

1 **Executive Officer's Statement.** And I just wanted to announce
2 that we have our first charter conversion on this agenda, and
3 it is for the Vaughn High School Academy. This particular
4 school was just funded in February of 2005. So we're really
5 pleased to see our first charter conversion.

6 We did have the school district here that wanted
7 to say a couple of words. So after I finish --

8 CHAIRPERSON SHEEHAN: Sure.

9 MS. PARK: -- the EO statement, if we have her
10 come up here and say a few words.

11 CHAIRPERSON SHEEHAN: Sure.

12 MS. PARK: Okay. The next is the progress report
13 on the School Facilities Needs Assessment Grant. On February
14 2005, the Board provided \$22.8 million for the needs
15 assessment review by the districts, and it was due to the
16 Office of Public School Construction by January 1st of 2006.

17 Out of the 2,060 schools that were required to do
18 this or were on the list of CDE, 113 did not complete their
19 reports. We are working with the districts to get them to
20 turn in the facility needs report.

21 Also I would like to add -- it is not in front of
22 you, but we did just receive an opinion from the Attorney
23 General's office regarding the piggyback request on whether
24 or not it is legal to do piggybacking on modular
25 construction.

1 And the conclusion of the AG's office -- and if I
2 could just read it into the record:

3 "A school district may not without
4 advertising for bids contract with
5 another public agency to apply factory
6 built modular building components for
7 installation on permanent foundation."

8 I will be bringing back a report at the next
9 meeting to fully discuss that.

10 CHAIRPERSON SHEEHAN: Yes. Okay. And I know
11 Senator Lowenthal --

12 SENATOR LOWENTHAL: Yeah. This is an issue that
13 we talked about before. You know, we actually requested this
14 opinion. I had carried legislation last year regarding this
15 opinion.

16 I want to make sure that whenever we pass, that
17 we -- you know, we're going to be passing a consent calendar
18 today and that this is done with the provision -- or maybe --
19 I'm not sure if it needs to be provisionally passed -- that
20 all funding requests that are going forward from now on for
21 any kind of construction -- not talking about what's already
22 been done in the past -- that we verify that school districts
23 are not going to be using piggyback contracts for permanent
24 school construction in the future and that we notify school
25 districts about the AG's report that has come out, that it is

1 illegal to do this starting today, and any monies that are
2 allocated -- that we not participate in allocating any money
3 that goes for piggyback construction for permanent.

4 And I don't know how -- whether I need a motion to
5 do that or what to do. But that this Board -- we requested
6 this. It's now real clear that in the writing of the
7 legislation, if they meant to make the deal with -- you
8 know, actual school construction as -- to allow piggyback
9 contracting, it would have occurred in the writing. This is
10 not personal property like supplies -- it's real clear we
11 cannot be funding anything in the future starting today that
12 allows for piggyback, and school districts have to know
13 that --

14 ASSEMBLY MEMBER GOLDBERG: Is that a motion?

15 SENATOR LOWENTHAL: That's a motion.

16 ASSEMBLY MEMBER GOLDBERG: Second.

17 CHAIRPERSON SHEEHAN: Yeah. Go ahead.

18 MS. PARK: I would suggest that we do an advisory
19 on this subject and the action really needs to occur at the
20 next Board meeting because it is not an action item.

21 CHAIRPERSON SHEEHAN: Yeah. The concern --

22 MS. PARK: But we will advise districts that --

23 SENATOR LOWENTHAL: And we will not be funding
24 anything going forward from today on. Okay. I think that's
25 as long as --

1 CHAIRPERSON SHEEHAN: And I think that was the
2 issue, Senator, that it -- we just got the opinion yesterday.
3 So we did not have time to put it on the agenda to take
4 formal action, but Luisa and I talked, I said let's make sure
5 people know we will post it. We will post the advisory, so
6 no one can say they were unaware that as of today --

7 SENATOR LOWENTHAL: But as I understand -- I
8 understand that -- what -- that any monies that we're
9 allocating today are done either for new construction or for
10 modernization, all of those would fall under this because
11 they have not gone out for --

12 CHAIRPERSON SHEEHAN: They will be on notice.
13 That's right.

14 MS. PARK: Generally they're not.

15 SENATOR LOWENTHAL: And that the only issues that
16 might fall between the cracks are those that have already
17 constructed -- done this, and we're not in to penalizing
18 those that have already done the -- you know, this, but the
19 message has to go forward that as of today, there is no
20 funding for school construction or modernization that uses
21 piggyback contracting for -- in any way for permanent
22 facilities.

23 MS. PARK: Modular.

24 CHAIRPERSON SHEEHAN: For modular.

25 SENATOR LOWENTHAL: Modular facilities that end

1 up with the permanent foundation.

2 CHAIRPERSON SHEEHAN: Right.

3 ASSEMBLY MEMBER COTO: Just making that as part of
4 the Minutes of this meeting would suffice in preventing them?
5 We don't need any other action?

6 SENATOR LOWENTHAL: No. We're going to have a
7 motion next meeting, but it's already in the Minutes as of
8 today.

9 MS. PARK:

10 ASSEMBLY MEMBER MULLIN: We'll reflect it in the
11 Minutes and send out an advisory.

12 CHAIRPERSON SHEEHAN: And they'll post it on the
13 Web site. Senator Margett, did you want to say something?

14 SENATOR MARGETT: Well, yes. Thank you, Madam
15 Chair. With reference to this -- and I think it probably
16 would be in your analysis, although this is primarily
17 referring I think to modular type construction, there's an
18 element within modular type construction that is really
19 permanent. Sewers are kind of permanent. Those footings are
20 kind of permanent, and I think that we need to be able to
21 have some clarification there on that aspect.

22 I understand where you're coming from, Senator,
23 with regards to it, but I do think that there are elements
24 within temporary construction that take on a permanent aspect
25 of things. Asphalt paving, for instance, you know, that's

1 kind of permanent.

2 SENATOR LOWENTHAL: Yeah, but I think what we're
3 talking about though are -- as the modular building
4 components for installation on permanent foundation. That's
5 real clear in the AG report. It's real clear that that --
6 without going out for bids, that is illegal to use piggyback
7 contracting.

8 SENATOR MARGETT: Okay. That the modulars, but --

9 SENATOR LOWENTHAL: Right.

10 SENATOR MARGETT: But usually, Senator, when they
11 select a contractor to put in these modular units, you know,
12 they're putting in permanent -- you know, permanent aspects
13 of a temporary building. You get it? You do.

14 SENATOR LOWENTHAL: Yes, I do.

15 SENATOR MARGETT: You're a bright guy. I know it.

16 CHAIRPERSON SHEEHAN: Okay.

17 SENATOR LOWENTHAL: We will discuss that next
18 month.

19 CHAIRPERSON SHEEHAN: Right. Go ahead.

20 MS. PARK: That's it for the report from the
21 Executive Officer.

22 CHAIRPERSON SHEEHAN: Okay. All right.

23 MS. PARK: And then the next item on the agenda is
24 Tab 4 and that is the Consent Calendar for the Board's
25 approval.