

**MINUTES**  
**State Allocation Board**  
**January 25, 2006**

Upon notice duly given, the monthly meeting of the State Allocation Board was held in Room 4203 of the State Capitol in Sacramento, California on January 25, 2006 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 Michael Genest, Director, Department of Finance
- 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 Joe Coto

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 4:06 p.m.

**PRIOR MINUTES**

A motion was made and carried to approve the Minutes for the December 15, 2005 SAB meeting. However, Assembly Member Goldberg abstained from voting on the Minutes.

## **EXECUTIVE OFFICER'S STATEMENT**

The Executive Officer informed the Board of the following items:

- The first charter school (Vaughn High School Academy) to successfully convert their preliminary apportionment into a final apportionment was included in the Consent portion of the agenda for approval.
- 2,060 schools submitted their School Facilities Needs Assessments to the OPSC by January 1, 2006. The OPSC has been in contact with the districts that have not submitted their School Facilities Needs Assessments, and will provide a more detailed progress update at the February 22, 2006 SAB meeting.
- The Attorney General's Office issued a legal opinion regarding the subject of piggyback contracts for modular construction and it was the conclusion of the Attorney General that "A school district may not, without advertising for bids, contract with another public agency to acquire factory-built modular building components for installation on a permanent foundation."

Upon receiving this information, a Board member requested to put all school districts and county offices of education on notice that effective January 25, 2006, the Board would not consider for apportionment any project that has utilized this method of procurement without utilizing a competitive bid process. In addition, the Board directed the OPSC to send out a notification to all school districts and county offices of education advising of the Attorney General's opinion and the impact to project apportionments, and to post the notification to the OPSC's Web site.

## **CONSENT ITEMS**

In considering this item, the Board approved the consent calendar as presented. The Executive Officer informed the Board that items in the consent portion of the Agenda included the increased grant adjustment. Ms. Yvonne Chan, principal of Vaughn High School Academy, addressed the Board regarding the successful conversion of the charter school preliminary apportionment to a final apportionment and asked the Board to support the project.

## **FINANCIAL REPORTS**

### ***Status of Funds***

The Board accepted the Status of Funds report as presented. The Board also directed the OPSC to continue to provide outreach to school districts regarding project eligibility under the Emergency Repair Program.

### ***Transfer of Critically Overcrowded Schools Program Funds***

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

### ***Annual Adjustment to School Facility Program Grants***

Mr. Tom Duffy, representing the Coalition for Adequate School Housing (CASH), addressed the Board concerning the high cost of construction and the low inflation factor of 4.62. In considering this item, the Board approved the staff's recommendation.

**FINANCIAL REPORTS** (Contd.)***Index Adjustment on the Assessment for Development***

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

**SPECIAL CONSENT ITEMS*****Deferred Maintenance Program Extreme Hardship Project Time Extension***

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

***Poway Unified/San Diego 51/68296-00-01***

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

**SPECIALS/APPEALS*****Greenfield Union Elementary/Monterey 22/66035-00-04-SP***

This item was withdrawn.

***Lowell Joint Elementary/Los Angeles 93/64766-00-00***

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

**REGULATIONS*****Assembly Bill 491 Alternative Enrollment Projection Methods***

In considering this item, the Board approved the staff's recommendations including the deletion of the proposed change to Regulation Section 1859.40(b)(2) and the amendment to Regulation Section 1859.40(b)(1), which reads as follows:

"provide a description to the OPSC on how the district cannot adequately meet its housing needs at the impacted school sites, after considering all existing eligibility mechanisms available from the Cohort Projections;"

Mr. Tom Duffy, representing CASH, addressed the Board in support of the amended language. Additionally, the Board directed staff to report to the Board on all applications requesting funding under eligibility derived from an alternative methodology. Further, it was stated and it was the intent of the Board that the OPSC's function will be to determine and review the cohort survival calculations which will then be shared with the Demographic Research Unit in the Department of Finance.

**REPORTS*****Determination of Eligibility and Relieving Overcrowding Under the School Facility Program***

The Board accepted the report and directed staff to explore options concerning district usage of the School Facility Program regulations which allow the replacement of single-story facilities with multi-story facilities, particularly efficient school site usage (i.e., increased capacity) at a future SAB Implementation Committee meeting.

***Role and Reporting Responsibilities for the Office of Public School Construction***

The Board accepted the report, and directed staff to report back on the process for a rotational vice-chair to the SAB. The Board requested the Department of General Services to present the OPSC's operational budget at the Sub-Two Senate and Assembly Education Subcommittee hearings each year.

***Good Repair Standards Report***

This item was withdrawn.

**INFORMATION/REFERENCE*****SAB Meeting Dates for the Calendar Year 2006******School Facility Program Workload List - Applications Received Through December 27, 2005******Facility Hardship/Rehabilitation Approvals Without Funding List as of December 15, 2005*****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 *Godinez v. Schwarzenegger et al*; 2<sup>nd</sup> Civ.No.B161508. Immediately following this closed session and in accordance with Section 11126(e)(1) of the Government Code, the Board went into another closed session for the purpose of conferring with and receiving advice from counsel regarding *Golden Bay Fence Plus Iron Works, Inc., a California Corporation v. Mount Diablo Unified School District, a Public Entity*; and *the California State Allocation Board, a State Body*, Superior Court, County of Contra Costa, Case Number C-06-00039.

Upon conclusion of the closed sessions, the Board reconvened into open session at 6:28 p.m.

**ADJOURNMENT**

There being no further business to come before the Board, the Chair adjourned the meeting at 6:30 p.m.

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**LUISA M. PARK, Executive Officer**