MINUTES
State Allocation Board
August 24, 2005

Upon notice duly given, the monthly meeting of the State Allocation Board was held in Room 112 of the California State Capitol in Sacramento, California on August 24, 2005 at 4:00 p.m.

Members of the Board present were as follows:

- Anne Sheehan, Chief Deputy Director, Policy, Department of Finance, designated alternate for Thomas Campbell, Director, Department of Finance
- Rob Cook, Deputy Director, Interagency Support Division, Department of General Services, designated alternate for Ron Joseph, Director, Department of General Services
- Kathleen Moore, Director, School Facilities Planning Division, California Department of Education, 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 Bob Margett
- Senator Alan Lowenthal
- Senator Jack Scott
- Assembly Member Lynn Daucher
- Assembly Member Jackie Goldberg
- Assembly Member Gene Mullin

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

Luisa M. Park, Executive Officer
Mavonne Garrity, Assistant Executive Officer

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

Luisa M. Park, Executive Officer
Lori Morgan, Deputy Executive Officer

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

Garry Ness, Assistant Chief Counsel

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

PRIOR MINUTES

A motion was made and carried to approve the Minutes for the July 27, 2005 SAB meeting.

EXECUTIVE OFFICER'S STATEMENT

The Executive Officer informed the Board that the OPSC is continuing its outreach efforts to contact school districts that did not respond to the survey that was sent to financial hardship districts and anticipates a report will be presented at the September SAB meeting.

CONSENT ITEMS

In considering this item, the Board approved the consent calendar as presented. Ms. Kathleen Moore abstained from voting on all Elk Grove Unified School District items, but approved all others.

FINANCIAL REPORTS

Status of Funds

The Board had questions regarding the number of applications that were not eligible for funding under the Emergency Repair Program. The Executive Officer informed the Board that the applications did not meet the intent of the emergency repair requirements because the requested amount for reimbursement was so small (from $50 to $250). The Executive Officer stated that three applications would be presented for funding consideration by the Board at the September or October meetings. The Board accepted the Status of Funds report as presented.

SPECIAL CONSENT ITEMS

Elk Hills Elementary/Kern 40/63446-02-01

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

Holtville Unified/Imperial 22/63149-00-05

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

San Gabriel Unified/Los Angeles 22/75291-00-07

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

Riverside Unified/Riverside 51/67215-00-01

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

SPECIALS/APPEALS

State Relocatable Classroom Program

In considering this item, the Board approved the staff recommendations with the following modifications:

- Allow for the disposition of relocatable classrooms regardless of age in order to phase out of the State Relocatable Classroom Program (SRCP) earlier than the suggested 15 years.
- Provide the Board with suggestions for ensuring that the relocatable classrooms are in good repair or will be used for non-classroom purposes when sold.
- In lieu of approving the immediate disposal of all relocatable classrooms older than 20 years of age, the OPSC was directed to incorporate the disposal plan into the phase-out proposal being presented to the Board. Specifically, the Board was interested in assuring that these buildings receive the same consideration as all other relocatable classrooms being sold or disposed of.

SPECIALS/APPEALS (con't.)

State Relocatable Classroom Program (con't.)

When considering the Board Resolution (Attachment A), the staff was directed to modify the resolution to reflect the following:

- It is the Board's intent to retain all of the lease revenues for the 2006/07 Fiscal Year within the SRCP fund for the operation of the Program and for any decisions the Board makes on the future of this Program.
- Beginning with the 2007/08 Fiscal Year, the Board requires the OPSC to present an annual expenditure report for the Program no later than the September preceding each fiscal year.
- The Board will notify the Department of Finance of the funding needs for the Program no later than the September preceding each fiscal year.

In addition, the Board requested that:

- Staff report on the financial needs of the Program for the 2006/07 Fiscal Year at the October SAB meeting.
- Staff identify the amount of Program administration costs paid from bond funds.

Lastly, the Executive Officer asked to have a discussion with the Board, at a future meeting, regarding the issue of child care and migrant housing facilities. There's approximately $3.5 million in the relocatable fund and the Board needs to make a decision whether the money should remain in the fund or proceed with legislative language that will transfer the money to other SAB-administered programs.

REPORTS

Career Technical Education Report

The following individuals addressed the Board regarding Career Technical Education (CTE) requirements:

- Mr. Chris Walker, representing the Automotive Repair Coalition, the California Association of Sheet Metal and Air Conditioning Contractors, and the California Industrial and Technology Education Association.
- Mr. Jim Aschwanden, Executive Director of the California Ag Teachers Association and the Vice Chair to the Vocational Alliance.
- Mr. Tom Duffy, representing the Coalition for Adequate School Housing (CASH).
- Mr. Dave Walrath, representing the Small School Districts Association.

In considering this item, the Board modified the staff's report to include additional components relating to proof of compliance: what was recommended by the CTE advisory committee and the final action item recommendation that was approved by the School Board or the School Board committee.

REPORTS (con't.)

Job Order Contracting

Ms. Beth Hamby, representing the Los Angeles Unified School District, and two consultants who assisted in the implementation of the program, Mr. Dennis Doran, representing FMI Corporation, and Mr. Joe Hollett, representing the Gordian Group, addressed the Board.

In considering this item, the Board accepted the District's report.

INFORMATION/REFERENCE

Remaining Board Meeting Dates for the Calendar Year 2005

School Facility Program Workload List - Applications Received Through August 2, 2005

Facility Hardship/Rehabilitation Approvals Without Funding List as of July 27, 2005

MISCELLANEOUS

The Board directed staff to develop a primer for the October meeting that discusses the cohort survival method and eligibility processes, and obtain input from school districts and other interested entities in order to capture new ideas or scenarios. The Board wants to revisit the issues that were raised initially with regard to the legislation that created the School Facility Program, Senate Bill 50, Chapter 33, Statutes of 1998, in anticipation of a future bond.

The Board also directed staff to prepare a report for the October meeting that provides clarification of the roles and responsibilities between the OPSC, the Departments of General Services and Finance, and State and Consumer Services Agency.

ADJOURNMENT

There being no further business to come before the Board, the Chair adjourned the meeting at 6:08 p.m.

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LUISA M. PARK, Executive Officer