

MINUTES
State Allocation Board
March 26, 2008

Upon notice duly given, the monthly meeting of the State Allocation Board was held in Room 126 of the State Capitol in Sacramento, California on March 26, 2008 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 (DOF)
- Mike Webb, Deputy Director, Legislative Affairs, 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 (CDE), 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
- Senator Joe Simitian
- Assembly Member Jean Fuller

Members of the Board absent were as follows:

- Assembly Member Gene Mullin
- Assembly Member Kevin de León

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, Anne Sheehan, Chair, called the meeting to order at 4:10 p.m.

PRIOR MINUTES

The Board did not take action on the Minutes for the February 27, 2008 SAB meeting. Mr. Tom Duffy, representing the Coalition for Adequate School Housing (CASH), addressed the Board regarding the CASH letter of March 25, 2008 requesting revisions to the February 27, 2008 SAB meeting Minutes relating to the grant adequacy presentation. Staff recommended and the Board concurred that the Minutes be held over to consider the comments received regarding grant adequacy.

EXECUTIVE OFFICER'S STATEMENT

The Executive Officer informed the Board of the following:

Career Technical Education Facilities Program

Included as part of the March 26, 2008 SAB Agenda, 174 Career Technical Education Facilities Program (CTEFP) applications for 75 local education agencies, totaling approximately \$199 million in funding, was presented for approval. This funding approval represented the first round of funds allocated from Proposition 1D for the CTEFP.

Overcrowding Relief Grant

Proposition 1D allocated \$1 billion for purposes of the Overcrowding Relief Grant (ORG). The ORG was developed to relieve overcrowded school sites by replacing portable classrooms with permanent classrooms. The first filing period ended January 31, 2008. Six applications were received for five school districts within three counties, totaling \$65,767,092 in funding requests. Subject to the Board's approval, these projects represent the replacement of 122 portable classrooms for 2,866 ORG pupils. It is anticipated that the projects will be funded at the May 2008 SAB meeting. The next filing period is July 31, 2008.

In addition, the OPSC clarified a common misconception. Even if school districts did not qualify for the Critically Overcrowded School Facilities Program, they may qualify for this program. Therefore, all school districts are encouraged to review the ORG criteria to determine if any of their school sites are eligible.

General Site Development Regulations Approved

The General Site Development emergency regulations were approved by the Office of Administrative Law with an effective of March 3, 2008. The regulations have been posted to the OPSC Web site.

The Executive Officer also presented the Board with an update concerning grant adequacy and stated that the Governor's Office and the Speaker's Office hosted a meeting on this topic. The participants represented a broad range of the school facility community, and there was much discussion on grant adequacy. The feedback was taken under advisement and the issues have not yet been resolved. It is anticipated that an item would be presented to the SAB as early as the April 2008 SAB meeting.

CONSENT ITEMS

Mr. Robert Brower, a taxpayer in the West Contra Costa Unified School District, addressed the Board in support of the District's negative new construction baseline eligibility adjustment and asked the Board for its support. In considering the Consent calendar, the Chair reminded the Board and audience that in accordance with the motion approved at the January 2008 SAB meeting, the new construction projects in the Consent Specials and in the Consent calendar will continue to remain open, contingent on the Board's action concerning grant adequacy. The Board approved the Consent calendar as presented.

FINANCIAL REPORTS***Status of Funds***

The Board accepted the Status of Funds report as presented. In addition, the Board recognized the \$940 million apportioned at this meeting and thanked staff for all of the hard work that went into making these apportionments happen.

SPECIAL CONSENT ITEM***Alisal Union Elementary/Monterey 51/65961-00-001 through 51/65961-00-006***

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

SPECIALS/APPEALS***School Facility Program – Career Technical Education Facilities Program Projects***

Ms. Tracy Sharp, representing the SAB staff, presented this item to the Board. The Board congratulated staff, including the CDE staff, on the work that was done in preparing these projects for this new program, which received excellent responses. It was also noted that all 15 career technical education sectors were represented in the projects approved. In considering this item, the Board approved the staff's recommendations.

Caliente Union Elementary/Kern 52/63388-00-001

Mr. Marv Baker, Superintendent of the Caliente Union Elementary School District, addressed the Board and thanked staff for their support and for working with the District through the process. In considering this item, the Board approved the staff's recommendation.

Buellton Union Elementary/Santa Barbara 50/69138-00-002

This item was postponed until the April SAB meeting.

REPORTS***Emergency Repair Program Expenditures Report***

Ms. Masha Lutsuk, representing the SAB staff, presented the report to the Board. The Board accepted the report. In addition, a Board member inquired as to the availability of additional funding since the workload has exceeded the funding that is currently available. The Chair stated that she would work with the DOF and report back to the Board.

REPORTS (cont.)***San Bernardino City Unified/San Bernardino***

Mr. Keith Jung, representing the SAB staff, presented the report to the Board.

The following individuals addressed the Board concerning the financial hardship application review for the San Bernardino City Unified School District (SBCUSD):

- Mr. John Peukert, Assistant Superintendent for the SBCUSD;
- Mr. Keith Kajiya, Program Manager for the SBCUSD;
- Mr. Matt Pettler, representing the SBCUSD as its consultant; and
- Mr. Terry Tao, representing Atkinson, Andelson counsel, for the SBCUSD.

There was much discussion surrounding the many issues of the SBCUSD's Financial Hardship review, specifically the issues of when the complete application was received and at what point in time are funds considered available for contribution towards the project. The Board accepted the report and confirmed the staff's plans to proceed to the April 2008 SAB meeting. In addition, the Board requested clarity on the following issues:

- What is required in order for a Financial Hardship application to be considered complete?
- When are local funds considered available for contribution for a district requesting Financial Hardship?

INFORMATION/REFERENCE***SAB Meeting Dates for the Calendar Year 2008******School Facility Program Workload List - Applications Received Through March 14, 2008******Deferred Maintenance Program Unfunded List as of February 27, 2008******Facility Hardship/Rehabilitation Approvals Without Funding List as of February 27, 2008*****MISCELLANEOUS**

- A Board member requested an update on the Vaughn Charter School.
- There was one public comment made at this meeting:

Mr. Tom Duffy, representing CASH, addressed the Board concerning the administration of the Financial Hardship Program, specifically the checklist revisions, and he recommended that it should be vetted through the SAB Implementation Committee.

CLOSED SESSIONS

At 5:47 p.m. and in accordance with Section 11126(e)(1) of the Government Code, the Board convened into closed session for the purpose of conferring with and receiving advice from counsel regarding *Val Verde Unified School District et al. v State of California et al.*; Case No. RIC 475161.

At 5:53 p.m. and in accordance with Section 11126(a)(1) of the Government Code, the Board convened into closed session for the purpose of discussing a matter relating to personnel.

Upon conclusion of the closed sessions, the Board reconvened into open session at 6:10 p.m.

ADJOURNMENT

There being no further business to come before the Board, the Chair adjourned the meeting at 6:11 p.m.

ROB COOK, Executive Officer