

OFFICE OF THE BOARD OF EDUCATION

1000 Broadway, Suite 680
Oakland, CA 94607-4099
510.879.8199 w • 510.879.2299 f • 510.879.2300 TTY / TDD
www.ousd.k12.ca.us
e-mail: boe@ousd.k12.ca.us



**OAKLAND UNIFIED
SCHOOL DISTRICT**

Community Schools, Thriving Students

BOARD OF EDUCATION 2014

David Kakishiba, President, District 2
David.Kakishiba@ousd.k12.ca.us

James Harris, Vice President, District 7
James.Harris@ousd.k12.ca.us

Jody London, District 1
Jody.London@ousd.k12.ca.us

Jumoke Hinton Hodge, District 3
Jumoke.Hodge@ousd.k12.ca.us

Anne Campbell Washington, District 4
Anne.Washington@ousd.k12.ca.us

Roseann Torres, District 5
Roseann.Torres@ousd.k12.ca.us

Christopher Dobbins, District 6
Christopher.Dobbins@ousd.k12.ca.us

May 28, 2014

File ID Number: 14-1041
Introduction Date: 5/28/14
Enactment Number: 14-0922
Enactment Date: 5/28/14
By: [Signature]

To: Board of Education
From: Jody London
Subj: Support for SB 1157 - School Facilities: Kindergarten-University Public Education Facilities Bond Act of 2006 (Senator Loni Hancock)

ACTION REQUESTED

Adoption by Board of Education of Support for SB 1157, As Amended, Hancock -School Facilities: Kindergarten-University Public Education Facilities Bond Act of 2006, which requires, if enacted, that if existing funds for repair or replacement of seismically vulnerable school facilities and unencumbered funds in the High Performance School account, approved in Proposition 1D, are transferred or merged by the Legislature with other Proposition 1D fund accounts, such as the New Construction Account or the Modernization Account, under conditions specified, that the transferred funds be used only for original purposes, i.e., seismic repair, reconstruction or replacement projects and for projects, under new construction or modernization, that only promote use of designs and materials in new construction and modernization that have the attributes of High Performance Schools.

BACKGROUND

The Kindergarten-University Public Education Facilities Bond Act of 2006, better known as Proposition 1D, recommended by the Legislature and, approved by the voters on the November 7, 2006 ballot, authorized, among other amounts, the issuance of \$7,329,000,000 in bonds for K-12 Schools. Proposition 1D, as passed by the voters, specifically designated funding for and specific amounts for categories, including seismic repair, reconstruction or replacement of school facilities and specifically \$100 million for Environmental-Friendly Projects¹ including High Performance Schools.

¹ **Environment-Friendly Projects (\$100 Million).** Proposition 1D provides special incentive grants to promote certain types of environment-friendly facilities. For example, school districts receive grant funding if facilities included designs and materials that promoted the efficient use of energy and water, the maximum use of natural lighting, the use of recycled materials, or the use of acoustics conducive to teaching and learning.

Proposition 1D, also, as approved by voters, authorizes the Legislature, under certain circumstances, to consolidate or reappropriate amounts of funding designated for specific voter approved categories in Proposition 1D.

The Budget Act of 2014, under consideration by the Legislature, if enacted, would transfer voter appropriated Proposition 1D funds, for seismic repair, reconstruction or replacements projects and unencumbered funds for High Performance Schools to the New Construction and/or Modernization Accounts (or other categories) of Proposition 1D.

While such transfers are deemed legal under Proposition 1D, SB 1157, by Senator Loni Hancock, if enacted, will require the transferred funds to continue to be used in a manner that maintains the intent of the voters that Proposition 1D funds be used for seismic repair, reconstruction or replacement projects and for projects that promote use of designs and materials in new construction and modernization projects that have the attributes of High Performance Schools.

FISCAL IMPACT

The District, under the Act, is a beneficiary of both seismic repair, reconstruction and replacement projects and projects that develop High Performance Schools. The District is in continuous need of the Proposition 1D resources for the aforementioned purposes.

Support of SB 1157 by Senator Hancock is the most likely way of insuring that the District, and similarly situated Districts, continue to receive funding for both seismic repair, reconstruction and replacement school facility projects and for projects that promote High Performance School facilities.

RECOMMENDATION

Adoption by Board of Education of Support of SB 1157, As Amended, Hancock -School Facilities: Kindergarten-University Public Education Facilities Bond Act of 2006, for reasons stated herein.

JL:ER:st

Attachment: SB 1157 - School Facilities: Kindergarten-University Public Education Facilities Bond Act of 2006 (Senator Loni Hancock)

AMENDED IN SENATE MAY 7, 2014
AMENDED IN SENATE APRIL 21, 2014

SENATE BILL

No. 1157

Introduced by Senator Hancock

February 20, 2014

An act to amend Section 101012 of the Education Code, relating to school facilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 1157, as amended, Hancock. School facilities: Kindergarten-University Public Education Facilities Bond Act of 2006.

Existing law, known as the Kindergarten-University Public Education Facilities Bond Act of 2006, which was approved by the voters at the November 7, 2006, statewide general election, among other things, authorized the issuance of \$7,329,000,000 in bonds, the proceeds of which are to be allocated, in accordance with a schedule, for the construction and modernization of school facilities. *Existing law authorizes the Legislature to adjust, under certain conditions, the funding amounts for the school facilities projects authorized pursuant to those provisions.*

This bill would prohibit the funds identified for the repair or replacement of seismically vulnerable school facilities under the act from being transferred from the Seismic Repair Subaccount of the New Construction Account for use for any purpose other than seismic repair, reconstruction, or replacement.

The bill would require, in the event that the Budget Act of 2014 includes a transfer of the unencumbered funds remaining in the High Performance Schools Account to the New Construction Account or to the Modernization Account, the transferred funds to be used only for

new construction or modernization projects that promote the use of designs and materials in new construction and modernization projects that include the attributes of high-performance schools, as specified. *The bill would specify that the amounts to be expended for certain school facilities projects may not be adjusted until the projects eligible for the remaining unencumbered funds as of January 1, 2015, have had an opportunity to participate in the priority funding process established by the State Allocation Board.*

The bill would declare that it is consistent with, and furthers the purposes of, the act.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 101012 of the Education Code is amended
2 to read:
3 101012. (a) The proceeds from the sale of bonds, issued and
4 sold for the purposes of this chapter, shall be allocated in
5 accordance with the following schedule:
6 (1) (A) The amount of one billion nine hundred million dollars
7 (\$1,900,000,000) for new construction of school facilities of
8 applicant school districts under Chapter 12.5 (commencing with
9 Section 17070.10) of Part 10 of Division 1 of Title 1.
10 (B) Of the amount allocated under this paragraph, up to 10.5
11 percent shall be available for purposes of seismic repair,
12 reconstruction, or replacement, pursuant to Section 17075.10. To
13 meet the state's legal and moral obligation to protect the health
14 and safety of students and staff, funds identified for the repair or
15 replacement of seismically vulnerable school facilities under this
16 subparagraph shall not be transferred from the Seismic Repair
17 Subaccount of the New Construction Account for use for any
18 purpose other than seismic repair, reconstruction, or replacement
19 pursuant to Section 17075.10.
20 (2) The amount of five hundred million dollars (\$500,000,000)
21 shall be available for providing school facilities to charter schools
22 pursuant to Article 12 (commencing with Section 17078.52) of
23 Chapter 12.5 of Part 10 of Division 1 of Title 1.
24 (3) The amount of three billion three hundred million dollars
25 (\$3,300,000,000) for the modernization of school facilities pursuant

1 to Chapter 12.5 (commencing with Section 17070.10) of Part 10
2 of Division 1 of Title 1.

3 (4) The amount of five hundred million dollars (\$500,000,000)
4 for the purposes set forth in Article 13 (commencing with Section
5 17078.70) of Chapter 12.5 of Part 10 of Division 1 of Title 1,
6 relating to facilities for career technical education programs.

7 (5) Of the amounts allocated under paragraphs (1) and (3), up
8 to two hundred million dollars (\$200,000,000) for the purposes
9 set forth in Chapter 894 of the Statutes of 2004, relating to
10 incentives for the creation of smaller learning communities and
11 small high schools.

12 (6) The amount of twenty-nine million dollars (\$29,000,000)
13 for the purposes set forth in Article 10.6 (commencing with Section
14 17077.40) of Chapter 12.5 of Part 10 of Division 1 of Title 1,
15 relating to joint use projects.

16 (7) The amount of one billion dollars (\$1,000,000,000) shall be
17 available for providing new construction funding to severely
18 overcrowded schoolsites pursuant to Article 14 (commencing with
19 Section 17079) of Chapter 12.5 of Part 10 of Division 1 of Title
20 1.

21 (8) (A) The amount of one hundred million dollars
22 (\$100,000,000) for incentive grants to promote the use of designs
23 and materials in new construction and modernization projects that
24 include the attributes of high-performance schools, including, but
25 not necessarily limited to, the elements set forth in Section
26 17070.96, pursuant to regulations adopted by the State Allocation
27 Board.

28 (B) In the event that the Budget Act of 2014 includes a transfer
29 of the unencumbered funds remaining in the High Performance
30 Schools Account created pursuant to subparagraph (A) to the New
31 Construction Account created pursuant to paragraph (1) or to the
32 Modernization Account created pursuant to paragraph (3), the
33 transferred funds shall be used only for new construction or
34 modernization projects meeting the purposes set forth in
35 subparagraph (A).

36 (b) School districts may use funds allocated pursuant to
37 paragraph (3) of subdivision (a) only for one or more of the
38 following purposes in accordance with Chapter 12.5 (commencing
39 with Section 17070.10) of Part 10 of Division 1 of Title 1:

1 (1) The purchase and installation of air-conditioning equipment
2 and insulation materials, and related costs.

3 (2) Construction projects or the purchase of furniture or
4 equipment designed to increase school security or playground
5 safety.

6 (3) The identification, assessment, or abatement in school
7 facilities of hazardous asbestos.

8 (4) Project funding for high-priority roof replacement projects.

9 (5) Any other modernization of facilities pursuant to Chapter
10 12.5 (commencing with Section 17070.10) of Part 10 of Division
11 1 of Title 1.

12 (c) Funds allocated pursuant to paragraph (1) of subdivision (a)
13 may also be utilized to provide new construction grants for eligible
14 applicant county boards of education under Chapter 12.5
15 (commencing with Section 17070.10) of Part 10 of Division 1 of
16 Title 1 for funding classrooms for severely handicapped pupils,
17 or for funding classrooms for county community school pupils.

18 (d) (1) The Legislature may amend this section to adjust the
19 funding amounts specified in paragraphs (1) to (8), inclusive, of
20 subdivision (a), only by either of the following methods:

21 (A) By a statute, passed in each house of the Legislature by
22 rollcall vote entered in the respective journals, by not less than
23 two-thirds of the membership in each house concurring, if the
24 statute is consistent with, and furthers the purposes of, this chapter.

25 (B) By a statute that becomes effective only when approved by
26 the voters.

27 (2) Amendments pursuant to this subdivision may adjust the
28 amounts to be expended pursuant to paragraphs (1) to (8), inclusive,
29 of subdivision (a), but may not increase or decrease the total
30 amount to be expended pursuant to that subdivision.

31 (3) *Notwithstanding paragraph (2), the amounts to be expended*
32 *pursuant to paragraphs (2), (4), and (7) of subdivision (a) shall*
33 *not be adjusted until the projects eligible for the remaining*
34 *unencumbered funds as of January 1, 2015, have had an*
35 *opportunity to participate in the priority funding process*
36 *established by the board.*

37 (e) Funds available pursuant to this section may be used for
38 acquisition of school facilities authorized pursuant to Section
39 17280.5.

1 SEC. 2. The Legislature finds and declares that the amendments
2 to Section 101012 of the Education Code made by Section 1 of
3 this act are consistent with, and further the purposes of, the
4 Kindergarten-University Public Education Facilities Bond Act of
5 2006.

O