

**MINUTES**  
**State Allocation Board**  
**March 24, 2004**

Upon notice duly given, the monthly meeting of the State Allocation Board was held in Room 112 of the State Capitol, Sacramento, California on March 24, 2004 at 4:00 p.m.

Members of the Board present were as follows:

- Jeannie Oropeza, Program Budget Manager, Education, Department of Finance, designated alternate for Donna Arduin, Director, Department of Finance
- Ron Joseph, Interim Director, Department of General Services
- Duwayne Brooks, Director, School Facilities Planning Division, California Department of Education designated representative for Jack O'Connell, Superintendent of Public Education
- David Sickler, Southern Regional Director, State Building & Constructions Trades Council of California
- Senator Dede Alpert
- Senator Bob Margett
- Senator Tom Torlakson
- Assembly Member Marco Firebaugh
- Assembly Member John Dutra
- Assembly Member Lynn Daucher

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

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

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

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

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

Garry Ness, Acting Chief Counsel

With a quorum present, Ms. Oropeza, Chair, called the meeting to order at 4:08 p.m.

**CLOSED SESSION**

In accordance with Section 11126 (e) (1) of the Government Code, the Board adjourned to a closed session for the purpose of conferring with and receiving advice from counsel regarding pending litigation.

Upon conclusion of the closed session, the Board reconvened into open session at 5:35 p.m.

Ms. Oropeza, Chair, introduced Assembly Member Lynn Daucher as the SAB's newest member.

**PRIOR MINUTES**

A motion was made and carried to approve the minutes for the February 25, 2004 SAB meeting.

**EXECUTIVE OFFICER'S STATEMENT**

The Executive Officer advised the SAB members that:

- With the passage of Proposition 55, the OPSC has prepared an item for the Board to request the adoption of a resolution for the sale of bonds. At the April 2004 SAB meeting, the OPSC will request that all modernization "unfunded" projects receive apportionments.
- The OPSC has developed and instituted a method whereby school districts can electronically file eligibility applications directly to the OPSC through the website. Once data is reviewed and accepted it will automatically populate the data base. The OPSC will continue to endeavor to improve systems in order to be more efficient and responsive to the Board's clients.
- The OPSC continues to work with the Attorney General's (AG) office to secure a legal opinion regarding the liability of utility companies and other entities when gas lines are located on school district property. The opinion is being finalized by the AG's office and the OPSC will present the opinion at the April 2004 SAB meeting with a representative from the AG's office in attendance.

**CONSENT ITEMS**

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

**FINANCIAL REPORTS*****Status of Funds***

The Board accepted the Status of Funds report as presented.

***Proposition 55 Funding Process***

In considering this item, the Board approved the staff's recommendations. (See attached Resolution)

**SPECIAL CONSENT ITEMS*****Los Angeles Unified/Los Angeles 50/64733-00-054***

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

***Use of New Construction Grants***

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

***Needles Unified/San Bernardino 50/67801-00-001***

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

**SPECIALS/APPEALS*****Los Angeles Unified/Los Angeles 34/64733-00-Various***

Mr. Jess Womack, Associate General Counsel for the Los Angeles Unified School District, Mr. Lyle Smoot and Ms. Beth Hamby, representatives for the Los Angeles Unified School District, addressed the Board. The Board held this item over and requested that Mr. Ted Dutton be in attendance at the April 28, 2004 SAB meeting.

***Fresno Unified/Fresno 50/62166-06-003 and 57/62166-00-Various***

Ms. Patricia Barr, School Board President of the Fresno Unified School District and Dr. Santiago Wood, Superintendent of the Fresno Unified School District, addressed the Board.

In considering this item, the Board conditionally approved the staff's recommendation and included the following:

- That interest repayments be based on simple interest, not compounded.
- The District may re-file applications for the 11 projects listed on Attachment A, with the condition that the apportionment amounts will not exceed the amounts originally funded for each project.
- An acknowledgment be made that no legal action will be taken by the Board, the District or its School Board.

The Board requested staff to present an item for its final approval at the April 28, 2004 SAB meeting with the acknowledgment of the Board's findings signed by the District and its School Board.

The Board directed Legal Counsel to coordinate a referral to the Attorney General's Office under the False Claims Act and to the Fresno District Attorney's Office under the Criminal Fraud Provisions of the Penal Code.

The Board directed staff to explore legislation to clarify the penalties for material inaccuracies.

**REGULATIONS*****Alternative Education School Funding***

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

***Changes to the School Facility Program (SFP) Additional Grant for Energy Efficiency***

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

***Multistory Replacement Facilities***

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

**REPORTS*****Three Percent Routine Restricted Maintenance Account***

The Board heard from a number of people in the audience on the impact this issue would have on school districts.

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

**INFORMATION/REFERENCE**

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

***Modernization Unfunded List – Projects that have received Unfunded Approval as of February 25, 2004***

***OPSC Workload Summary List – New Construction and Modernization through March 5, 2004***

***Lease Purchase Program SB1795 Joint Use Unfunded Approvals List through February 20, 2004***

***Facility Hardship/Rehabilitation Approvals without Funding List as of February 25, 2004***

**ADJOURNMENT**

There being no further business to come before the Board, the Chair adjourned the meeting at 7:15 p.m.

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**LUISA M. PARK, Executive Officer**