB present were as follows:

- Pedro Reyes, Chief Deputy Director, Policy, Department of Finance, designated representative for Ana Matosantos, Director, Department of Finance (DOF)
- Esteban Almanza, Chief Deputy Director, Department of General Services, designated representative for Fred Klass, Director, Department of General Services (DGS)
- Kathleen Moore, Director, School Facilities Planning Division, California Department of Education (CDE), designated representative for Tom Torlakson, Superintendent of Public Instruction
- Senator Alan Lowenthal
- Assembly Member Joan Buchanan
- Assembly Member Curt Hagman

Members of the SAB absent were as follows:

- Senator Loni Hancock
- Senator Mark Wyland
- Assembly Member Julia Brownley

Representatives of the SAB were as follows:

Lisa Silverman, Executive Officer
Bill Savidge, Assistant Executive Officer

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

Lisa Silverman, Executive Officer
Juan Mireles, Chief, Program Services

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

Henry Nanjo, Assistant Chief Counsel

With a quorum present, Mr. Reyes, Chair, called the meeting to order at 4:12 p.m.

PRIOR MINUTES

A motion was made, and carried, to approve the March 28, 2012 SAB meeting Minutes.

EXECUTIVE OFFICER'S STATEMENT

The Executive Officer informed the Board of the following:

General Obligation Bond Sale
On April 12, 2012, the State Treasurer's Office sold approximately $1.34 billion in general obligation bonds. Staff was happy to announce that the School Facility Program (SFP) would receive $619.5 million of the bond proceeds. Staff was evaluating the projects submitted in the Priorities in Funding certification round and matching up the cash with the projects. It was reported that staff would be presenting the Priorities in Funding apportionments as soon as possible.

Transfer of Critically Overcrowded Schools (COS) Bond Authority to New Construction
The deadline to submit Proposition 55 COS final apportionment applications was April 4, 2012. Staff received one application for approximately $11.7 million (50 percent State share). The remaining unconverted COS preliminary apportionments were rescinded automatically. In accordance with the SFP Regulations, $145 million in unused COS bond authority was transferred to the Proposition 55 New Construction account. The transfer was reflected in the Status of Funds report on page 55 of this agenda.

EXECUTIVE OFFICER'S STATEMENT (cont.)

Transfer of Critically Overcrowded Schools (COS) Bond Authority to New Construction (cont.)
The transfer of bond authority allowed staff to move all projects from the list of "New Construction Funding Applications Received Past Existing Authority" to the SFP workload list for processing. After the COS application has been processed, any remaining COS bond authority would be transferred to the Proposition 55 New Construction account.

Upcoming Rules and Procedures Sub-Committee Hearing
At its March 2012 meeting, the SAB directed staff to reconvene the Rules and Procedures Sub-Committee. A hearing was tentatively scheduled for Wednesday, May 30, 2012. The time and location would be determined, and the hearing information would be posted to the OPSC Website at http://www.dgs.ca.gov/opsc/AboutUs/sab.aspx.

Upcoming Audit Sub-Committee Hearing
The Audit Sub-Committee met on April 10, 2012, and will continue discussion at a future hearing. Hearing information will be posted to the OPSC Website at http://www.dgs.ca.gov/opsc/AboutUs/sab.aspx.

Update on Aromas-San Juan Unified – Request for Seismic Trenching Funding
At its March 2012 meeting, the SAB directed staff to explore options to fund trenching to test for geological faults at the Aromas-San Juan Unified School District, San Juan Elementary School. Staff continues to research this issue and anticipates presenting findings and options to the SAB at the June 2012 meeting.

Compton Unified School District Appeal Request Update
Staff has been working with the Office of the Attorney General to review a legal opinion submitted by the Compton Unified School District regarding its appeal request to retain Financial Hardship funds. Therefore, staff will present the District's appeal to the SAB at a future meeting.

Santee Elementary School District – Fund Release Update
The Santee Elementary School District met the Labor Compliance Program requirements related to the fund release for its Hill Creek School project, and will be withdrawing its appeal request. As a result, staff was able to process the District's Form SAB 50-05, *Fund Release Authorization*, on April 13, 2012.

Transition to Electronic Board Agenda Books
As mentioned at the March 2012 Board meeting, on July 1, 2012, the OPSC will cease to produce hard copies of the Board agendas. The agenda will only be available in an electronic format after that date. Over the past two years, the OPSC has been working with its members on a voluntary basis to provide documents electronically and the OPSC is now at the final step of the process making the SAB agendas completely electronic.

CONSENT ITEMS

A motion was made, and carried, to approve the Consent calendar as presented, including Tab #7 for the East Side Union High School District.

FINANCIAL REPORTS

Status of Fund Releases

The Executive Officer presented this item to the SAB and the SAB accepted the Status of Fund Releases report as presented.

Status of Funds

The Executive Officer presented this item to the SAB and the SAB accepted the Status of Funds report as presented.

ACTION ITEMS

East Side Union High/Santa Clara 58/69427-00-001

This item was approved with the Consent portion of the agenda. A motion was made, and carried, to approve the staff's recommendations.

Career Technical Education Facilities Program Regulatory Amendments

A motion was made, and carried, to approve the staff's recommendations.

Recommendations for Prior Bond Funds Available for Transfer

A motion was made, and seconded, that the SAB would authorize the transfer of funds from the $4.5 million remaining in Proposition 1A, contingent upon the Attorney General providing an affirmative legal opinion to the State Treasurer's Office, who in turn, would take the appropriate action to transfer those funds in order to fund outstanding joint-use projects. The motion also included the use of the $600,000 of residual SFP Joint-Use Program funds under Proposition 1D to make available a total of approximately $5.1 million for those outstanding joint-use projects. The Chair stated that because of the extenuating and unique circumstances concerning this particular issue, this action would not be precedent setting. The Chair called for 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 Brownley				X
Assembly Member Buchanan	X			
Assembly Member Hagman	X			
Esteban Almanza	X			
Kathleen Moore	X			
VACANT				
Pedro Reyes	X			
Total	6			3

Motion:

Carried _X_

Failed ___

REPORTS, DISCUSSION, AND INFORMATION ITEMS

Department of Defense Funding Program

Mr. Patrick O'Brien, representing the United States Department of Defense (DOD), Office of Economic Adjustment, addressed the SAB and provided background of how this funding program originated and the methodology used in assessing the affected military base school sites. He stated that there is $500 million in available funding of which the Federal Government will provide 80 percent of the funds and the affected school districts would need to provide 20 percent. He indicated that there are seven school sites in the State of California that are eligible for the program funding. Ms. Moore indicated that the process by which the Federal Government took in assessing these schools was very different than the process currently utilized by the State of California. She further stated that the Federal Government looked at each component individually and provided an estimated cost for that component, rather than providing the State portion of the funding for the project and then the school district complete the project. The Chair established the Military Base DOD Sub-committee with Ms. Moore as the Chair, Assembly Members Buchanan and Hagman, and Mr. Almanza that would work with the staff and Mr. O'Brien to try and come up with alternative funding sources for the school districts that cannot come up with the 20 percent match (approximately $23 million) and bring options back to the full SAB as soon as possible. The SAB accepted the report as presented.

State Allocation Board Three-Month Projected Workload

State Allocation Board Meeting Dates for the 2012 Calendar Year

REPORTS, DISCUSSION, AND INFORMATION ITEMS (cont.)

School Facility Program Unfunded List as of March 28, 2012

School Facility Program Workload List of Applications Received Through April 16, 2012

Emergency Repair Program Unfunded List as of March 28, 2012

Facility Hardship/Rehabilitation Approvals Without Funding as of March 28, 2012

MISCELLANEOUS

- Assembly Member Hagman brought up the issue of technology improvements for schools and whether there would be a mechanism available like short-term bonds that would allow school districts to pursue these improvements in order to be digital before 2014.
- Assembly Member Buchanan requested to be a member of the Audit Sub-Committee.
- Assembly Member Buchanan requested the need to discuss issues related to changes in the program and perhaps the SAB have a meeting in the month of July dedicated to addressing only those issues. The Chair was very receptive to this and asked staff to work with each members' schedules.

ADJOURNMENT

There being no further business to come before the Board, the Chair adjourned the meeting at 5:45 p.m.

LISA SILVERMAN, Executive Officer

ATTACHMENT A
Approved Consent Items on 04/25/2012

Program	Application Number	District	County
SFP - Charter Schools	54/64733-00-017	LOS ANGELES UNIFIED	LOS ANGELES
SFP - Charter Schools	54/70920-00-002	SANTA ROSA HIGH	SONOMA
SFP - Modernization	57/75713-00-020	ALHAMBRA UNIFIED	LOS ANGELES
SFP - Modernization	57/75713-00-020	ALHAMBRA UNIFIED	LOS ANGELES
SFP - Modernization	57/75713-00-000	ALHAMBRA UNIFIED	LOS ANGELES
SFP - Modernization	57/63933-00-000	ISLAND UNION ELEMENTARY	KINGS
SFP - Modernization	57/63933-00-000	ISLAND UNION ELEMENTARY	KINGS
SFP - Modernization	57/61259-00-000	OAKLAND UNIFIED	ALAMEDA
SFP - Modernization	57/61259-00-000	OAKLAND UNIFIED	ALAMEDA
SFP - Modernization	57/61259-00-067	OAKLAND UNIFIED	ALAMEDA
SFP - Modernization	57/61259-00-067	OAKLAND UNIFIED	ALAMEDA
SFP - Modernization	57/66373-00-000	PLEASANT RIDGE UNION ELEMENTARY	NEVADA
SFP - Modernization	57/75002-00-000	ROSS VALLEY	MARIN
SFP - Modernization	57/10488-00-000	SOLANO COUNTY OFFICE OF EDUCATION	SOLANO
SFP - Modernization	57/71449-00-001	SUTTER UNION HIGH	SUTTER
SFP - Modernization	57/71449-00-001	SUTTER UNION HIGH	SUTTER
SFP - Modernization	57/71290-00-005	SYLVAN UNION ELEMENTARY	STANISLAUS
SFP - Modernization	57/71290-00-005	SYLVAN UNION ELEMENTARY	STANISLAUS
SFP - Modernization	57/71290-00-004	SYLVAN UNION ELEMENTARY	STANISLAUS
SFP - Modernization	57/71290-00-004	SYLVAN UNION ELEMENTARY	STANISLAUS
SFP - Modernization	57/71290-00-006	SYLVAN UNION ELEMENTARY	STANISLAUS
SFP - Modernization	57/71290-00-006	SYLVAN UNION ELEMENTARY	STANISLAUS
SFP - Modernization	57/72694-00-000	WASHINGTON UNIFIED	YOLO
SFP - Modernization	57/65862-00-000	WEAVER UNION ELEMENTARY	MERCED
SFP - New Construction	50/71068-00-000	DENAIR UNIFIED	STANISLAUS
SFP - New Construction	50/69427-00-006	EAST SIDE UNION HIGH	SANTA CLARA
SFP - New Construction	50/69427-00-007	EAST SIDE UNION HIGH	SANTA CLARA
SFP - New Construction	50/69427-00-008	EAST SIDE UNION HIGH	SANTA CLARA
SFP - New Construction	50/67702-00-000	ETIWANDA ELEMENTARY	SAN BERNARDINO
SFP - New Construction	50/65730-00-000	LE GRAND UNION HIGH	MERCED
SFP - New Construction	51/67777-00-002	MORONGO UNIFIED	SAN BERNARDINO
SFP - New Construction	50/61754-02-000	MT. DIABLO UNIFIED	CONTRA COSTA
SFP - New Construction	50/67876-00-000	SAN BERNARDINO CITY UNIFIED	SAN BERNARDINO
SFP - New Construction	50/67876-00-074	SAN BERNARDINO CITY UNIFIED	SAN BERNARDINO
SFP - New Construction	50/68379-00-000	SAN YSIDRO ELEMENTARY	SAN DIEGO
SFP - New Construction	50/72173-00-000	SUNDALE UNION ELEMENTARY	TULARE
SFP - Overcrowding Relief Grant	56/64733-00-009	LOS ANGELES UNIFIED	LOS ANGELES