

**MINUTES**  
**State Allocation Board**  
**March 28, 2007**

Upon notice duly given, the monthly meeting of the State Allocation Board was held in Room 112 of the State Capitol in Sacramento, California on March 28, 2007 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
- Rob Cook, Deputy Director, Interagency Support Division, Department of General Services, designated alternate for Will Bush, Interim 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 Jack Scott
- Assembly Member Gene Mullin
- Assembly Member Jean Fuller
- Assembly Member Kevin de León

Member of the Board absent was as follows:

- Senator Joe Simitian

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

Lori L. Morgan, Acting Executive Officer  
Mavonne Garrity, Assistant Executive Officer

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

Lori L. Morgan, Acting Executive Officer  
Kathy Hicks, Chief of Program Services

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 4:12 p.m.

**PRIOR MINUTES**

A motion was made and carried to approve the Minutes for the February 28, 2007 SAB meeting.

**EXECUTIVE OFFICER'S STATEMENT**

The Acting Executive Officer informed the Board that the regulatory amendments to the Excessive Cost Hardship Grant for accessibility and fire code requirements in modernization projects have been submitted to the Office of Administrative Law. The OPSC anticipates that the amendments will be approved in late April 2007. The OPSC and the Division of the State Architect (DSA) have created a checklist that school districts will be required to submit with their plans once the regulations are in effect. The checklist is currently available on the OPSC and the DSA Web sites.

**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.

**SPECIAL CONSENT ITEMS*****Deferred Maintenance Program Basic Deposits***

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

***Deferred Maintenance Program Maximum Deposit***

In considering this item, the Board approved the staff's recommendation. In addition, the Board clarified that if the school districts provide evidence of their maximum deposit before the end of the subject fiscal year, adjustments to the list can be made which will be especially important for deciles 1-3 school districts that intend to file for Emergency Repair Program funding.

***Deferred Maintenance Program Extreme Hardship Project Time Extension***

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

**SPECIALS/APPEALS*****Val Verde Unified School District/Riverside 50/75242-00-000***

This item was withdrawn. The Board requested of staff that the SAB report for the District's appeal be prepared containing the following information:

- Entire itemization of the Certificates of Participation (COP) that the District obtained, dates the COPs were issued, and was the information given to the OPSC when they issued the COPs or was there a delay?
- What obligation did they have then to apply the monies that they borrowed to lessen their grant in the future?
- Were there developer fees involved?

The Board requested advance notification if the report does not go forward for the April 25, 2007 SAB meeting.

## **REGULATIONS**

### ***Amendment to the Emergency Repair Program Regulations***

Mr. Terry Zinger, President of Golden State Facilities Services, and Mr. Richard Gonzalez, representing Richard Gonzalez and Associates, addressed the Board concerning the issue of administrative costs and asked that the Board consider a five percent cap rather than the two percent offered in regulation. In considering this item, the Board approved the staff's recommendations; however, Assembly Member Mullin voted against the recommendations. Additionally, the Board requested staff to provide a status report six months after the regulations have been in effect regarding the Emergency Repair Program and indicated that the report should consider the number of applications being submitted (reimbursement vs. grant applications), as well as the percentage of applications requesting reimbursement for administrative fees (amount requested vs. amount funded).

Further, the Board clarified that the Emergency Repair Program projects approved in February and March 2007 be afforded the same opportunity for administrative costs, if included in their applications, as was approved by the Board on March 28, 2007.

### ***Final Adoption of Proposed Regulatory Amendments for Repayment Schedules for Amounts Due to the State***

Mr. Wael Elatar, Administrator of Facilities for the San Bernardino City Unified School District, addressed the Board concerning the repayment regulations and further explained the District's need for repayment on project(s) that had been reduced to costs incurred. In considering this item, the Board approved the staff's recommendations and requested that staff meet with Mr. Elatar to determine if his specific comments merit subsequent regulatory changes at a future date.

### ***Implementation of Senate Bill 1415 Proposed Regulations***

In considering this item, the Board approved the staff's recommendations. In addition, the staff was requested to seek a legal opinion from the Attorney General whether the use of funds would be considered a one-time expenditure or an ongoing expenditure, pursuant to these regulations, if they were used for the fiscal solvency of a school district's health and/or retirement program.

## **REPORTS**

### ***Adequacy of New Construction Grants***

Mr. Tom Duffy, representing the Coalition for Adequate School Housing (CASH), addressed the Board concerning this issue and offered CASH's cooperation. In considering this item, the Board accepted the report. The California Department of Education indicated that they could supply to staff within 30 days many projects that have met Title 5 and are complete schools, and would subsequently provide a definition of a complete school. It was emphasized that the definition of a complete school is necessary as soon as possible in order to have a basis of comparison for the construction project and cost data collected and in ample time to meet the statutory timeline of January 2008.

**REPORTS** (cont.)***Labor Compliance Program Grants***

Mr. Tom Duffy, representing CASH, addressed the Board concerning this issue. In considering this item, the Board accepted the report. In addition, staff was requested to bring back regulatory recommendations that will adjust the Labor Compliance Program grant amounts.

***Labor Compliance Program Grant for Joint-Use Projects***

Mr. Ernie Silva, representing the Association of Labor Compliance Professionals, addressed the Board concerning funding for Labor Compliance Program in modernization projects. In considering this item, the Board accepted the report. Additionally, staff was requested to bring back regulatory recommendations to address Labor Compliance Program (LCP) issues regarding joint-use, new construction and modernization funding of projects as soon as possible, along with the item to adjust the LCP grants. Once these regulations are adopted by the Board and are in effect, staff was requested to present an item to provide LCP grant funding to those school districts with qualifying joint-use projects that voluntarily initiate and enforce a LCP.

***Overcrowding Relief Grant***

Mr. Stephen English, representing Advancement Project, addressed the Board regarding the need for further clarification on this issue. In considering this item, the Board accepted the report. In addition, staff indicated they would meet with Mr. English to clarify concerns and report back, as needed.

***Los Angeles Unified School District School Building Program: Update and Challenges***

This was a presentation by the Los Angeles Unified School District; therefore, no action was required by the Board.

**INFORMATION/REFERENCE*****SAB Meeting Dates for the Calendar Year 2007******School Facility Program Workload List - Applications Received Through March 1, 2007******Facility Hardship/Rehabilitation Approvals Without Funding List as of February 28, 2007*****ADJOURNMENT**

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

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**LORI L. MORGAN, Acting Executive Officer**