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Proposition 1D

Election: [November 7, 2006 : General \(/library/elections/november-7-2006-general\)](#)

Public Education Facilities

Proposition 1D

Proposition 1D, the Education Facilities Bond, would permit the state to sell \$10.4 billion of general obligation bonds for renovation and construction projects for K-12 school facilities and higher education facilities. The proposition would target different facilities projects including modernization of existing K-12 schools, construction of new facilities, retrofitting school facilities, new technical education facilities, and modernization and construction of charter schools. Funds will also be used to repair and modernize public college and university buildings. The cost to the state would be approximately \$20.3 billion to pay off both the \$10.4 billion principal and the interest on the bonds. This would amount to payments of about \$680 million per year.

Official Results

Yes votes: 4,754,868 [56.9%]

No votes: 3,602,055 [43.1%]

Background

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K-12 schools

Funds for construction and renovation of California K-12 schools come from both state funds and school districts. Traditionally, school districts have paid around 60% of facilities construction and maintenance from property tax revenues and funds from developer fees. The state provides the other 40% of funds through revenues generated from bonds passed by voters. The state Allocation Board administers funds to school districts through the [School Facility Program \(http://www.opsc.dgs.ca.gov/SFPrograms/SFP_Main.htm\)](http://www.opsc.dgs.ca.gov/SFPrograms/SFP_Main.htm), which determines the eligibility of specific projects proposed by school districts. Qualifying school districts are then allocated funds to projects on a first-come, first-served basis. Funding amounts are provided per pupil. The School Facility Program was implemented by the passage of [Leroy F. Greene School Facilities Act \(http://www.leginfo.ca.gov/pub/97-98/bill/sen/sb_0001-0050/sb_50_bill_19980827_chaptered.pdf\)](http://www.leginfo.ca.gov/pub/97-98/bill/sen/sb_0001-0050/sb_50_bill_19980827_chaptered.pdf) (SB 50) in 1998.

Over the past decade, California voters have approved \$28.1 billion in state bonds for K-12 school facilities. School districts usually come up with their part of facilities funding by issuing general obligation bonds which local voters must approve. These bonds are traditionally repaid by property tax revenue. School districts have passed approximately \$41 billion in school facility bonds over the past ten years.

Higher education

Funding for facilities of the 142 California community colleges, state colleges and the University of California system are provided through state bond funds. Funds are administered through the California Community College (<http://www.cccco.edu/>) system, California State University (<http://www.calstate.edu/>) system and the University of California (<http://www.universityofcalifornia.edu/>) system independently.

In addition, community college districts can sell voter approved general obligation bonds. The University of California system may also sell bonds to finance new research facilities. UC must pay back the bonds with revenue generated by research in the new facilities. California's higher education system also relies on grants and private gifts. Since 2000, state and local bonds have provided \$13 billion in higher education funding.

Proposition 1D funding allocations

Proposition 1D began as AB 127 (leginfo.ca.gov/pub/05-06/bill/asm/ab_0101-0150/ab_127_bill_20060520_chaptered.pdf), a broad bill aimed at enacting changes relating to Budget Act of 2005. After being amended several times, Fabian Nuñez (D-Los Angeles) introduced the AB 127 as a school facilities bill in 2006. The proposition was tied into negotiations related to a larger infrastructure development bond targeting education, flood protection and housing. The legislature eventually passed separate bills, including AB 127, each aimed at different parts of infrastructure development. It passed the legislature on 4 May 2006.

Proposition D would enable the state to sell \$10.4 billion in general obligation bonds for K-12 and higher education school facilities upgrades and construction.

K-12 facilities

Proposition 1D would provide \$7.3 billion for K-12 school facilities improvements and would target 7 different types of projects:

\$3.3 billion would be spent on modernization of current school facilities. 40% of the project's cost would be paid by school districts with the state paying the other 60%. School districts who qualify for hardship funding could possibly pay less than 40%.

\$500 million would be spent on construction and modernization of charter school facilities. In this case, the school district would contribute 50% of the project's cost.

\$29 million in funds would go to joint-use projects. Joint-use projects are defined as facilities used for a joint purpose such as gymnasiums, libraries, and child care facilities. These facilities are located at a specific school but are used by a larger community than the school's population. Under Proposition 1D, the school district and the joint-use partner would provide 50% of the project's cost with the state making up the other 50%.

\$3.3 billion would be spent on the modernization of current school facilities. The school district would pay 40% of the project's cost with the state paying the other 60%. School districts who qualify for hardship funding could possibly pay less than 40%.

\$1.9 billion would be spent on the building of new facilities. Up to \$200 million of the funds would be available to retrofit school facilities that do not meet earthquake safety regulations. School districts would pay 50% of the project's cost with the state paying for the other 50%. School districts who qualify for hardship funding could possibly pay less than 50%.

\$1 billion would be spent on grants for overcrowded schools. School districts would be required to eliminate portable classrooms and construct permanent classrooms as replacements. School districts would pay 50% of the project's cost with the state paying for the other 50%.

\$100 million would be spent on grants to fund environment-friendly projects. Districts which design projects that use environmentally friendly materials and promote conservation of energy and other materials could be allocated these special funds. School districts would pay 50% of the project's cost with the state paying for the other 50%.

\$500 million would be spent on a new program designed to help students interested in technical service jobs. Grants would be allocated to high schools and local agencies which provide technical programs for their students. The grants would provide up to \$3 million for new construction projects and \$1.5 million for modernization and renovation projects. School districts would pay 50% of the project's cost with the state paying for the other 50%.

Higher education

\$3.1 billion in funding for higher education would be allocated as follows for facilities construction and maintenance of California community colleges, California State Universities and the University of California system:

\$1.5 billion would go to the community college system.

\$690 million to the California state university system.

\$890 million to the University of California system.

The legislature and the governor would select all higher education projects that funds would go to.

Arguments For and Against

Proponents of Proposition 1D say that California's schools are badly overcrowded and its facilities are badly in need of repair. They believe that Proposition 1D will provide new classrooms, structural upgrades, and an infrastructure for development of future technical workers. They point to the fact that both governor Schwarzenegger and Democratic candidate for governor Phil Angelides have endorsed the proposition. Proponents say Proposition 1D provides a broad first step in countering California school facilities problems. Education advocacy groups and some members of the business community make up the support base for Proposition 1D.

Opponents focus on the costs of Proposition 1D. They believe that \$10.4 billion in bond debt is unacceptable given California's economic state. They believe that the proposition is too profligate an approach, creating new programs without any basis for believing that they would work. Opponents also believe that some of the school construction projects proposed by Proposition 1D are not essential programs. Many critics believe

that pay-as-you-go projects are preferable. Opponents of Proposition 1D include members of the business community and conservative economists.

Official Voter Information

[Voter Information Guide \(http://vigarchive.sos.ca.gov/2006/general/\)](http://vigarchive.sos.ca.gov/2006/general/)

Includes title and summary, arguments for and against, and text of the initiative.

[Education Facilities Bond \(http://www.lao.ca.gov/ballot/2006/1D_11_2006.pdf\)](http://www.lao.ca.gov/ballot/2006/1D_11_2006.pdf)

Analysis by California Legislative Analyst, 2006.

[Individual Campaign Committees \(http://cal-access.ss.ca.gov/Campaign/Measures/Detail.aspx?id=1286827&session=2005\)](http://cal-access.ss.ca.gov/Campaign/Measures/Detail.aspx?id=1286827&session=2005)

[Total Contributions and Expenditures \(http://dbsearch.ss.ca.gov/BallotSearch.aspx\)](http://dbsearch.ss.ca.gov/BallotSearch.aspx) (select "Nov. 2006 election" and "Prop. 1D" in drop down boxes)

Public Opinion

[Analyzing the Vote for Selected Propositions \(http://www.latimes.com/media/acrobat/2006-11/26326097.pdf\)](http://www.latimes.com/media/acrobat/2006-11/26326097.pdf), Los Angeles Times Exit Poll, Nov. 9, 2006.

[Exit poll: Complete poll data \(http://www.latimes.com/media/acrobat/2006-11/26326083.pdf\)](http://www.latimes.com/media/acrobat/2006-11/26326083.pdf), Los Angeles Times Exit Poll, Nov. 9, 2006.

[Majorities of voters appear ready to approve the state's infrastructure bonds \(Props. 1B, 1C, 1D and 1E\). \(http://field.com/fieldpollonline/subscribers/RLs2219.pdf\)](http://field.com/fieldpollonline/subscribers/RLs2219.pdf) Field Poll, Release 2219, Nov. 4, 2006.

[PPIC Statewide Survey: Californians and the Future \(http://www.ppic.org/content/pubs/survey/S_1006MBS.pdf\)](http://www.ppic.org/content/pubs/survey/S_1006MBS.pdf), Public Policy Institute, October 2006.

[PPIC Statewide Survey: Californians and the Future \(http://www.ppic.org/content/pubs/survey/S_906MBS.pdf\)](http://www.ppic.org/content/pubs/survey/S_906MBS.pdf), Public Policy Institute, September 2006.

[PPIC Statewide Survey: Californians and the Future \(http://www.ppic.org/content/pubs/survey/S_806MBS.pdf\)](http://www.ppic.org/content/pubs/survey/S_806MBS.pdf), Public Policy Institute, August 2006.

[Voters are supporting four of the five bond proposals on the November ballot, although not by overwhelming margins \(http://field.com/fieldpollonline/subscribers/RLS2206.pdf\)](http://field.com/fieldpollonline/subscribers/RLS2206.pdf). Field Poll, Release 2206, July 28, 2006.

[Continuing negative job appraisals of the Governor and the legislature, despite initial support for infrastructure bonds \(http://field.com/fieldpollonline/subscribers/RLS2201.pdf\)](http://field.com/fieldpollonline/subscribers/RLS2201.pdf). Field Poll, Release 2201, June 5, 2006.

Reports and Studies

[Propositions 1B, 1C, 1D, and 1E: The Public Works Bond Package \(https://web.archive.org/web/20061107061552/http://www.cbp.org/pdfs/2006/0610_bb_publicworks.pdf\)](https://web.archive.org/web/20061107061552/http://www.cbp.org/pdfs/2006/0610_bb_publicworks.pdf). Oct. 2006, California Budget Project