



## 2023 CSFC SUMMIT: LEGISLATIVE & REGULATORY UPDATE

Rebekah Kalleen, CSFC  
Ian Padilla, CASH

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### POLITICAL LANDSCAPE

2023 = First year of a two-year legislative session

#### New Legislative Leadership

- Assembly Speaker Robert Rivas – June 2023
- Senate President Pro Tem Mike McGuire – start date TBD

#### Budget mood swings and economic slowdown

- Will October revenues materialize?
- Proposition 98 – mid-year cuts looming?

2024 = Election year politics





## 2024 STATE SCHOOL BOND: AB 247 (MURATSUCHI)

AB 247 introduced by three Assembly co-authors:

- Al Muratsuchi – Assembly Education Committee Chair
- Mike Fong – Assembly Higher Education Committee Chair
- Lori Wilson

Status: “Two-Year Bill” parked in Senate Appropriations Committee

\$14 billion for K-14 state school bond

- Segment split TBD

Planned for November 2024

- Bill must pass by June 2024

Polling shows bond can pass – with a strong campaign



## 2024 STATE SCHOOL BOND: SB 28 (GLAZER)

\$15.5 billion K through University bond

March 2024 primary ballot

- No longer feasible due to deadlines

Reintroduction of failed Prop 13 (2020)

Status: “Two-year Bill” parked in Assembly Appropriations Committee



## 2024 State School Bond Bills: AB 247 vs. SB 28

### *Key Differences*

#### **AB 247 (Muratsuchi)**

- K-12 and community colleges
- \$14 billion, election date TBD
- Does not change how projects are prioritized for funding
- Requires inventory with school site information
- OPSC to process/present applications to SAB within 120 days of receipt
- Minimum Essential Facilities – supplemental grant for one gym, multipurpose room, library, or school kitchen
- Climate change funding – specifics TBD

#### **SB 28 (Glazer)**

- K-12, community colleges, UC & CSU
- \$15.5 billion on March 2024 ballot
- Quarterly processing by priority points to change how projects are ranked and funded
- Local bonding capacity increases
- Requires five-year master plan
- Funding for:
  - Stadium lights (\$250 m)
  - Mental health and wellness centers (\$250 m)
  - Charles R. Drew University of Medicine and Science (\$50 m)

### *Key Similarities*

#### **Both bond bills include the following provisions:**

- Sliding Scale State Match – up to 5% increase in state match for new construction and modernization grant amounts, based on LCFF unduplicated pupil count and assessed valuation. No project receives less than the current state share.
- Small School Districts Assistance – Fewer than 2,501 pupils – Receive a reservation of bond authority using a preliminary apportionment structure. Up to 10% of new construction and 10% of modernization funds are reserved for small school districts. Receive a construction management grant preliminary apportionment worth 5% of the state share to assist with planning, site acquisition, preconstruction, and closeout.
- Financial Hardship – Updates qualifying criteria to increase the maximum level of total bonding capacity from \$5 million to \$15 million.
- Energy Efficiency Grant – Provide a 10% increase for new construction and modernization projects designed with specific energy efficiency components.
- 50 Year-Old Buildings – Replacement under modernization for buildings at least 50 years old.
- Lead Mitigation – Provides grant to test drinking water for lead and lead pipe/fixture replacement. Provides up to 10% pupil grant increase for lead mitigation.
- Use of Grants – Allows the use of grants for:
  - School facilities on military bases
  - Seismic mitigation
  - Broadband internet infrastructure
- Interim Housing for Emergency Assistance – for schools impacted by a natural disaster for which the Governor has declared a state of emergency.





## GENERAL FUND SUPPORT FOR SCHOOL FACILITIES

Will the State maintain its commitment to provide General Fund support for school facilities?

- Funding reduced/delayed in FY 23-24

School Facility Program = \$4.1 billion committed in prior budgets

- FY 22-23: \$1.3 billion GF
- FY 23-24: \$1.96 billion GF (*reduced by \$100 million from prior commitments*)
- FY 24-25: \$875 million GF (intent)

Preschool, TK, Full-Day Kindergarten Facilities Grant Program

- FY 21-22: \$490 million GF
- FY 22-23: \$100 million GF
- FY 23-24: \$0 (*\$550 million GF promised in prior budgets*)
- FY 24-25: \$550 million GF (intent; *delayed by one year*)



## GREENING SCHOOLYARDS

The Legislature *did not* pass any major bills related to schoolyard greening...

- ...yet heat mitigation is a top policy discussion

CalFire Green Schoolyard Grant Program

- Provided \$120 million for school projects to convert pavement to green spaces, create drought-tolerant natural areas, and other activities to help children connect to nature
- Part of the Governor's Extreme Heat Action Plan

SB 515 (Stern) – Shade Structures

- Sponsored by LAUSD
- Status: Passed by Legislature
- Eases accessible path of travel requirements for free-standing, open-sided pre-check shade structures
- Limits the cost of complying to 20% of the adjusted construction cost of the shade structure project



## GREENING SCHOOLYARDS, CONTINUED

Bills that were introduced but *not passed* include:

- **SB 499 (Menjivar) – Extreme Heat Action Plans**
  - Required all school sites to develop an Extreme Heat Action Plan, and to implement if funding were provided
  - When replacing/resurfacing outdoor surfaces – replace low specific heat surfaces (cement, asphalt, synthetic turf) with high specific heat surfaces (cool pavement, natural grass, wood chips)
- **AB 1642 (Gipson) – Master Plan for Green Schoolyards**
  - Interagency/stakeholder process to prepare a state master plan (with recommendations and best practices) for green schoolyards by Dec. 1, 2024
  - Recommend a statewide goal for the number of schools with green schoolyards by a specific date
- **AB 527 (Calderon) – CalFire Urban Forestry Grant Program**
  - Would require CalFire to develop a competitive grant program to support school greening projects – to codify a program
  - Governor vetoed a similar bill (AB 2566) in 2022



## TEMPERATURE/CLIMATE CHANGE

Bills passed by the Legislature include:

### AB 384 (Calderon) – Interior Temperature Study

- Requires CDE to conduct a research study with report and recommendations due 1/1/26
- Study to include:
  - Recommended indoor air temperature ranges and control standards for K-12
  - Inventory of heating and cooling systems at schools, based on representative sample of LEAs statewide
- CDE shall develop policy recommendations for safe indoor air temperature standards for elementary/secondary public school facilities by 1/1/27, based on the study

### SB 394 (Gonzalez) – State Master Plan for Climate-Resilient Schools

- Creates process for developing the Master Plan by 3/31/25 – interagency effort (CEC, CDE, DSA, OPSC, Natural Resources Agency)
  - Only upon a budget appropriation for this purpose
- Inventory of elementary and secondary school buildings and grounds – building site size/location, age, whether/when HVAC system was last modernized, age and fuel source for building systems and major appliances, energy/water expenditures from 3 most recent school years
  - May be conducted by LEAs that agree to participate
- Include priorities, benchmarks, and milestones for health, resilience, and decarbonization in alignment with states climate and equity goals



## STORMWATER MS4 PERMIT

State Water Board proposing to designate K-12 for MS4 stormwater permit

- School-specific permit
- State implementation of Federal Clean Water Act

Timeline: Informal draft complete by end of Sept. 2023, formal draft by early spring, final adoption Fall 2024

Major stormwater management program for pre-construction, construction, post-construction

- Public outreach and education
- Minimum Control Measures
- Total Maximum Daily Loads and water quality monitoring
- Prescribed design standards

Governance structure = State and Regional Water Boards



## CONTRACTING/PROCUREMENT

Contracting/procurement bills passed by the Legislature:

### AB 334 (Rubio) – Conflicts of Interest

- Sponsored by American Council of Engineering Companies of California
- Issue: When does a vendor's work on an earlier phase of a project disqualify them from working on a subsequent phase? (Government Code 1090)
- Specifies that an independent contractor who has performed work on one phase of a project may enter into a subsequent contract for a later phase of the same project (they are not an "officer" for conflict of interest purposes)
  - Must not advise the public entity on public contracting to apply

### AB 1121 (Haney) – Public Works Ineligibility List

- Sponsored by International Union of Operating Engineers, CA-Nevada Conference
- Requires awarding authorities to annually submit to DIR a list of contractors that are ineligible to bid on or be awarded a public works contract, pursuant to *local* level debarments or suspension processes



## CONTRACTING/PROCUREMENT

### Issues to address in 2024:

- Design-Build
  - K-12 Design-Build authority sunsets Jan. 1, 2025
- CUPCCAA – Informal Bid Limits
  - Last increased via AB 2249 (Cooley) – effective 2019
  - CUPCCAA Commission reviews statutory limits every 5 years and makes recommendation on potential increases



## ALL-GENDER RESTROOMS

### SB 760 (Newman) – All-Gender Restrooms

- Must provide and maintain at least one all-gender restroom for pupil use by July 1, 2026
  - All-gender signage
  - Unlocked, unobstructed, easily accessible
  - Is available during school hours and school functions when pupils are present
  - Must designate a staff member to serve as point of contact for implementation
  - Post a notice of these requirements outside at least one all-gender restroom, including point of contact
  - May use an existing restroom
- Tied to the School Facility Program – all modernization projects submitted for approval on/after July 1, 2026 that do not already have an all-gender restroom must include one in their project
- CDE to provide guidance on examples of signage and best practices



## QUESTIONS?

**Rebekah Kalleen**

Legislative Advocate

[rkalleen@m-w-h.com](mailto:rkalleen@m-w-h.com)

**Ian Padilla**

Legislative Advocate

[ipadilla@m-w-h.com](mailto:ipadilla@m-w-h.com)

**County School Facilities Consortium**

1303 J Street, Suite 520

Sacramento, CA 95814

(916) 441-3300

**Coalition for Adequate School Housing**

1303 J Street, Suite 520

Sacramento, CA 95814

(916) 448-8577