

MINUTES
State Allocation Board
January 27, 2010

Upon notice duly given, the monthly meeting of the State Allocation Board was held in Room 447 of the State Capitol in Sacramento, California on January 27, 2010 at 4:00 p.m.

Members of the Board present were as follows:

- Cynthia Bryant, Chief Deputy Director, Policy, Department of Finance, designated representative for Ana Matosantos, Director, Department of Finance (DOF)
- Scott Harvey, Chief Deputy Director, Department of General Services, designated representative for Ron Diedrich, Acting 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
- Senator Alan Lowenthal
- Senator Loni Hancock
- Senator Bob Huff
- Assembly Member Jean Fuller
- Assembly Member Julia Brownley
- Assembly Member Joan Buchanan

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

Rob Cook, Executive Officer
Lisa Kaplan, Assistant Executive Officer

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

Rob Cook, Executive Officer
Lisa Silverman, Chief of Fiscal Services

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

Teresa Boron-Irwin, Senior Staff Counsel Specialist

With a quorum present, Ms. Bryant, Chair, called the meeting to order at 4:16 p.m.

PRIOR MINUTES

A motion was made, and carried, to approve the Minutes for the November 2009 SAB meeting, which included the correction on page 4 relating to the Biggs Unified School District item reflecting "millions" rather than billions for the District's budget. Ms. Bryant, Senator Huff and Assembly Member Buchanan abstained from voting on the Minutes as they were not in attendance at the November 2009 SAB meeting.

EXECUTIVE OFFICER'S STATEMENT

The Executive Officer informed the Board of the following:

Accomplishments for 2009

The accomplishments for the SAB/OPSC for calendar year 2009 were highlighted and it was noted that \$1.83 billion in funding was released and an additional \$1.93 billion in School Facility Program unfunded approvals were made by the SAB. It was also noted that a total of 1,363 applications were received by the OPSC for processing.

Audit of Proposition 1D Bond Funds

The Office of State Audits and Evaluations (OSAE) will audit the OPSC programs funded by Proposition 1D for the fiscal year ending June 30, 2009. The objective of the audit is to ensure bond expenditures are in compliance with applicable laws and regulations. The Executive Officer requested that the OSAE include in its report any findings of overlap in local audits and the OSAE agreed to include that finding in the report. He also stated that the entrance conference for this audit was held January 14, 2010.

Personnel Changes

Ms. Lisa Silverman was appointed as Deputy Executive Officer for the Office of Public School Construction, and Ms. Lisa Kaplan was appointed in November to serve as Assistant Executive Officer for the State Allocation Board.

DELEGATION OF AUTHORITIES

The Executive Officer presented the Resolutions for Ms. Silverman and Ms. Kaplan to the Board and both Resolutions were acknowledged and approved.

MISCELLANEOUS

Mr. Harvey suggested that the Board consider moving Public Comment on items not on the Agenda from the end of the meeting to immediately following the Executive Officer Statement. Senator Huff stated that could possibly cause quorum problems for the Board considering the heavy workload of the Board and that it may be wise to leave Public Comment at the end of the meeting. He also stated that the public could reach the Members of the Board anytime throughout the month, not just at the SAB meetings. Ms. Bryant allowed Public Comment for this meeting; however, she requested that staff look at a way to manage Public Comment at the beginning of the SAB meetings and based on the most efficient practice then make a determination whether Public Comment should be at the beginning or end of the SAB meetings.

Public Comment

Mr. Bill Orr, Executive Director for the Collaborative for High Performance Schools (CHPS), addressed the Board concerning the High Performance Incentive (HPI) grant funding process for modernization projects. Mr. Orr stated that of the \$100 million in Proposition 1D funding for modernization projects, 75-80 percent of the funds remained available. He asked that the SAB consider three things: 1) open up the regulations to re-examine the incentive funding for modernization projects; 2) the regulations should be updated and incorporate the recently revised CHPS criteria which also reflect the new Title 24 Energy Code Requirements; and 3) in order to help streamline the process, a third-party review process (such as going through a CHPS certification), should be recognized as part of the allocation process.

MISCELLANEOUS (cont.)Public Comment (cont.)

Mr. Harvey requested that on-going workshop dialogue take place between the OPSC, the Division of the State Architect (DSA), and other stakeholders to discuss how to eliminate the obstacles that are preventing the HPI funds from being requested just as it was done for the Seismic Mitigation Program. Senator Hancock agreed with Mr. Harvey's suggestions and also asked for input from practitioners on how to make the HPI regulations more accessible. The Executive Officer indicated that the OPSC would be able to facilitate the request but added that a regulatory package of this type would be very complex and it would take several months to bring forward a complete regulatory package. He also indicated that the OPSC would work with CHPS to educate the Board on the general background and get at the key barriers. He further stated that the key barrier to the HPI funds is getting executive buy-in, meaning that school boards and superintendents need to really buy-in to high performance in general in order to get the funds out the door. Ms. Bryant asked that the OPSC provide a report to discuss a work plan for the next SAB meeting outlining some key barriers that may be preventing success for HPI funds.

CONSENT ITEMS

The Board approved the Consent calendar as presented, with the exception of the item regarding Administrative Costs for Fiscal Year 2009/2010. Senator Lowenthal asked that this item be agendized as a special action item for the February 2010 SAB meeting, and that the OPSC prepare a more detailed breakdown of the OPSC's budget. Ms. Moore recused herself from voting on the Elk Grove Unified School District consent item only, but voted to approve all other consent items.

SPECIAL CONSENT

Piedmont City Unified/Alameda 58/61275-00-001

Sonora Elementary/Tuolumne 58/72371-00-001

Ross Elementary/Marin 51/65433-00-01

Arcadia Unified/Los Angeles 50/64261-00-002

Overcrowding Relief Grant Program Funding

In considering the items above, the Board made a motion to take one action, which would approve the staff's recommendation(s) for each item. The Chair called for a roll-call vote and the motion carried per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Lowenthal	X			
Senator Hancock	X			
Senator Huff	X			
Assembly Member Fuller				X
Assembly Member Brownley	X			
Assembly Member Buchanan	X			
Scott Harvey	X			
Kathleen Moore	X			
Cynthia Bryant	X			
Total	8			1

Motion:Carried X Failed

SPECIAL CONSENT (cont.)

Overcrowding Relief Grant Program Regulations

The Executive Officer presented this item to the Board and explained the necessity for additional Overcrowding Relief Grant (ORG) Program funding cycles. It was at this time that the following individuals addressed the Board in support of the ORG Program proposed regulations, and the special circumstances surrounding the Inglewood Unified School District and its ability to file an ORG Program application for the January 29, 2010 funding cycle:

- Dr. Joel Kirschenstein, representing the District’s consultant; and
- Mr. Rick Ivie, the District’s legal counsel

Dr. Kirschenstein explained that the District was working with a modular manufacturing company for plan preparation and when the architect took the plans to the modular manufacturer, there was a sign on the door stating that the modular manufacturer had filed for bankruptcy. He further stated that the plans were filed with the DSA but the District was informed by the DSA that they could not review the plans by the deadline. It was also noted that the District had invested about \$2 million in site acquisition and architectural fees for this particular project. The Executive Officer stated that no application/plans may be submitted without the DSA approval and until it has the DSA approval, there is no way to predict when the application will be funded. Assembly Member Brownley requested staff to prepare a plan outlining options to ensure the District’s project will move forward timely, due to the extenuating circumstances beyond the District’s control, and bring it forward to the next Board meeting. A motion was made to approve the staff’s recommendations for the ORG Program regulations and to bring forward a plan outlining options to ensure the District project will move forward timely. The Chair called for a roll-call vote on the motion and the motion carried per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Lowenthal	X			
Senator Hancock	X			
Senator Huff	X			
Assembly Member Fuller				X
Assembly Member Brownley	X			
Assembly Member Buchanan	X			
Scott Harvey	X			
Kathleen Moore	X			
Cynthia Bryant	X			
Total	8			1

Motion:

Carried X
 Failed

Mr. Harvey indicated that a task force has been assembled and charged to ensure that the bin time (the time that applications/plans stay at the DSA) will not be longer than 30 days. He stated that the DSA staff has been redirected and a public commitment has been made to shrink the bin time to 30 days. He further stated that the need to create jobs has been recognized along with prioritizing and moving forward locally-funded (shovel-ready) projects that do not require State dollars.

SPECIALS/APPEALS***Lodi Unified/San Joaquin 58/68585-00-001***

The Executive Officer presented this item to the Board. Although there was much discussion surrounding the issues of transparency and funding (which did not fully pertain to this item), the Board was in support of the staff's recommendations. Ms. Moore stated that it is very important to publicly disclose the manner in which the Board will be funding projects particularly if it will not be in the order that has been past practice. A motion was made to approve the staff's recommendations. The Chair asked to substitute the prior roll-call vote and the motion carried per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Lowenthal	X			
Senator Hancock	X			
Senator Huff	X			
Assembly Member Fuller				X
Assembly Member Brownley	X			
Assembly Member Buchanan	X			
Scott Harvey	X			
Kathleen Moore	X			
Cynthia Bryant	X			
Total	8			1

Motion:Carried X Failed — **Public Comment**

Mr. Tom Duffy, representing the Coalition for Adequate School Housing (CASH) organization, addressed the Board and indicated that the CASH was aware that facility hardships would go to the top of the list for a given SAB date, but that new construct of the funding needed to be made aware to school districts as soon as possible. The Chair clarified that the Board is in uncharted territory and the State Treasurer's Office decided what bonds and fund sources could be sold based on the market conditions, and so the Board is implementing that scenario.

School Facility Program Date Changes for Unfunded Approvals

The Executive Officer presented this item to the Board. The Executive Officer and the Chair acknowledged that the same issues raised in the Lodi Unified School District unfunded approval date change item (transparency and funding) would follow suit for this item. A motion was made to approve the staff's recommendations. The Chair asked to substitute the prior roll-call vote and the motion carried per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Lowenthal	X			
Senator Hancock	X			
Senator Huff	X			
Assembly Member Fuller				X
Assembly Member Brownley	X			
Assembly Member Buchanan	X			
Scott Harvey	X			
Kathleen Moore	X			
Cynthia Bryant	X			
Total	8			1

Motion:Carried X Failed —

SPECIALS/APPEALS (cont.)

Annual Adjustment to School Facility Program Grants

The Executive Officer presented this item to the Board and stated that because of the depression that is going on in the building industry, the construction cost index that reflects labor and materials is negative, and for the first time the annual grant adjustments will be decreased by 6.74 percent. The Board struggled with the issue of the decrease and how it might affect the projects on the unfunded approval list as well as unfunded approvals for prospective projects beginning with January 2010 forward. The Chair asked what would have happened if the Board did not decide to make unfunded approvals and just held off making any approvals until the bonds were able to be sold again? Would that have prevented school districts from knowing that their projects would be affected? Assembly Member Buchanan responded that school districts would know because they know what the grants are for elementary, middle, and high school pupils and they move forward and plan and bid those projects based on what they anticipate getting from the State. She also stated that if school districts do not get that money they must get it from within their own facilities program or dip into their general fund. She further indicated that two rates should be in place; one for projects that had received unfunded approvals prior to January 1, 2010 and one for projects that receive unfunded approvals after January 1, 2010. It was at this time that Assembly Member Buchanan made a motion to approve staff's recommendation for Option #1, including a change to the wording, which would read as follows:

“Adjust the grant for SFP applications ~~apportioned~~ apportioned for unfunded approvals on or after January 1, 2010 using the M&S Eight California Cities Index, as shown in the Attachment A.”

The Board continued with discussions relating to the calculations for the projects with unfunded approvals made in 2009 and remaining at the 2009 grant rate and for those prospective projects with unfunded approvals in 2010 at the 2010 grant rate. Also discussed was the fact that there were two Attachments to this item; Attachment A reflected a 6.74 percent decrease to the SFP grants and Attachment B reflected a 6.22 percent decrease to the SFP grants. Senator Lowenthal questioned which Attachment was the Board acting on? Assembly Member Buchanan replied that it would make sense to base the construction cost index [Marshall and Swift (M&S) Eight California Cities] on California costs and not have other states drive the costs. There was a motion to approve staff's recommendation for Option #1 as modified and notated above. The Chair requested a roll-call vote and the motion carried per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Lowenthal	X			
Senator Hancock	X			
Senator Huff	X			
Assembly Member Fuller	X			
Assembly Member Brownley	X			
Assembly Member Buchanan	X			
Scott Harvey	X			
Kathleen Moore	X			
Cynthia Bryant		X		
Total	8	1		

Motion:

Carried X
 Failed

SPECIALS/APPEALS (cont.)***Annual Adjustment to School Facility Program Grants*** (cont.)Public Comment

The following individuals addressed the Board not in support of the annual adjustment decrease to the SFP grants:

- Ms. Margaret Brown, representing three entities: 1) the San Ramon Valley Unified School District as the outgoing Assistant Superintendent; 2) the incoming Director of Facilities Program Management for the Los Angeles Unified School District; and 3) Chappelle Homes. She urged the Board not to apply the negative construction cost index adjustment to projects on the unfunded list when the State has funds to apportion. She also cited to the Board SFP Regulation Section 1859.95, which provides for exemptions to the application process when a State agency impedes a school district's ability to file a funding application and provides that the school district receive the appropriate date in line. She believes that the school districts have been disadvantaged and should not be subject to the 6.74 percent decrease especially since bond authority has not been exhausted and a State agency made a decision to freeze apportionments to protect the State's general fund (DOF Budget Letter 08-33).
- Ms. Laura Knauss, principal architect at Lionakis Architects, stated that the SFP is a parody of the Lease-Purchase Program and that over the years have added bureaucracy to school districts, such as Department of Toxic Substance Control fees, access compliance fees, and CDE fees which were not initially part of the school construction process. She also indicated that these types of things keep getting added into a school construction project with very little recognition in the funding bumps. She suggested that looking forward to the program in the future, we should question are we really building the schools that we want to build?
- Mr. Ted Rozzi, Assistant Superintendent of Facilities for the Corona-Norco Unified School District, asked the Board to consider not applying the decrease to projects that have already been bid and, at a minimum, not apply the decrease to projects that have already been approved but are unfunded. He also indicated that one of the reasons why bids are good is because contractors bidding on the projects are people who normally do not bid school projects; they are people who are just trying to keep their businesses afloat.
- Ms. Christina Becker, representing the Santee Elementary School District, indicated that the District had \$33 million in unfunded approvals and six projects on this Agenda and was hoping the District would be reimbursed. She stated that it is not fair that the reimbursement will be reduced based on the economy's flip.
- Mr. Tom Duffy, representing the CASH organization, stated there are three items that are interrelated before the Board: 1) the OPSC study of the grants; 2) the construction cost index; and 3) the developer fee item. He believes that the compromise of not affecting the unfunded approvals with a negative construction cost index is reasonable and requested that the Board leave the 2009 projects alone. He also noted that increases in fees for the DSA are not reflected in the construction cost index and that those costs come out of the pupil grants as soft costs (planning costs).
- Ms. Janet Dixon, Director of Planning and Development for the Riverside Unified School District, asked the Board that projects that have already been submitted to the OPSC be exempted from the negative adjustment in the grant amount. She further indicated that the District has an ORG project on the Agenda and proceeded in good faith, but due to slowdowns in the OPSC (furlough days and other factors), it has taken an extraordinary amount of time to get projects through the OPSC, to the SAB, and on the unfunded list.

SPECIALS/APPEALS (cont.)

Index Adjustment on the Assessment for Development

The Executive Officer presented this item to the Board. The SAB’s legal counsel, Ms. Teresa Irwin-Boron, addressed the Board regarding the letter by the CASH organization that suggested that the Board was precluded by the statute to decrease developer fees and that the statute only permits increasing it. She indicated that initially she was in agreement with that reading but upon further review the amount of the limits that stipulates the increase was only referring to the increase that was required in 2000, and every two years thereafter according to the adjustment core inflation set forth in the Statewide cost index for Class B Construction permit it and be adjusted consistent with the Statewide cost index, whether that be up or down. There was much discussion surrounding this issue and Ms. Jeannie Oropeza, representing the DOF, asked whether Mr. Lyon agreed that the statute says when the SAB stops apportioning money or when the SAB runs out of money? Mr. Lyon responded that it is when the SAB is no longer approving apportionments for new construction funding, meaning that the SAB has to be out of money for new construction funding. Assembly Member Buchanan stated that this is a problem that needs to be resolved because if Level 3 fees were assessed, there would be no building. Assembly Member Buchanan made a motion to approve staff’s recommendation for Option #1, which would adjust the 2010 maximum Level 1 assessment for development using the M&S Eight California Cities index. The Chair requested a roll-call vote and the motion failed per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Lowenthal			X	
Senator Hancock			X	
Senator Huff	X			
Assembly Member Fuller			X	
Assembly Member Brownley			X	
Assembly Member Buchanan	X			
Scott Harvey	X			
Kathleen Moore			X	
Cynthia Bryant	X			
Total	4		5	

Motion:

Carried
 Failed X

Senator Lowenthal made a substitute motion that would keep the developer fee rate at the same level as the 2008 level of \$2.97. There would be no raising it or lowering it. The Chair requested a roll-call vote and the motion carried per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Lowenthal	X			
Senator Hancock	X			
Senator Huff		X		
Assembly Member Fuller		X		
Assembly Member Brownley	X			
Assembly Member Buchanan	X			
Scott Harvey		X		
Kathleen Moore	X			
Cynthia Bryant	X			
Total	6	3		

Motion:

Carried X
 Failed

SPECIALS/APPEALS (cont.)***Index Adjustment on the Assessment for Development*** (cont.)Public Comment

- Mr. Tom Duffy, representing the CASH organization, stated that the CASH organization still reads the statute in the same manner as outlined in their January 26, 2010 letter. He indicated that the new construction dollars are being tracked closely particularly where it looks like those dollars may run out. He also stressed that school districts are asking what triggers Level 3 fees because that is in statute and while the State is not making apportionments, that argument could be made but the issue is not being pressed.
- Mr. Richard Lyon, representing the California Building Industry Association (CBIA), indicated that the CBIA is in agreement with how the SAB's legal counsel interprets the statute, that it does not prohibit the fee from going down. He went on to explain how depressed the housing construction industry is because if the point reaches where the SAB is out of new construction funding, it will not be economically or politically feasible to expect the home building industry to pick up 100 percent of the amount to fund school construction. He also noted that Level 3 fees are 100 percent financing.

New Construction Grant Adjustment

The Executive Officer and Mr. Josh Damoth, representing the SAB staff, presented this item to the Board. Mr. Damoth provided the Board an in-depth overview of the New Construction Grant Adjustment Report and stated that the OPSC concludes that the perpetual debate over the adequacy of State school facility funding is irresolvable unless a declaration can be made. He suggested that perhaps the funding model could be recast to make more explicit rather than unstated assumptions, that the square foot per-pupil be identified as a standard, declare the State dollars per square foot, provide funding that scales with project scope, and set a life cycle cost-effective design as a standard. He further stated that the data collection was provided from the Project Information Worksheets submitted by the school districts. Ms. Moore stated that this study was to look at or recognize that perhaps there was a problem with the conversion from a square footage program to a per-pupil program and was the funding really 50 percent of the project cost at the State level and then the local level with the developer fee component. She stated that over time the local contribution has increased to fund more of the project cost and that the partnership between the State and the locals is not a true partnership. She also views this as an opportunity to ensure that the schools constructed are schools of longevity. Assembly Member Fuller indicated that complaints about the adequacy of the grant has continued for a very long time and everyone has their own opinion on that, and there is no definition of a complete school that everyone can agree on. Senator Hancock stated that she agreed and suggested that perhaps outside people need to be brought in to look at these reports and provide feedback. The Chair stated that the presentation of this particular item was to try and set a level for the adjustment and the Board was not ready to do that. Assembly Member Fuller asked the Executive Officer if there was a time sensitive issue related to this item. The Executive Officer responded that the Board was not obligated to take any action whatsoever on this item. The Chair asked if the Board took action on this five or six months from now, could it be retroactive to this point? The Executive Officer responded that it could be made retroactive to this point. Assembly Member Fuller made a motion to request that the staff recommend a process resolving the mass of reports and provides a timeline for the Board that includes discussion at the Implementation Committee so it can be presented at a future SAB meeting. Mr. Harvey inquired as to the adjustment for special day class (severe and non-severe) students and whether an adjustment needs to be made to those per-pupil grants to make them whole. The Executive Officer replied that the Board could keep this question open, meaning that any apportionments made by the Board could be held open (not full and final) until the question has been resolved.

New Construction Grant Adjustment (cont.)

Public Comment

Mr. Tom Duffy, representing the CASH organization, addressed the Board and informed the Board that the CASH organization did a study on its own and the Project Information Worksheets were screened out for those projects that started early. He indicated that only projects that were almost complete were used because the dollars for the projects were known and schools that involved site acquisition were used because site acquisition identifies that it's a new site/school. He further stated that the CASH believes that the OPSC study contained serious errors and that the OPSC study demonstrated that in aggregate the SFP is under-funding pupil grants, which supports a six percent increase.

Biggs Unified/Butte 57/61408-00-000

Mr. Jason Hernandez, representing the SAB staff, presented this item to the Board. Mr. Hernandez highlighted the District's request and provided background on the Financial Hardship Program for the Board. Senator Hancock made a motion to approve staff's recommendation for Option #1, which would deny the District's appeal. Assembly Member Fuller requested a discussion prior to the roll-call vote and agreed that the community needs to pass a bond. However, she also believed that the schools in the District were in need of repair, and provided a substitute motion to support Option #2, which would invest a little in the District and give them a chance. Option #2 would approve the District's financial hardship request for the design phase only and require the District to seek other funding sources for their share of the construction grants prior to applying for financial hardship status. She further iterated that she would not be voting yes on Senator Hancock's motion, but agreed with its intention. The Chair requested a roll-call vote on the substitute motion, which was to approve Option #2, and the motion failed per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Lowenthal		X		
Senator Hancock		X		
Senator Huff	X			
Assembly Member Fuller	X			
Assembly Member Brownley		X		
Assembly Member Buchanan	X			
Scott Harvey				X
Kathleen Moore	X			
Cynthia Bryant	X			
Total	5	3		1

Motion:

Carried ___
 Failed X

The Chair requested a roll-call vote on the original motion, which was to approve Option #1, and the motion failed per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Lowenthal	X			
Senator Hancock	X			
Senator Huff		X		
Assembly Member Fuller		X		
Assembly Member Brownley	X			
Assembly Member Buchanan		X		
Scott Harvey				X
Kathleen Moore		X		
Cynthia Bryant		X		
Total	3	5		1

Motion:

Carried ___
 Failed X

SPECIALS/APPEALS (cont.)

Biggs Unified/Butte 57/61408-00-000 (cont.)

During the time the Board was taking action on the two motions above, Mr. Harvey was out of the room and not able to cast his vote. The Board continued to discuss the operating rules and procedures relating to motions under Roberts Rules of Order. Senator Hancock requested that the SAB’s legal counsel, Ms. Irwin-Boron, and Ms. Lisa Jones, representing the SAB staff, look into and bring back next month the issue of when a motion fails, under Roberts Rules of Order that it needs to be brought up by someone who was not on the prevailing side. When Mr. Harvey returned, the Chair stated that the Board could put this item over until the next SAB meeting or have Mr. Harvey make a motion to complete action on the District’s item. Mr. Harvey made a motion to approve Option #2. Senator Hancock stated that she was not in support of Option #2 because it allows school districts that have not been successful in obtaining local support by passing bonds to come to the SAB and request 100 percent State funding whether it be for the design, construction, etc. It was at this time the Chair requested a roll-call vote on the third motion, which was to approve Option #2, and the motion carried per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Lowenthal		X		
Senator Hancock		X		
Senator Huff	X			
Assembly Member Fuller	X			
Assembly Member Brownley		X		
Assembly Member Buchanan	X			
Scott Harvey	X			
Kathleen Moore	X			
Cynthia Bryant	X			
Total	6	3		

Motion:

Carried X
 Failed

Public Comment

Mr. Bill Cornelius, Superintendent of the Biggs Unified School District, addressed the Board in support of Option #2. He further provided the Board with a list of modernization needs for the District. He also reiterated that the District has made all reasonable efforts to impose all levels of local debt capacity and attempted to pass two bonds.

State Allocation Board Rules and Operating Procedures

This item was held over to the February 2010 SAB meeting.

State Allocation Board Audit Sub-Committee Update

This item was held over to the February 2010 SAB meeting.

REGULATIONS

Modernization Funding for Accessibility and Fire Code Requirements

This item was held over to the February 2010 SAB meeting.

REPORTS***Status of Fund Releases***

The Board acknowledged this report.

Status of Funds

Ms. Lisa Silverman, representing the SAB staff, presented this item to the Board, and the Board accepted the Status of Funds report as presented. Mr. Harvey reminded staff of the issue regarding the energy and HPI funding provided in Propositions 47/55 and 1D, respectively, and the possibility of these features working together to give school districts more bang for their buck in the area of energy efficiency. He asked if a discussion item could be prepared for Board consideration at the February 2010 SAB meeting. Ms. Silverman responded that staff would prepare an item.

Status of Emergency Repair Program Funding

Ms. Moore addressed the issue of not having the ability to expend the \$17.7 million that was transferred from the CDE to the reversion account for Emergency Repair Program projects. Ms. Jeannie Oropeza, representing the DOF, responded that the reason why there is no access to those dollars is that the life of an appropriation is valid for one year and by the time that the DOF determined that the money was there and tried to take action that authority expired. She further explained that the DOF does not have any legal authority to use that money without an appropriation from the Legislature. Ms. Moore respectfully asked that the DOF look at this issue one more time and determine if there is any possibility that expenditures can be made from that or if there is another legal interpretation of it. Assembly Member Brownley asked if an emergency bill would provide the ability to move that money? Ms. Oropeza replied that a new valid appropriation from the Legislature would be needed because it is a one-year authority.

Public Comment

Mr. Brooks Allen, representing the American Civil Liberties Union (ACLU) Foundation (Williams plaintiffs), addressed the Board and asked the SAB legislative members to help educate their colleagues to live up to the commitments within the Williams settlement legislation and meeting the needs for the lowest performing schools. He also indicated that the ACLU Foundation supports the Governor's proposal for \$51 million in the Governor's proposed budget, which would fulfill the 2008-09 appropriation.

Approved School Facility Program Consent and Appeal Items Report

This item was held over to a future SAB meeting.

INFORMATION/REFERENCE***Frequency of State Allocation Board Meetings and Impact of Furloughs***

The Board discussed this item briefly and did set the next SAB meeting for February 24, 2010. In addition, the Assistant Executive Officer asked for direction from the Board concerning the Implementation Committee meetings and whether those meetings continue on a bi-monthly schedule. Senator Lowenthal requested that the issue of the Implementation Committee meetings be included as part of the entire discussion. Assembly Member Brownley expressed that she was in support of what Senator Lowenthal stated, which was the Board needs to decide the meeting schedule. The Board requested that this item be agendaized as an action item for the February 2010 SAB meeting.

INFORMATION/REFERENCE (cont.)**Public Comment**

Mr. Tom Duffy, representing the CASH organization, addressed the Board in support of Senator Lowenthal's idea of meeting on a regular schedule. He also asked that the OPSC be given back the three furlough days because they are paid out of State bond funds rather than the general fund.

Proposed State Allocation Board meeting dates for the 2010 calendar year

School Facility Program Unfunded List as of November 4, 2009

School Facility Program Workload List Applications Received Through December 28, 2009

Emergency Repair Program Unfunded List as of November 4, 2009

Emergency Repair Program Workload List Applications Received Through December 24, 2009

Facility Hardship/Rehabilitation Approvals Without Funding as of November 4, 2009

ADJOURNMENT

There being no further business to come before the Board, the Chair adjourned the meeting at 8:05 p.m.



LISA SILVERMAN, Acting Executive Officer