



SB 22 – Education Finance: Education Facilities Bond Act of 2022

Summary:

This bill would place a \$15 billion bond on the 2022 ballot for facilities at public preschool, K-12, California Community Colleges (CCC), University of California (UC), and California State University (CSU). The bond money could be used for repairing aging classrooms, removing toxic mold out of schools, and the construction, reconstruction, and remodeling of existing or new facilities.

Background:

For two decades starting in the 1980s, voters approved bonds for public higher education with some regularity – every two to four years. The last statewide general obligation bond, Proposition 1D (AB 127, Núñez & Perata), was approved in November 2006, authorizing \$10.4 billion in general obligation bonds, of which \$3.087 billion was earmarked for higher education facilities. However, by 2012, all of those funds were essentially exhausted.

In 2016, voters approved Proposition 51, a \$9 billion education facilities bond. But this bond did not include any bond money for the UC or CSU. Instead, the higher education systems raise capital funding in limited amounts through their General Revenue Bond Program and Systemwide Revenue Bond Program, respectively. This, however, is an unsustainable way for the segments to meet their capital needs.

For the first time in over two decades, California voters rejected a statewide bond, Proposition 13, for public school construction in March 2020. With Prop 13's defeat, the state has run out of matching funding for school construction. In March, local voters rejected over 60 percent of school bond initiatives, which have historically passed at a much higher rate.

However, since then, public support is growing for improving campus infrastructure: In November

2020, voters decided on 60 local school bond measures and 80% of those measures were approved.

Issue:

COVID-19 pandemic has highlighted the need for safe school and campus facilities that protect the health of children and staff. Many schools do not have sufficient building space to comply with federal and state reopening guidelines on smaller class sizes. Significant construction, upgrades, and repairs are needed to create larger classrooms, improve ventilation systems, and reduce the risk of transmission in shared spaces.

According to PPIC, about two-thirds of the state's school facilities are more than 25 years old, and research has shown that it would cost over \$117 billion to modernize schools and colleges in the next decade.

Similarly, between the 2015–16 and 2018–19 fiscal years, 108 schools in 60 districts were closed at least once due to poor facility conditions, including gas leaks, heating system failures, broken water pipes, pest infestations, and mold, asbestos, and lead contamination. The majority of these districts (41) are high-need districts, in which more than 55 percent of students are low income, English Learners, experiencing homelessness, or foster youth.

Similarly, since 2006, despite a deteriorated fiscal condition for both the UC and CSU, no higher education-specific bonds have been authorized. The systems currently have identified over \$16 billion in deferred maintenance needs. These include addressing fire, safety, and seismic deficiencies, and to modernize and construct facilities to keep pace with current technology and workforce needs.

Existing Law:

In November 2016, the Kindergarten Through Community College Public Education Facilities

Bond Act of 2016 was approved by voters, authorizing \$9 billion in general obligation bonds for K-12 (\$7 billion) and CCC facilities (\$2 billion).

The last higher education-specific bond passed was Proposition 153 in 1992, which authorized a bond issue of \$900 million for the strengthening, upgrading and constructing of public colleges and universities throughout the state.

Proposal:

Maintaining capital assets and infrastructure, modernizing buildings, and ensuring adequate capacity are all essential to increasing access and improving student outcomes. If approved by voters, this bill would authorize:

- \$6 billion for higher education, with \$2 billion each for community colleges, California State University and the University of California
- \$9 billion for K-12:
 - \$5.2 billion for renovations, with \$150 million earmarked for testing and reducing lead in school eater
 - \$2.8 billion for new construction
 - \$500 million for charter school facilities
 - \$500 million for career technical program facilities

Specifically, the bond monies, once authorized by the Legislature in the budget and approved by the Governor and then by the voters, could be used for the construction, reconstruction, and remodeling of existing or new facilities, including the preconstruction and equipping of buildings and the acquisition of land.

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