

**MINUTES**  
**State Allocation Board**  
**October 24, 2007**

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 October 24, 2007 at 2:00 p.m.

Members of the Board present were as follows:

- Jeannie Oropeza, Program Budget Manager, Education, Department of Finance, designated alternate for Michael Genest, Director, Department of Finance
- Doug Button, Deputy Director, Real Estate Services Division, Department of General Services, designated alternate for Will Bush, 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
- Senator Jack Scott
- Senator Joe Simitian
- Assembly Member Gene Mullin
- Assembly Member Jean Fuller
- Assembly Member Kevin de León

Members of the Board absent were as follows:

- Rosario Girard, President and CEO, Phoenix Construction Services, Inc., appointee of Arnold Schwarzenegger, Governor of the State of California
- Senator Bob Margett

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

Rob Cook, Executive Officer  
Lori L. Morgan, Deputy Executive Officer  
Mavonne Garrity, Assistant Executive Officer

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

Rob Cook, Executive Officer  
Lori L. Morgan, Deputy Executive Officer

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

Henry D. Nanjo, Senior Staff Counsel

With a quorum present, Jeannie Oropeza, Chair, called the meeting to order at 2:10 p.m.

**PRIOR MINUTES**

A motion was made and carried to approve the Minutes for the September 26, 2007 SAB meeting.

### **EXECUTIVE OFFICER'S STATEMENT**

The Executive Officer informed the Board that the Governor has signed a number of legislative bills that affect the programs administered by the SAB. It was stated that there is a report that will be presented later on in this SAB Agenda. The Executive Officer was also pleased to announce that among the legislative bills chaptered was Senate Bill 132 that repeals the January 1, 2008 sunset date for the new construction grant increases that were provided in July 2006. This means that the seven percent increase for elementary/middle school pupils and the four percent increase for high school pupils will remain in effect.

The Executive Officer also informed the Board that later on during this public meeting, the Macias Consulting Group will be presenting an update to the Board on the development of the proposed methodology for its analysis of the costs to construct schools. The proposed methodology was previously presented in a publicly noticed open meeting on October 5<sup>th</sup> and public comments were heard at that time. Additionally, written comments were accepted through October 10<sup>th</sup>.

Lastly, with respect to the wildfires in Southern California, the Executive Officer indicated to the Board that the OPSC was developing a plan to address any short-term housing needs that may arise, and that there is approximately 60 relocatable classrooms that could be redeployed. The OPSC also contacted four manufacturers of relocatable classrooms, many of whom indicated that they could produce new units within one week if necessary. Additionally, the OPSC is being flexible and working with the impacted school districts during this time of crisis.

### **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**

#### ***Riverside County Office of Education/Riverside 51/10330-98-001***

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

#### ***Janesville Union Elementary/Lassen 58/64105-00-001***

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

#### ***Rescission of School Facilities Needs Assessment Grants***

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

**SPECIALS/APPEALS*****Critically Overcrowded School Facilities Program Preliminary Apportionment Time Limit Extensions***

Mr. Mark DeMan, representing the Los Angeles Unified School District, answered questions pertaining to the District's projects receiving an extension. In considering this item, the Board approved the staff's recommendations.

***Santa Ana Unified/Orange 53/66670-00-001 – 005, and 007***

Mr. Don Trig, Associate Superintendent for Business Services for the Santa Ana Unified School District, addressed the Board. The District will be building two-story structures on existing school sites, not to exceed 150 percent site capacity, and will relocate students to relieve overcrowding. The Board was satisfied with the explanation and approved the staff's recommendations.

***Critically Overcrowded School Facilities Program Preliminary Apportionment Rescissions***

In considering this item, the Board approved the staff's recommendations but held over for one month the Oakland Unified School District's five projects (53/61259-09-001, 53/61259-12-001 and 002, 53/61259-13-002, and 53/61259-21-001) to provide the CDE an opportunity to follow-up with the District. The Oakland Unified School District's projects will be presented to the Board at the December 2007 SAB meeting.

***School Facility Program Joint-Use Projects***

The following individuals addressed the Board requesting support for their Joint-Use projects:

- Ms. Pamela Johnson, Assistant Superintendent, Facilities and Operations, for the Montebello Unified School District;
- Mr. Greg Moser, representing the Vista Unified School District;
- Mr. Glenn Reid, Superintendent of the Bass Lake Joint Union Elementary School District; and
- Mr. Michael Bishop, representing the Paramount Unified School District.

Mr. Tom Duffy, representing the Coalition for Adequate School Housing (CASH), addressed the Board concerning the interpretation of Education Code Section 17077.42.

The Board discussed the different interpretations of the Joint-Use statute (Education Code Section 17077.42) and reiterated its concern about "foundations" formed in order to obtain State funding. The Chair requested a roll-call vote and the motion, which would accept/approve all six joint-use projects, failed per the following votes:

**SPECIALS/APPEALS** (cont.)

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Margett				X
Senator Scott			X	
Senator Simitian	X			
Assembly Member Mullin			X	
Assembly Member Fuller	X			
Assembly Member de León	X			
Doug Button	X			
Kathleen Moore	X			
Rosario Girard				X
Jeannie Oropeza			X	
Total	5		3	2

**Motion:**

Carried \_\_\_  
Failed X

The Board discussed the three joint-use projects for Vista Unified, Menlo Park City, and Montebello Unified School Districts. The Chair requested a roll-call vote and the motion, which would approve the staff's recommendations for these three projects, carried per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Margett				X
Senator Scott	X			
Senator Simitian	X			
Assembly Member Mullin	X			
Assembly Member Fuller	X			
Assembly Member de León	X			
Doug Button	X			
Kathleen Moore	X			
Rosario Girard				X
Jeannie Oropeza			X	
Total	7		1	2

**Motion:**

Carried X  
Failed \_\_\_

The Board discussed the two projects for the Paramount Unified School District and pointed out that the District had referred to the projects as Joint-Use in the master plan. The Chair requested a roll-call vote and the motion, which would approve the two projects for Paramount Unified School District, carried per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Margett				X
Senator Scott	X			
Senator Simitian	X			
Assembly Member Mullin			X	
Assembly Member Fuller	X			
Assembly Member de León	X			
Doug Button	X			
Kathleen Moore	X			
Rosario Girard				X
Jeannie Oropeza			X	
Total	6		2	2

**Motion:**

Carried X  
Failed \_\_\_

**SPECIALS/APPEALS** (cont.)

The Board discussed the project for the Bass Lake Joint Union Elementary School District that had been inadvertently omitted as a joint-use project from its bond measure, but was specifically identified in the approved District’s facilities master plan. The Chair requested a roll-call vote and the motion, which would approve the project for the Bass Lake Joint Union Elementary School District, failed per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Margett				X
Senator Scott			X	
Senator Simitian			X	
Assembly Member Mullin			X	
Assembly Member Fuller	X			
Assembly Member de León	X			
Doug Button	X			
Kathleen Moore	X			
Rosario Girard				X
Jeannie Oropeza			X	
Total	4		4	2

**Motion:**

Carried       
 Failed   X  

The Board requested that the project for the Bass Lake Joint Union Elementary School District be reconsidered at a subsequent SAB meeting. Additionally, the Board agreed that the actions taken by the Board today would not set a precedent for future joint-use applications that involve bond language approved for inclusion in its local ballot prior to October 24, 2007. The Board also agreed that those potential future appeals would be considered based on a project’s individual evidence and merits.

***Manzanita Elementary/Butte 22/61499-00-001***

Mr. Brad Roberts, Superintendent/Principal, Manzanita Elementary School District, addressed the Board concerning support for the District’s project. Mr. Dave Walrath, representing the Small School Districts Association, addressed the Board regarding similar waivers granted under the Lease-Purchase Program. The Board discussed the Lease-Purchase Program policy issue concerning the project cost savings that were achieved and revised the staff’s Option A to include a requirement to have at least 70 percent bonding capacity and to waive up to 100 percent. The Chair requested a roll-call vote and the motion, which included the additional criteria and 100 percent waiver of the savings (\$159,181), carried per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Margett				X
Senator Scott	X			
Senator Simitian	X			
Assembly Member Mullin	X			
Assembly Member Fuller	X			
Assembly Member de León	X			
Doug Button	X			
Kathleen Moore	X			
Rosario Girard				X
Jeannie Oropeza			X	
Total	7		1	2

**Motion:**

Carried   X    
 Failed

**SPECIALS/APPEALS** (cont.)***Sequoia Union High/San Mateo 57/69062-00-015***

This item was withdrawn.

**REPORTS*****Legislative Update***

The Board accepted the report.

***Office of Public School Construction Work Plan for Improving the Financial Hardship Program***

The following individuals addressed the Board regarding the Work Plan for the Financial Hardship Program:

- Mr. Dave Walrath, representing the Small School Districts Association;
- Ms. Anna Ferrera, representing the County School Facilities Consortia; and
- Mr. Tom Duffy, representing the CASH organization.

The Board accepted the report clarifying the inclusion of the Legislative Analyst's Office, and representatives from the Fiscal Crisis Management Assistance Team (FCMAT), a representative from the School Fiscal Services within the CDE, and the SAB's Assistant Executive Officer be added to the Advisory Committee.

***Grant Adequacy Methodology***

Ms. Denise Callahan, representing the Macias Consulting Group, presented the proposed Grant Adequacy methodology to the Board. The following individuals addressed the Board voicing their concern with the proposed methodology:

- Mr. Tom Duffy, representing the CASH organization;
- Mr. Lyle Smoot, representing the Los Angeles Unified School District;
- Mr. Dennis Dunston, representing HMC Architects;
- Mr. Ernie Silva, representing the Association of California Construction Managers; and
- Mr. Stephen English, representing the Advancement Project.

There were concerns expressed by the individuals above such as the issue of transparency, that a study was not needed to justify the six percent, that the CDE was not included as a party to the study, how the four components could assist in the study, that the 60 projects defined as complete schools from the CDE may add value to the study, and three of the four components of the study are irrelevant.

Mr. Richard Lyon, representing the California Building Industry Association, addressed the Board in support of the proposed methodology indicating it would provide a straightforward and impartial review.

Since this was a report only, the Board requested that staff agendaize this issue for future discussion when ready and prepare to discuss the methodology and the transparency of the methodology.

**INFORMATION/REFERENCE**

***Bonding Capacity Impact on Bidding Climate***

***Remaining SAB Meeting Date for the Calendar Year 2007***

***School Facility Program Workload List - Applications Received Through September 26, 2007***

***Deferred Maintenance Program Unfunded List as of September 26, 2007***

***Facility Hardship/Rehabilitation Approvals Without Funding List as of September 26, 2007***

**CLOSED SESSION**

At 5:15 p.m. and in accordance with Section 11126(a)(1), the Board convened into closed session for the purpose of discussing a matter relating to personnel.

Upon conclusion of the closed session, the Board reconvened into open session at 5:33 p.m.

**ADJOURNMENT**

There being no further business to come before the Board, the Chair adjourned the meeting at 5:35 p.m.

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**ROB COOK, Executive Officer**